

SFDR Website Disclosures relating to BlueBox Funds – BlueBox Precision Medicine Fund

This document provides information on the social characteristics promoted by the BlueBox Precision Medicine Fund, a sub-fund of BlueBox Funds ("BlueBox Precision Medicine Fund" or the "Sub-Fund" – LEI: 5299006NWWBCCR807682) and the methodologies that are used to assess, measure and monitor these characteristics in accordance with:

- *Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR") and*
- *Chapter IV, Section 1 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports ("Level II RTS").*

Defined terms used in this disclosure (unless defined herein) are as set out in the BlueBox Funds offering documents. Terms used in the summary have the same meaning as in the rest of this website disclosure.

(a) Summary

The BlueBox Precision Medicine Fund is categorised as an Article 8 financial product for the purposes of SFDR. As part of the investment process, the Investment Manager considers a variety of environmental or social characteristics. In this Summary the investor will find summarised information of all sections covered in this Disclosure:

- *The Sub-Fund promotes environmental or social characteristics but does not have as its objective sustainable investments.*
- *The Sub-Fund promotes the following social characteristics:*
 - i. *Improving the health of patients and the population as whole through more effective and innovative medicines;*
 - ii. *Improving the predictability of medicine and reduce waste in healthcare spend by pre-selecting patients for targeted medicines via tests;*

The Sub-Fund promotes these social characteristics by investing in companies whose purpose is to develop new medicines that satisfy these aims while also demonstrating a high degree of concern regarding good governance. By investing in these companies, the Sub-Fund contributes to Goal 3 of the United Nations Sustainable Development Goals (SDGs) which is to “ensure healthy lives and promote well-being for all at all ages”.

- *The Investment strategy of the Sub-Fund will focus on selecting companies that contribute to the social characteristics promoted by the Sub-Fund. In doing so the Investment Manager will screen each investee company within the BlueBox Precision Medicine Fund’s investment universe prior to making the determination on whether to invest or not. The Investment Manager will apply an exclusion screen to the BlueBox Precision Medicine Fund’s investment universe to ensure that potential investee companies that are involved in controversial practices from an ESG perspective or included in the sanctions lists included in the Exclusion Policy are excluded from the BlueBox Precision Medicine Fund. Good governance of the investee companies is assessed prior to each investment and regularly during the holding period as part of the Investment Manager’s fundamental analysis.*
 - *The BlueBox Precision Medicine Fund aims to hold a minimum of eighty five percent (85%) of its portfolio in investments that are aligned with the environmental or social characteristics promoted by the BlueBox Precision Medicine Fund. The BlueBox Precision Medicine Fund does not commit to making sustainable investments.*
 - *The BlueBox Precision Medicine Fund will verify in a first step, that 85% of its total assets is invested in the equity securities of companies who are in the pharmaceutical, biotechnology and life science sectors. In a second step, verify that the companies promote the social characteristics set out above, without disregarding other social characteristics, by applying a multi-factor approach based on an aggregated ESG scoring model (the "ESG Score") designed by ESG Book. The Bluebox Precision Medicine Fund will focus on the following 7 indicators under ESG Book’s dimension of Social Capital to determine an investee company score:*
 - 1. *Product Quality & Safety*
 - 2. *Customer Welfare*
 - 3. *Access & Affordability*
 - 4. *Selling Practices & Product Labeling*
 - 5. *Human Rights & Community Relation*
 - 6. *Customer Privacy*
 - 7. *Data Security*
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And finally in a third step the BlueBox Precision Medicine Fund will adhere to the exclusion policy according to which it cannot invest in:

