



EXCLUSION POLICY

Alken Asset Management Ltd
And
Alken Finance LLP

Last updated: July 2020

The present document elaborates on the exclusions Alken implemented as a **group-wide exclusion** or on **specific strategies**. This Policy complements the Controversial Weapons Policy.

ALKEN EXCLUSIONS

Firm wide exclusion
Controversial Weapons
Strategy Specific Exclusions
Tobacco Producers
Thermal Coal Producers
Shell Oil Producers
Oil & Gas Exploration and Production



	Alken Fund Eur. Opportunities	Alken Fund Continental Eur.	Alken Fund Abs. Return Europe
Controversial Weapons ¹	✓	✓	✓
Tobacco producers ²	✗	✓	✗
Thermal Coal Producers ³	✓	✓	✓
Shell Oil Producers ⁴	✓	✓	✓
Oil & Gas Exploration and Production ⁵	✗	✓	✗

	Alken Fund Income Opp.	Alken Fund Global Convert.
Controversial Weapons ⁶	✓	✓
Tobacco producers ⁷	✓	✓
Oil & Gas Exploration and Production ⁸	✓	✓

¹ Controversial weapons using ESG data provider list of producers (“Full Weapon System” & “Clear Evidence”) and related companies apart from nuclear weapons. We may deviate from ESG data provider’s list if deemed incorrect according to internal research.

² Tobacco producers based on GICS classification

³ Thermal coal producers that mines or generates thermal coal electricity for over 25% EBITDA

⁴ Shell oil producers that generate over 10% EBITDA from shale oil

⁵ Oil and gas exploration and production based on GICS classification

⁶ Controversial weapons using ESG data provider list of producers (“Full Weapon System” & “Clear Evidence”) and related companies apart from nuclear weapons. We may deviate from ESG data provider’s list if deemed incorrect according to internal research.

⁷ Tobacco producers based on GICS classification

⁸ Oil and gas exploration and production based on GICS classification



CONTROVERSIAL WEAPONS

Alken is committed to avoid investing in “controversial weapons”, meaning: weapons that are either illegal because their production and use are prohibited by international treaties or because they are deemed particularly controversial due to their indiscriminate effects and to the disproportionate harm they cause, in particular to civilian populations.

As described in our specific Controversial Weapons Policy, Alken has adopted a **group-wide policy** on controversial weapons to avoid investment in companies which are involved in the manufacture of:

- **Anti-personnel mines**
- **Cluster bombs**
- **Biological weapons**
- **Chemical weapons**
- **Non-detectable fragments weapons**
- **Blinding laser weapons**
- **Depleted uranium**
- **Incendiary weapons**
- **White phosphorus**

To implement this policy, Alken uses data and a list provided by its ESG data provider, on which we apply the criteria described in our controversial weapons policy.

TOBACCO

Alken has decided to avoid investing, for some of its strategies, in an industry which impact on the public health has been proven to be direct.

Alken has adopted a fund specific policy on **tobacco to avoid companies which are directly involved with the production of tobacco.**

To implement this policy, Alken uses data based on the GICS Tobacco Producers classification.



FOSSILS-FUELS

The phenomenon of climate change has today been largely evidenced by scientists and its impact on both the environment and the society in which we live in have put the global energy transition at the forefront. More precisely, there is now a wide scientific consensus that global emissions have to drop by 50% over the next decade for the world to have a chance of staying at 1.5 degrees of global warming. This implies clear and immediate actions for businesses.

As an asset manager, we believe that our mission lies not only in managing and mitigating climate change-related risk, but also in gradually financing the energy transition that is required.

Alken has adopted a fund specific policy on **oil & gas exploration and production**, on **thermal coal producers that mines or generates thermal coal electricity for over 25% EBITDA** as well as on **shell oil producers that generate over 10% EBITDA from shale oil**.

To implement this policy, Alken uses data based on the GICS classification as well as from brokers' research.