

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

POWER SUSTAINABLE INVESTMENT MANAGEMENT INC.

BROCHURE

March 31, 2022

751 Square Victoria
Montréal, Québec, Canada H2Y 2J3
(514) 286-7400

<https://www.powersustainable.com/>
Hum@powersustainable.com

This brochure provides information about the qualifications and business practices of Power Sustainable Investment Management Inc. If you have any questions about the contents of this brochure, please contact us by telephone at (514) 286-7400 or by email at hum@powersustainable.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Power Sustainable Investment Management Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Power Sustainable Investment Management Inc. is a registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2 Material Changes

The following materials changes were made to this Brochure since our initial Brochure was filed on April 19, 2021:

- We have changed our name from “Power Pacific Investment Management Inc.” to “Power Sustainable Investment Management Inc.”
- In Item 4, we have provided our updated assets under management as of December 31, 2021.
- In Item 4, we have updated our ownership structure to show changes effective January 2022.

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	7
Item 5	Fees and Compensation	9
Item 6	Performance-Based Fees and Side-By-Side Management	11
Item 7	Types of Clients	12
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9	Disciplinary Information	26
Item 10	Other Financial Industry Activities and Affiliations	27
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	28
Item 12	Brokerage Practices	31
Item 13	Review of Accounts	35
Item 14	Client Referrals and Other Compensation	36
Item 15	Custody	37
Item 16	Investment Discretion	38
Item 17	Voting Client Securities	39
Item 18	Financial Information	40

About this Brochure and Power Sustainable:

This Brochure is not:

- an offer or agreement to provide advisory services to any person
- an offer to sell Interests (or a solicitation of an offer to purchase interests) in any Fund
- a complete discussion of the features, risks or conflicts associated with any Fund or any other product or service offered by Power Sustainable

As required by the Advisers Act, Power Sustainable provides this Brochure to current and prospective U.S. Clients prior to the commencement of Power Sustainable's advisory services and will offer this Brochure to such U.S. Clients on an annual basis thereafter. The Brochure can also be provided to current or prospective Investors in a Fund, in conjunction with the Fund's disclosure and investment documents and other relevant offering materials, such as the Fund's Offering Documents, prior to or in connection with such persons' consideration or execution of an investment in a Fund, and subsequently in Power Sustainable's discretion, annually or upon request. Additionally, this Brochure is available through the SEC's Investment Adviser Public Disclosure website.

Although this publicly available Brochure describes investment advisory services and products of Power Sustainable, persons who receive this Brochure should be aware that it is designed solely to provide information relevant to U.S. persons about Power Sustainable as necessary to respond to certain disclosure obligations under the Advisers Act. As such, the information in this Brochure could differ from information provided in disclosure and investment documents and other relevant offering materials. More complete information about each Fund and any other product or service offered by Power Sustainable or its affiliates is included in disclosure and investment documents and other relevant offering materials, certain of which may be provided to current and eligible prospective Clients and Investors only by Power Sustainable and/or its affiliates or another authorized party. To the extent there is any conflict between discussions herein and similar or related discussions in any such materials, the relevant disclosure and investment documents and other relevant offering materials shall govern and control.

Moreover, Power Sustainable's activities with respect to non-U.S. Clients often will differ from those described generally herein and Power Sustainable provides additional and different services to non-U.S. Clients. Power Sustainable does not generally hold itself out to non-U.S. Clients as an SEC-registered adviser nor does it provide this Brochure to non-U.S. Clients as a matter of course. Since Power Sustainable does not maintain a place of business within the U.S., it relies on SEC Staff guidance to apply local governing law, rather than the substantive provisions of the Advisers Act, to its relationships with such non-U.S. Clients to the extent that activities with respect to those relationships do not constitute "conduct" or have "effects" within the U.S.