- Companies involved in the manufacturing or distribution of cluster or controversial weapons, or that actively engage with companies involved in such activities.
 - Companies with more than half of their revenue derived from tobacco production, thermal coal production and conventional and non-conventional oil and gas exploration and generation.
 - Companies included in the US, UK and EU sanctions list. The Investment Manager verifies through a screening in WorldCheck that the companies are not included in any of these sanctions lists.
- The BlueBox Precision Medicine Fund uses a multi-factor approach based on an aggregated ESG scoring model (the "ESG Score") designed by ESG Book, a provider specialized in the data management, disclosure and analytics of ESG and climate data. The score obtained from 0 to 100 is used by the Sub-Fund to assure that the social characteristics promoted are attained and to determine if further engagement with any company is required. At least 85% of the investment portfolio companies must promote the stated social characteristics and have a positive score. The Sub-Fund will aim to invest in companies with a minimum score of 40, companies below 40 cannot represent more than 20% of the net assets of the Sub-Fund.
 - The ESG Book scores include coverage of Environment, Social, and Governance (ESG) related entity-level metrics, emissions and scope 1, 2 and 3 data. The non-financial raw data is collected by subject-matter experts and undergoes thorough data integrity checks.
 - Accuracy of data could represent a limitation in applying this methodology. The Investment Manager relies on ESG Book's diligence in validating data to minimize any inaccuracy of such data.
 - In its pre-investment due diligence the Sub-Fund may, amongst others, have regard to the products of the relevant company based on publicly available information published by the relevant company. The Sub-Fund includes in its investment process the verification of the companies scoring in the 7 previously mentioned indicators and that they adhere to the exclusion policy.
 - Further to the ESG Book Scoring Process and the score attributed to the concerned investee company the Investment Manager will determine whether further engagement with any company is required. The Investment Manager is encouraged to engage with any investee company with a score below 40.
 - The BlueBox Precision Medicine Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.

(b) No Sustainable investment objective

The BlueBox Precision Medicine Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

(c) Environmental or social characteristics of the financial product

The BlueBox Precision Medicine Fund promotes the following social characteristics:

- i. Improving the health of patients and the population as whole through more effective and innovative medicines;

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- ii. Improving the predictability of medicine and reduce waste in healthcare spend by pre-selecting patients for targeted medicines via tests;

The Sub-Fund promotes these social characteristics by investing in companies whose purpose is to develop new medicines that satisfy these aims while also demonstrating a high degree of concern regarding good governance. By investing in these companies, the Sub-Fund contributes to Goal 3 of the United Nations Sustainable Development Goals (SDGs) which is to “ensure healthy lives and promote well-being for all at all ages”.



(d) Investment strategy

The Sub-Fund will select companies that contribute to the two social characteristics promoted by the Sub-Fund:

Improving the health of patients and the population as whole through more effective medicines; The investment manager will perform an analysis of the characteristics of a company’s medicines. This will include review of both clinical and pre-clinical data encompassing efficacy, safety, ease of manufacture and administration or delivery of the medicine. The aim is to identify new medicines that will provide a material advantage in at least one of these characteristics, over and above the current standards of medical care.

The investment manager will also assess whether life science companies, that do not specifically develop new medicines, contribute to the objective by providing equipment and/or services related to research and manufacturing of more effective precision medicines.

Improving the predictability of medicine and reduce waste in healthcare spend by pre-selecting patients for targeted medicines via tests; The investment manager will assess the ability of a company’s precision medicines to increase the probability of a successful treatment outcome, using a diagnostic test for pre-selection of eligible patients with a specific disease. The eligibility is usually determined by the presence or absence of a specific biological marker e.g. a person’s genetic status or the presence of specific proteins. Determining eligibility up front with a test ensures the likelihood of a positive effect is very high. Patients that are ineligible due to the lack of the specific biological marker are not given the therapy. This saves healthcare resources compared to prescribing the treatment to everybody with the disease, regardless of their biological marker status.

The investment manager will also assess whether life science companies, that do not specifically develop new medicines, contribute to this process by providing equipment and/or services related to the research, manufacture, or utility of such tests in patients. This includes the sale of tests or technology that enable new precision medicines to be used, or older drugs that were never originally designed to be precision medicines, to be used in a more precise manner.

Book Scoring process. The Investment Manager will screen each investee company within the BlueBox Precision Medicine Fund’s investment universe prior to making the determination on whether to invest or not, as described in section **Methodologies for environmental or social characteristics** below.

Exclusion screening process. The Investment Manager will apply an exclusion screen to the BlueBox Precision Medicine Fund’s investment universe to ensure that potential investee companies that are involved in controversial practices from an ESG perspective or included in the sanctions lists included in the Exclusion Policy are excluded from the BlueBox Precision Medicine Fund.

