



# Overview of Pemberton's Responsible Investing Policy

Pemberton Asset Management group of companies ("**Pemberton**" or the "**Group**") recognises that governance and sustainability factors can both present investment risks and act as drivers of value creation.

## Scope

This Overview outlines Pemberton's Responsible Investing ("**RI**") policy, which applies independently of sustainability laws and regulations in various jurisdictions. Products that fall within the scope of Article 8 of the EU Sustainable Finance Disclosure Regulation ("**SFDR**" 2019/2088) have specific, separate disclosures.

## Implementation

### Diligence in Investment Selection

Given the illiquid nature of private credit portfolios, an RI assessment is a key stage in due diligence and can be a contributing factor to an investment being declined.

### Investment Sourcing

A negative screen is applied to investments across the majority of Pemberton's strategies relating to certain activities or sectors that represent risks that are considered too high, or require enhanced due diligence, when taking into account regulation, litigation, reputational and market considerations. At a firm level, this negative screen covers production or sale of controversial weapons (e.g. anti-personnel landmines, cluster munitions), oppressive regimes, tobacco, adult/violent material, and short-term consumer finance such as predatory lending, gambling and animal welfare considerations.

Potential investments which require deeper guidance as presenting risk may be escalated to Pemberton's Responsible Investing Advisory Council, which provides input that includes consideration of the best interests of investors and the Group.

### Integrated RI Risk Assessment

Credit investors consider downside risk throughout the investment process, which includes the likelihood of governance and sustainability risks occurring and the financial materiality of such risks to the investment should they occur. These factors are evaluated alongside traditional financial risks, enhancing Pemberton's risk-return assessment of a prospective investment. Investment teams have a keen focus on the quality and track record of management teams, as strong governance is the foundation of resilient companies.

After addressing any concerns, the RI assessment is included in the submission to the Investment Committee ("**IC**").

## Stewardship

Pemberton pursues stewardship responsibilities to the extent possible for a private credit investor. Pemberton believes that sustainable growth can contribute to long-term resilience and value-creation and where the Group has a degree of influence, primarily as the lead or sole lender to companies in its direct lending strategies, the firm engages on governance and sustainability issues with the objective of reducing risk.

### RI Core Guidelines: MAST

**Material:** Sustainability and governance factors are identified based on their relevance to financial performance.

**Adaptable:** Firm-wide approach tailored, as feasible and appropriate, to the specific attributes of each strategy.

**Systematic:** Consistently applied integration process, avoiding investment without due diligence of material issues.

**Transparency:** On Pemberton's RI approach to investors, including disclosure and reporting.

Access to Pemberton's full Responsible Investing Policy is available to prospective and existing investors. Please contact [IR@pembertonam.com](mailto:IR@pembertonam.com) for further information.



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