The availability of certain Funds to residents of the United States is limited. Investors and other recipients should be aware that while this Brochure includes certain information about Power Sustainable's activities with respect to such investment vehicles or services provided outside of the United States, as necessary or appropriate, it is not, nor is it intended to be, a complete discussion of the features, risks or conflicts associated with any investment product or service offered or advised by Power Sustainable. Rather, all discussion of the Funds and such accounts contained herein is intended solely to help recipients understand Power Sustainable's business, including any related conflicts of interest. It is not intended as an offer, or solicitation of an offer, with respect to any investment nor should it be relied upon in determining to invest. It is also not an offer of, or an agreement to provide advisory services directly to any recipient who is not already a Client.

Glossary:

“1940 Act” means the U.S. Investment Company Act of 1940, as amended.

“Account” means an account held by a Client.

“Advisers Act” means the U.S. Investment Advisers Act of 1940, as amended.

“Brochure” means this Form ADV, Part 2A.

“CCO” means the Chief Compliance Officer of Power Sustainable.

“CIO” means the Chief Investment Officer of Power Sustainable.

“Client” means current and prospective clients of Power Sustainable, including the Funds and Separately Managed Accounts.

“CIS” means a collective investment scheme.

“Code” means the Power Sustainable Code of Ethics.

“Covered Person” means persons covered by the Code.

“EIT” means PRC Enterprise Income Tax.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Fund” or **“Funds”** have the meaning assigned in Item 4.

“Inside Information” has the meaning assigned in Item 11.

“Investor” means an interest or shareholder in a Fund.

“IRAs” mean individual retirement accounts.

“MiFID II” means collectively the recast EU Markets in Financial Instruments Directive and MiFIR.

“MiFIR” means the Markets in Financial Instruments Regulation.

“Offering Documents” mean the private placement memorandum, prospectus or other offering document of a Fund.

“Offshore Funds” has the meaning assigned in Item 4.

“Plans” has the meaning assigned in Item 4.

“Power Sustainable” or **“we”** or **“our”** or **“us”** means Power Sustainable Investment Management Inc.

“PCC” has the meaning assigned in Item 4.

“PRC” means that People’s Republic of China.

“Private Fund” has the meaning assigned in Item 4.

“PSC” has the meaning assigned in Item 4.

“**PSM**” has the meaning assigned in Item 4.

“**Related Issuers**” has the meaning assigned in Item 10.

“**Revenue Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SEC Staff**” means the staff of the SEC.

“**Soft Dollar Item**” has the meaning assigned in Item 12.

“**Separately Managed Accounts**” has the meaning assigned in Item 4.

“**Shanghai Connect Program**” means the Shanghai-Hong Kong Stock Connect Program.

“**Shenzhen Connect Program**” means the Shenzhen-Hong Kong Stock Connect Program.

“**Staff**” has the meaning assigned in Item 11.

“**Trading day**” has the meaning assigned in Item 8.

“**U.S. Custody Rule**” refers to the Advisers Act Rule 206(4)-2.

“**UK**” means the United Kingdom.

Item 4 Advisory Business

General and Ownership

Power Sustainable (formerly, Power Pacific Investment Management Inc.) is an investment boutique incorporated in 2018 that provides investment advisory and related services to Clients. Power Sustainable invests in Chinese equities with high conviction and a fundamentals-based, research driven investment process. The types of services provided by Power Sustainable may change, and this Brochure will be amended accordingly to reflect these additional services.

Power Sustainable is a subsidiary of Power Corporation of Canada (“PCC”). In 2019, PCC transferred all of the issued and outstanding shares of Power Sustainable to Power Sustainable Capital Inc. (“PSC”), a wholly-owned subsidiary of PCC. In January 2022, PSC transferred all of the issued and outstanding shares of Power Sustainable to Power Sustainable Manager Inc. (“PSM”). As a result, Power Sustainable is a directly wholly-owned subsidiary of PSM and an indirectly wholly-owned subsidiary of PCC and PSC. The Desmarais Family Residuary Trust, a trust for the benefit of the members of the family of the late Mr. Paul G. Desmarais, has voting control, directly and indirectly of PCC.