Good Governance Practices. Good governance of the investee companies is assessed prior to each investment and regularly during the holding period as part of the Investment Manager’s fundamental analysis. Good governance considerations that are taken into account at the level of each investee company include, but are not limited to:

- **Competitive behaviour:** covers social issues associated with existence of monopolies, which may include, but are not limited to, excessive prices, poor quality of service, and inefficiencies.
- **Systematic Risk Management:** addresses the company’s contributions to, or management of, systemic risks resulting from large-scale weakening or collapse of systems upon which the economy and society depend
- **Business Ethics:** addresses the company’s approach to managing risks and opportunities surrounding ethical conduct of business, including fraud, corruption, bribery and facilitation payments, fiduciary responsibilities, and other behaviour that may have an ethical component
- **Critical Incident Risk Management:** addresses the company’s use of management systems and scenario planning to identify, understand, and prevent or minimize the occurrence of low-probability, high-impact accidents and emergencies with significant potential environmental and social externalities.
- **Management of the Legal and Environment:** addresses a company’s approach to engaging with regulators in cases where conflicting corporate and public interests may have the potential for long-term adverse direct or indirect environmental and social impacts.

These considerations are assessed using the 7 specific indicators included under Leadership and Governance within the same scoring system mentioned in the section **Monitoring of environmental or social characteristics** below.

(e) Proportion of investments

The BlueBox Precision Medicine Fund aims to hold a minimum of eighty five percent (85%) of its assets in investments that are aligned with the environmental or social characteristics promoted by the BlueBox Precision Medicine Fund. The BlueBox Precision Medicine Fund does not commit to making sustainable investments.

(f) Monitoring of environmental or social characteristics

The BlueBox Precision Medicine Fund will verify:

In a first instance, that 85% of its total assets is invested in the equity securities of companies who are in the pharmaceutical, biotechnology and Life Science sectors.

In a second step, verify that the companies promote the social characteristics set out above, without disregarding other social characteristics, by applying a scoring model described below. The Bluebox Precision Medicine Fund will focus on the following 7 indicators under Social Capital to determine an investee company score:

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1. Product Quality & Safety
 2. Customer Welfare
 3. Access & Affordability
 4. Selling Practices & Product Labeling
 5. Human Rights & Community Relation
 6. Customer Privacy
 7. Data Security

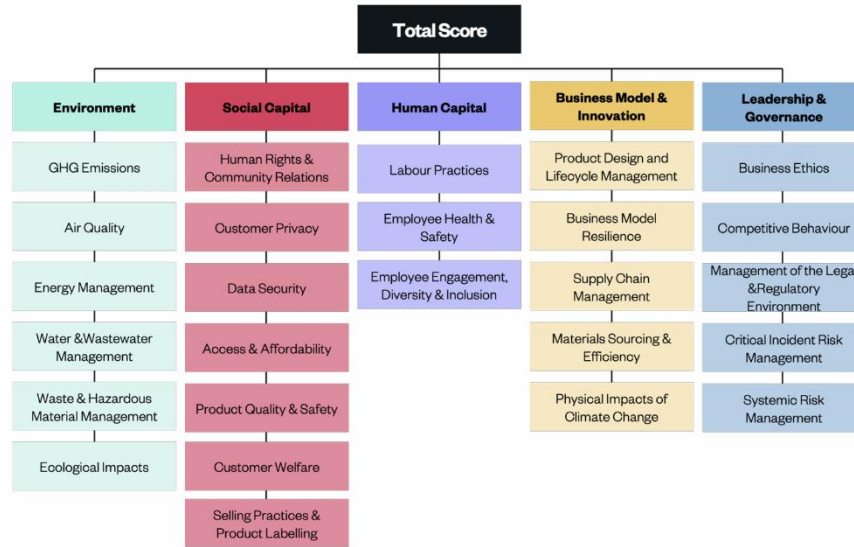
And finally in a third step the BlueBox Precision Medicine Fund will adhere to the exclusion policy according to which it cannot invest in:

- Companies involved in the manufacturing or distribution of cluster or controversial weapons, or that actively engage with companies involved in such activities.
- Companies with more than half of their revenue derived from tobacco production, thermal coal production and conventional and non-conventional oil and gas exploration and generation.
- Companies included in the US, UK and EU sanctions list. The Investment Manager verifies through a screening in WorldCheck that the companies are not included in any of these sanctions lists.

(g) Methodologies for environmental or social characteristics

The BlueBox Precision Medicine Fund uses a multi-factor approach based on an aggregated ESG scoring model (the "ESG Score") designed by ESG Book, a provider specialized in the data management, disclosure and analytics of ESG and climate data. Their data bases include over 450 ESG metrics for more than 40,000 companies covered around the globe. As a signatory of the UN Global Compact, they provide access to a suite of market-leading sustainability and climate footprint analytics. This is fully available to BlueBox's Portfolio Managers through their cloud-based platform (www.esgbook.com). ESG Book's data base combines inputs from a wide range of ESG data that provides a transparent sustainability assessment of the investee companies. Each investee company is qualified (scored) based on 26 categories grouped in five ESG dimensions.

