



Environmental, Social and Governance Policy Statement

Strategic Overview

Environmental, Social and Governance (ESG) practices reflect a focused set of factors used to inform investment and decision-making processes. Examples of ESG factors may include, but are not limited to, carbon and energy consumption, climate change, biodiversity, employee engagement, diversity and inclusion, and board governance. Spyglass developed its ESG policy for clients, prospective clients, employees, and other stakeholders so that they may better understand how Spyglass integrates ESG factors into its fundamental investment research process and corporate strategy. Spyglass believes that an integrated approach to evaluating ESG factors for all investments coincides with its fundamental investment research process. Spyglass's Investment Team works to enhance stock selection, portfolio risk management, and, ultimately, returns for clients by analyzing factors that include ESG. Spyglass believes the incorporation of ESG factors harmonizes with its multi-factor, fundamental investment research process designed to identify opportunities not fully reflected in market valuations. Spyglass's priority, as fiduciaries and stewards of capital, is long-term capital appreciation. Spyglass approaches incorporating ESG factors into its fundamental investment research process as "non-concessionary," meaning ESG factors are a complement to the process, not a sole determinant in making investment decisions. Spyglass does not actively sacrifice performance over ESG criteria.

ESG Integration

Spyglass believes sustainable investing is the incorporation of ESG factors into its fundamental analysis of a company's potential long-term value. Integrating ESG factors into the investment research process allows the Investment Team to identify material risks and opportunities that may otherwise be overlooked. For the purposes of this policy, "material" ESG issues are defined as those issues that Spyglass's Management Team, in its sole discretion, determine have, or have the potential to have, a materially direct or substantial impact on an organization's ability to create, preserve or erode economic value. Material ESG issues also include environmental and social value considerations such as any resulting impact to Spyglass, its clients, investors or other stakeholders. Sustainable investing is an inherent part of Spyglass's culture and is consistent with its investment research process and fiduciary duty to manage investments in the best interests of its clients. Ultimately, Spyglass aims to assess whether a business is durable and capable of maintaining high returns on capital in the long term.

To ensure a systematic and firm-wide approach to ESG research, Spyglass has developed a proprietary research process that evaluates a company's ESG strengths and weaknesses. Spyglass integrates ESG factors into the existing research process by analyzing public company documents, websites, SEC filings and third-party research, as well as direct conversations with company management teams. The Spyglass Investment Team uses this information to construct an ESG Company Assessment Report

(a proprietary internal report that uses a bottoms-up ESG evaluation by assessing a company's ESG disclosures, previous impact and future intentions of the ESG program, overall focus and progress given to ESG practices, and performance relative to industry peers). Each company is then assigned an overall ESG score, which is an average of its "E", "S", and "G" scores. This scoring approach is not intended to be a precise science based on specific factors or criteria, but rather a tool to provide proprietary insight on companies the Spyglass Investment Team researches and invests. Spyglass does not believe there is a consistent, effective or accurate ESG evaluation method that can be automated, particularly for small to mid-size companies.

Spyglass's next step is to ensure a systematic, firm-wide approach to evaluating the financial impact of ESG factors is to incorporate financial materiality, as defined by the Sustainability Accounting Standards Board (SASB). SASB is working to create "standards" for public companies to disclose specific metrics based on the industry and sector in which a company operates. Spyglass's Investment Team utilizes the SASB Materiality Map to inform its investment research process.

Spyglass's proprietary research and internal SASB assessment is not systematically prioritized, or de-emphasized, but, rather, assessed in the appropriate context of the overall investment thesis for each company. Spyglass's internal SASB assessment and ESG Company Assessment Reports are incorporated into its fundamental investment research process to identify and properly evaluate investment risks, including ESG risk. ESG factors are considered a complement to the investment research process, not a sole determinant in investment decisions. Spyglass incorporates ESG factors into its investment research process to reduce risk and enhance return. This integrated approach allows the Investment Team to factor in financial performance while considering industry specific ESG factors as a part of its due diligence and risk mitigation process.

Company Engagement

As long-term, small- and mid-cap investors, Spyglass believes engagement and dialogue with company management teams is imperative to the investment process and that integrating ESG factors into these conversations is crucial in narrowing the information gap. Significant analysis and effort are put into the discussions with management teams, and Spyglass believes these engagements, more so than voting, provide an opportunity to fully understand each company's issues.

Engagement and dialogue with management teams allows Spyglass to better identify the ESG opportunities and risks facing a company and how these are being addressed. Spyglass uses the insight gained from these interactions to gauge progress and hold companies accountable and encourage behavior that aligns with Spyglass's clients' long-term interests. Spyglass believes strong corporate governance is key to helping companies maximize returns and mitigate risks over time. Spyglass views effective management of environmental and social factors as an integral component of corporate governance practices.

ESG Principles

Spyglass seeks to adhere to the following principles when making portfolio investments on behalf of its clients:

- Incorporate consideration of ESG issues associated with potential investments into its pre-acquisition due diligence process;
- Conduct an ongoing review of investments (including monitoring), on a post-investment basis, where ESG issues are present; and,
- Train and educate investment personnel regarding its ESG Policy, which will be provided at least annually.

Proxy Voting

Spyglass has adopted proxy voting policies and procedures reasonably designed to ensure that it votes proxies in the best interest of its clients, discloses information to clients about those policies and procedures, and describes to clients how to obtain information about how Spyglass has voted. Spyglass believes the best interest of the client is long-term capital appreciation, which requires the consideration of ESG factors in proxy votes. Spyglass periodically reviews its Proxy Voting Policy and Procedures to consider further development in governance standards or risk to long-term shareholder value.

Spyglass has retained the services of an industry leading proxy voting provider that informs on a range of factors that Spyglass takes into consideration when casting votes.

Reporting Requirements

Spyglass will review its ESG Policy Statement annually to ensure it is current with developments in ESG standards. Spyglass is dedicated to its commitment to ESG and to carrying out the procedures outlined in this ESG Policy Statement, and to ensuring that it is fulfilling its fiduciary duty.

Spyglass undertakes three (3) reporting requirements as part of this policy:

1. **Investment Due Diligence:** As part of Spyglass's investment due diligence process, all potential investments are reviewed for alignment with its ESG principles.
2. **Annual Review:** Spyglass undertakes an annual review process to determine the efficacy and ongoing relevancy of its ESG principles.
3. **Employee Annual ESG Training:** The Management Team will ensure that ESG training is conducted at least annually for all employees. Such training will be expected to occur as part of Spyglass's annual compliance training.

Conclusion

Spyglass's ESG Policy is subject to ongoing review and will be updated, as needed, to reflect any material changes in Spyglass's business or operational strategy to ensure the policy remains relevant.