Types of Advisory Services We Offer

We currently provide discretionary investment advisory services to the following Clients:

- separately managed accounts (*i.e.*, private client or institutional accounts, including U.S. state and local and other pension plans) (“**Separately Managed Accounts**”);
- certain pooled investment vehicles organized outside of the United States (the “**Offshore Funds**”); and
- a privately placed pooled investment vehicle, which is organized under the laws of the United States (the “**Private Fund**” and together with the Offshore Funds, each, a “**Fund**” and collectively, the “**Funds**”).

Tailoring Advisory Services to the Individual Needs of Clients

Consistent with its fiduciary duty, Power Sustainable generally considers the individual needs of all Clients and tailors the advisory services it provides to Clients as follows:

- (i) Separately Managed Accounts are managed in accordance with the relevant Client’s investment objectives, strategies, restrictions and guidelines, as communicated to Power Sustainable by the Client. Clients can impose restrictions on investing in certain securities or types of securities.
- (ii) Funds are managed in accordance with the relevant Fund’s investment objectives, strategies and restrictions. A Fund can impose restrictions on investing in certain securities or types of securities. The Funds are not managed in accordance with the individualized needs of any particular interest holder in the Fund. Therefore, a Fund’s Investors should consider whether the Fund meets their investment objectives and risk tolerance prior to investing.

Investment advisory services are provided directly to the Funds and not individually to the investors who invest in Funds sponsored or advised by Power Sustainable. Since Power Sustainable does not provide individual advice to Fund investors (and an investment in a Fund does not, in and of itself, create an advisory relationship between the investor and Power Sustainable), prospective investors must consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing. Information about Funds is available in the Offering Documents, as well as the Fund’s governing documents, which will be available to current and prospective Investors only through Power Sustainable or another authorized party.

Power Sustainable may manage Accounts of employee benefit plans, such as corporate pension, profit sharing and money purchase pension plans, that are subject to the fiduciary responsibility provisions of Title I of the

ERISA and of plans, such IRAs and Keogh plans, that are subject to Section 4975 of the Revenue Code (collectively, “**Plans**”) on a Separately Managed Account basis or through a pooled product, such as a collective investment trust. When Power Sustainable manages assets of Plans, Power Sustainable will be subject to the prohibited transaction provisions of Section 406 of ERISA and/or Section 4975 of the Revenue Code, which provisions, among other things, might affect the manner in which Power Sustainable may be compensated by such Accounts and its ability to enter into certain kinds of transactions, such as cross-trading and certain transactions with, or for the benefit of, Power Sustainable or its affiliates. Further, with respect to Plans that are subject to ERISA, Power Sustainable also will be subject to ERISA fiduciary responsibility, reporting and disclosure, and bonding rules, as well as requirements relating to maintenance of the indicia of ownership of Plan assets. To the extent that Power Sustainable is managing any such Plan Accounts, Power Sustainable intends to comply with all applicable provisions of ERISA and the Revenue Code. Notwithstanding the foregoing, Power Sustainable and its affiliates do not intend to enter into any transactions with clients (also known as principal transactions). In addition, certain issuers of securities and other investment products may limit the ability of Plans to invest in them, which may affect the composition of the portfolios of Plan Accounts and result in a variance between the investments of Plan Accounts and the investments of non-Plan Accounts that otherwise might have similar mandates.

Limitation on Services

As an asset manager, Power Sustainable provides a specific service. Power Sustainable does not provide tax, legal, or accounting advice, and clients should note that, unless otherwise specifically agreed or disclosed in writing, Power Sustainable will not take tax considerations into account in managing a Client’s portfolio.

What is the Value of the Client Assets We Manage

As of December 31, 2021, we managed USD \$1,005,383,000 in Client assets on a discretionary basis. We did not manage any Client assets on a non-discretionary basis as of that date.

Item 5 Fees and Compensation**How We are Compensated for Our Advisory Services**

Power Sustainable's fees for investment advisory services can include:

- (1) management fees, expressed as a percentage of the Account's assets under management;
- (2) incentive allocations or performance fees, generally calculated as a percentage of the Account's net capital appreciation during the applicable period in compliance with applicable laws and to the extent agreed with the Client; or
- (3) a combination of the foregoing.