ESG Book Performance Score with Dimensions



The Bluebox Precision Medicine Fund will focus on the following 7 indicators under Social Capital to determine an investee company score:

- 1) Product Quality & Safety
- 2) Customer Welfare
- 3) Access & Affordability
- 4) Selling Practices & Product Labeling
- 5) Human Rights & Community Relation
- 6) Customer Privacy
- 7) Data Security

The score obtained from 0 to 100 is used by the Sub-Fund to assure that the social characteristics promoted are attained and to determine if further engagement with any company is required. At least 85% of the investment portfolio companies must promote the stated social characteristics and have a positive score.

The Sub-Fund will aim to invest in companies with a minimum score of 40, companies below 40 cannot represent more than 20% of the net assets of the Sub-fund.

In its pre-investment due diligence the Sub-Fund may, amongst others, have regard to the products of the relevant company based on publicly available information published by the relevant company. The Sub-Fund includes in its investment process the verification of the companies scoring in the 7 previously mentioned indicators.

(h) Data sources and processing

The ESG Book scores include coverage of Environment, Social, and Governance (ESG) related entity-level metrics, emissions and scope 1, 2 and 3 data. The non-financial raw data is collected by subject-matter experts and undergoes thorough data integrity checks. The data in these ESG Book modules is collected at the entity level using annual reports, Corporate Sustainability Reports (CSR), investor relation presentations/reports, ESG reports and company websites.

To ensure quality, all data goes through a series of data validation tests to ensure data accuracy, through an 8-dimension technical validation test, i.e. Completeness,

Conformity, Validity, Accuracy, Consistency, Uniqueness, Reasonableness, and Timelines. ESG Book's technical validation tests are run on the entire dataset of collected data with the aim to identify any inconsistencies in the data. Companies with identified errors will be flagged for further manual comprehensive data integrity validation by ESG analysts.

Data are processed through two key steps: Standardisation & Derivation (i.e. all disclosures are standardised according to calculations for measurable metrics, into relevant currencies for monetary metrics, and into Tonnes CO2 Equivalent for Greenhouse Gases) and Score Calculation (i.e. once the data are collected and standardised, the metrics are aggregated into ESG Book's different scoring methodologies).

All our scores and data metrics are based on actually disclosed raw ESG data values. ESG Book does not deploy data estimations or modelling techniques into their analysis.

(i) Limitations to methodologies and data

Accuracy of data could represent a limitation in applying this methodology. The Investment Manager relies on ESG Book's diligence in validating data to minimize any inaccuracy of such data through i) input error tests (checking if the input field has been correctly filled), ii) inconsistency tests (checking if the data is consistent in consecutive years) and iii) related questions tests (checking the input for two metrics is reasonable and/or expected based on the established relationship between the two metrics).

(j) Due diligence

In its pre-investment due diligence the Sub-Fund may, amongst others, have regard to the products of the relevant company based on publicly available information published by the relevant company. The Sub-Fund includes in its investment process the verification of the companies scoring in the 7 previously mentioned indicators and that they adhere to the exclusion policy.

(k) Engagement policies

Further to the ESG Book Scoring Process and the score attributed to the concerned investee company the Investment Manager will determine whether further engagement with any company is required. The Investment Manager is encouraged to engage with any investee company with a score below 40, as per BlueBox's ESG Policy related to engagement with investee companies:

Engagement and Stewardship Policy:

BlueBox engages with the portfolio companies at two levels, to assure active ownership as stewards of our funds' shareholders:

- Voting: BlueBox has subscribed to ISS responsible investing proxy voting service (SRI). Each Portfolio Manager may choose to join ISS recommended voting or exercise their own voting preference based on their particular knowledge of the company related controversies, in line with BlueBox's responsible investment principles.

- Active Engagement: When appropriate our Portfolio Managers will engage directly with a company's management to address specific concerns related to ESG scores or other performance and strategic concerns.

**(I) Designated
reference benchmark**

The BlueBox Precision Medicine Fund has not designated a specific index as a reference benchmark for determining its alignment with the promoted environmental and social characteristics.