Our Fee Schedule

The Funds charge asset based fees as described in the applicable Offering Documents. Fees for separate account management are negotiated individually with each Client and set forth in the advisory agreement or account documentation for each respective Client. In either case, our fees can take into account the type of Client or advisory arrangement and can change over time. As a result, similar Clients' fees could differ as a result of the inception dates of their respective advisory relationships with Power Sustainable.

In some cases, we maintain a basic fee schedule based on the investment mandate, Client type or advisory arrangement. However, except with respect to certain Funds (and their Investors), we can negotiate fees for services with a Client (or, in some cases, Investor) on an individual basis, including alternative fee arrangements, rather than basing our fees on a general fee schedule. When we negotiate fees, we can take into consideration, among other things, the investment mandate, total market value, regulatory requirements, reporting requirements, customization of the investment or reporting process or other special considerations relevant to a particular Account. Similarly, in appropriate circumstances, we can waive or reduce all or a portion of the fees we charge to a particular Client or Investor in our sole and absolute discretion. For example, we can waive or reduce fees for Accounts held by or on behalf of Power Sustainable and its employees, principals, shareholders or affiliates. Also, Power Sustainable or an affiliate could, in its sole discretion, agree to bear certain operating expenses of a Fund that exceed a cap agreed with the Fund Investors generally or applicable to the Fund as a whole.

Furthermore, Power Sustainable may enter into distribution agreements with distributors and fee rebate agreements with certain investors in the Funds. Pursuant to these agreements, Power Sustainable may, in its sole discretion, agree to pay the following out of the management fee which it has received from a Fund and which is attributable to the distributor/investor: (a) trailer or retrocession fees to the distributors appointed by it; and (b) rebates to investors based on the terms of the agreement entered into by Power Sustainable with such investor.

Thus, some Clients or Investors might pay more or less than others for the same or similar services depending, for example, on account inception dates, fee negotiations or waivers, number of accounts or value of related accounts, the nature of the mandate, total assets under management by Power Sustainable or the manner in which Power Sustainable's services are provided.

Payment schedules and mechanisms for U.S. Accounts are negotiated, and these Clients are invoiced in accordance with such Account's investment management agreement. Fees are generally paid in arrears and are ordinarily based on the level of total assets under management within the relevant Account(s), including allocations to cash, on the appropriate valuation day.

Additional Fees and Expenses

Except as otherwise agreed, each Account bears (and the fees described above do not include) the following costs and expenses:

- custodial charges,
- brokerage fees or commissions and related costs and expenses,
- taxes,
- duties and other governmental charges,
- transfer fees,
- registration fees and other expenses associated with the purchase, holding or sale of assets,
- costs and charges associated with making deposits in connection with foreign exchange transactions,
- taxes, including withholding taxes payable and required to be withheld by issuers, their agents and others,
- audit, administrative and other expenses associated with regulatory or tax compliance or investment operations,
- legal fees, and
- such other expenses as are set forth in the Account's relevant governing documents.

Our fees and the expenses Clients bear in connection with their Accounts will reduce the assets held in (and the returns experienced by) an Account. No additional sales-based compensation or trails are paid to Power Sustainable or any Power Sustainable supervised person for the sale of securities or other investment products, including asset-based sales charges or service fees.

For Separately Managed Account Clients, the custodian or administrator, not Power Sustainable, charges each of these expenses (other than commissions) directly to the portfolio, and, in many cases, Power Sustainable does not know the amounts of these expenses. For more information, Clients may contact their service providers directly.

Funds advised by Power Sustainable also bear their own operating and other expenses. For investors in the Funds, expenses noted above will be allocated and passed on to investors on a *pro rata* basis relevant to their ownership in such Fund. Expenses which are attributable to multiple series or Funds will be allocated on a pro-rated basis based on the weighting of each individual series or Fund and passed on to investors on a *pro rata* basis of their ownership in the relevant series or Fund. Power Sustainable may, in its sole discretion, implement a fee cap in order to limit the amount of expenses charged to a particular series or fund. In these instances, Power Sustainable bears any fees and expenses which exceed the fee cap.

As discussed in further detail below, Power Sustainable or its affiliates may be entitled to performance-based compensation, subject to the terms of the applicable Offering Documents, governing documents or client agreement.

Please see Item 12: *Brokerage Practices* for more details on our trading practices and costs related thereto.

Item 6 Performance-Based Fees and Side-By-Side Management

As mentioned in Item 5, Power Sustainable manages various Accounts having different fee arrangements, including circumstances where some Accounts pay only management fees while other Accounts are subject to both management fees and incentive or performance-based fees.

For U.S. based Accounts, any incentive or performance-based compensation will be charged in compliance with Rule 205-3 under the Advisers Act unless that rule is inapplicable by reason of Section 205(b) of the Advisers Act or related rules or interpretations of the SEC and the SEC Staff. In certain instances, incentive compensation is charged only when gains in an Account exceed a particular rate or agreed upon benchmark (*i.e.*, a hurdle provision) and losses may be carried forward so that no incentive compensation is charged unless the losses have been recouped, subject to certain adjustments (*i.e.*, a high-water mark provision).

Because Power Sustainable manages various Accounts that charge performance-based fees and other types of fees, Power Sustainable has an incentive to favor certain Accounts over others where both types of fees are charged and:

- the Accounts have the same or similar investment styles or otherwise compete for investment opportunities,
- the Accounts have differing abilities to engage in short sales or similar investment strategies, and/or
- Power Sustainable or its personnel or affiliates have differing personal or proprietary interests.

In particular, Power Sustainable has an incentive to favor Accounts that charge performance-based fees over Accounts that charge other types of fees or favor those Accounts that charge a higher performance-based fee over those with a lower performance-based fee.

Power Sustainable maintains policies and procedures, including the Code (described in Item 11: *Side-by-Side Management and Differential Interests*, below) and a Trade Allocation Policy, reasonably designed to assure that Power Sustainable and its personnel service all Accounts: (1) in a manner consistent with the fiduciary duties an adviser owes its clients and applicable law and without considering such persons' ownership, compensatory or other pecuniary or financial interests; and (2) fairly and equitably over time to mitigate these and other conflicts associated with "side-by-side" management. Please see the discussion in Item 11: *Side-by-Side Management and Differential Interests* for a further description of the applicable conflicts of interest.

Item 7 Types of Clients

Types of Clients

Power Sustainable provides investment management services to a selection of Funds and Separately Managed Accounts. We generally provide investment advice to:

- Pension and profit sharing plans;
- Family offices;
- Charitable organizations;
- Insurance companies;
- Corporations or business entities other than those listed above; and
- Religious organizations, unions, trusts, medical associations, and family investment vehicles.

We can also provide investment advice to sovereign wealth funds and government-sponsored asset pools. Power Sustainable does not offer services to natural persons or legal representatives of natural persons who seek to receive services primarily for personal, family or household purposes.

This Brochure may be provided to current or prospective Investors in the Funds, together with the Funds' Offering Documents, prior to or in connection with such person's consideration or execution of an investment in the Funds. Investors and other recipients should be aware that while the Brochure may include information about the Funds, as necessary or appropriate, it should not be considered to represent a complete discussion of the features, risks or conflicts associated with the Funds. More complete information about the Funds are included in the Offering Documents, which may only be provided to current and eligible prospective investors. The Funds or their interests or shares are not registered with the SEC under the 1940 Act and the U.S. Securities Act of 1933, as amended.

Minimum Initial Investments

The minimum amounts required for investment in a Fund managed by Power Sustainable will be set in the relevant Offering Documents of the Fund.

The minimum account size required by Power Sustainable for a Separately Managed Account is generally \$25 million. Power Sustainable may elect to accept smaller accounts at its sole discretion.

Power Sustainable or its affiliates reserve the right to waive or reduce the investment minimums in Accounts or with respect to a specific Investor in a Fund in its sole discretion.

In no event should this Brochure be considered to be an offer of interests in a Fund or relied upon in determining to invest. It is also not an offer of, or agreement to provide, advisory services directly to any recipient.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Our Investment Strategies

Securities investments are subject to a variety of risks. These risks could cause an investor to lose money on their investments. Investors should be prepared to bear the risk of loss associated with their chosen investment strategy.

While Power Sustainable seeks to manage Accounts so that risks are appropriate to the return potential for the strategy, it is often not possible or desirable to fully mitigate risks. Any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Clients should be aware that while Power Sustainable does not limit its advice to particular types of investments, mandates may be limited to certain types of securities (e.g., equities) and may not be diversified. The Accounts managed by Power Sustainable are generally not intended to provide a complete investment program for a Client or Investor. Clients are responsible for appropriately diversifying their assets to guard against the risk of loss.

The discussion in this item applies to all Accounts, including Separately Managed Accounts and Funds. For a Separately Managed Account Client, please also carefully review the Account's investment management agreement for additional information on the Account's investment strategies and risks. For a Fund, please also carefully review the Offering Documents for additional information on the Fund's investment strategies and risks.

The following is a description of the *significant* investment strategies we use for our U.S. Clients, and the *material* risks involved in the strategies. The risks are defined further below.

Power Sustainable China A-Shares Strategy

This strategy will invest its net assets in a portfolio of equity securities of companies domiciled in, or exercising the predominant part of their activity in the PRC, excluding the Hong Kong and Macau Special Administrative Regions and Taiwan. Power Sustainable intends to maximize total return by employing a bottom-up, research intensive and fundamentals-driven process to selecting investments. This process focuses on consistency rather than short-term outcomes.

The material risks are described in more detail below.

General Considerations. While every effort is made by Power Sustainable to mitigate risks to Client assets, all investing activity involves a risk to all or a part of the investment made. There is no guarantee that the investment objective of the Accounts, or the risk monitoring and diversification goals, will be achieved and results may vary substantially over time. The value of investments in any strategy can, in common with other investments, go down as well as up. There is no assurance that the investment objectives will be actually achieved. Below is a discussion of the most common risks associated with the specific strategies pursued by Power Sustainable but is not a complete inventory of all risks.

Market Risk. An Account is subject to market risk, which is the risk that the market values of the securities held by the Account may move up or down, sometimes rapidly and unpredictably. Security values fluctuate based on many factors, including changes in interest rates, market conditions, investor confidence and announcements of economic, political or financial information and there can be no assurance that any appreciation in value will occur. Equity securities generally have greater price volatility than fixed income securities. The performance of the Account may be particularly affected by volatility in the bond, equity and currency markets, and by significant changes in the historical interrelationship of those markets.

Currency Risk. Changes in currency exchange rates could adversely impact investment gains or add to investment losses. Currency exchange rates can be affected unpredictably by intervention, or failure to intervene, by U.S. or foreign governments or central banks or by currency controls or political developments in the U.S. or

abroad.

Issuer Concentration Risk. An Account may concentrate its investments in a small number of issuers, including going completely to cash (or cash equivalents) in the event Power Sustainable believes it would be in the best interest of the Account or its shareholders to do so based on current market conditions. As a result, the Account may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers and may experience increased risk of loss and increased volatility.

Foreign and Emerging Market Risk. Foreign securities involve risks in addition to those associated with comparable U.S. securities. Additional risks include exposure to less developed or less efficient trading markets; social, political, diplomatic, or economic instability; trade barriers and other protectionist trade policies (including those of the U.S.); significant government involvement in an economy and/or market structure; fluctuations in foreign currencies or currency redenomination; potential for default on sovereign debt; nationalization or expropriation of assets; settlement, custodial or other operational risks; higher transaction costs; confiscatory withholding or other taxes; and less stringent auditing, corporate disclosure, governance, and legal standards. As a result, foreign securities may fluctuate more widely in price, and may also be less liquid, than comparable U.S. securities. Regardless of where a company is organized or its stock is traded, its performance may be affected significantly by events in regions from which it derives its profits or in which it conducts significant operations. Investing in emerging market countries involves risks in addition to and greater than those generally associated with investing in more developed foreign countries. The governments of emerging market countries may be more unstable and more likely to impose capital controls, nationalize a company or industry, place restrictions on foreign ownership and on withdrawing sale proceeds of securities from the country, and/or impose burdensome taxes that could adversely affect security prices. In addition, the economies of emerging market countries may be dependent on relatively few industries that are more susceptible to local and global changes. Emerging market countries may also have less developed legal and accounting systems. Securities markets in emerging market countries are also relatively small and have substantially lower trading volumes. Securities of issuers in emerging market countries may be more volatile and less liquid than securities of issuers in foreign countries with more developed economies or markets. Securities of issuers traded on exchanges may be suspended, either by the issuers themselves, by an exchange or by governmental authorities. The likelihood of such suspensions may be higher for securities of issuers in emerging or less-developed market countries than in countries with more developed markets. Trading suspensions may be applied from time to time to the securities of individual issuers for reasons specific to that issuer, or may be applied broadly by exchanges or governmental authorities in response to market events. In the event that an Account holds material positions in such suspended securities, the Account's ability to liquidate its positions or provide liquidity to investors may be compromised and the Fund could incur significant losses.

Geographic Concentration & PRC Risk. An Account's performance is expected to be closely tied to economic, political, diplomatic, and social conditions within the PRC and to be more volatile than the performance of more geographically diversified accounts. The PRC is still generally considered an emerging market and carries the risks associated with emerging markets, as well as risks particular to the PRC. The economy, industries, and securities and currency markets of the PRC may be adversely affected by slow economic activity worldwide, protectionist trade policies, dependence on exports and international trade, currency devaluations and other currency exchange rate fluctuations, restrictions on monetary repatriation, increasing competition from Asia's low-cost emerging economies, environmental events and natural disasters that may occur in the region, and military conflicts either in response to social unrest or with other countries. In addition, the tax laws and regulations in mainland China are subject to change, possibly with retroactive effect. The PRC government's policies on the economy and financial markets have a more significant effect on pricing in capital markets and investor sentiments than in developed economies. State involvement in China's economy and stock markets is such that it has proven difficult to predict or gauge the growth prospects for the economy and the fair pricing of assets. As a result, an Account may be more susceptible to increased volatility and risks of mispricing and loss.

Regulatory Risks Relating to Issuer and/or Industry Concentration Restrictions. Power Sustainable and/or an Account may, in certain jurisdictions, be subject to regulatory investment thresholds, restrictions, disclosure and/or reporting requirements relating to the concentration of an Account's investments in particular issuers and/or protected industries. Such restrictions and/or requirements may be complex and enforced on an aggregated

group basis.

Market Disruption Risk. Certain events have a disruptive effect on securities markets, including but not limited to, terrorist attacks, war and other geopolitical events or catastrophes. Power Sustainable cannot predict the effect of similar events in the future on the U.S. or foreign economies. Certain securities such as equity securities tend to be impacted more by these events than other types of securities in terms of price and volatility.

Market Capitalization Risk. To the extent an Account invests in securities of small-, mid-, or large-cap companies, it takes on the associated risks. At times, any one of these market capitalizations may be out of favor with investors. Compared to small- and mid-cap companies, large-cap companies may be unable to respond as quickly to changes and opportunities. Compared to large-cap companies, small- and mid-cap companies may depend on a more limited management group, may have a shorter history of operations, and may have limited product lines, markets or financial resources. The securities of small- and mid-cap companies are often more volatile and less liquid than the securities of larger companies and may be more affected than other types of securities by the underperformance of a sector or during market downturns.

Equity Investments Risk. The prices of equity securities are more volatile than those of fixed income securities. The prices of equity securities will rise and fall in response to a number of different factors. In particular, equity securities will respond to events that affect entire financial markets or industries (such as changes in inflation or consumer demand) and to events that affect particular issuers (such as news about the success or failure of a new product). Equity securities also are subject to “stock market risk,” meaning that stock prices in general may decline over short or extended periods of time. When the value of the stocks held by an Account goes down, the value of the Account and/or its interests or shares will be affected.

Non-U.S. Securities Risk. Investment in securities of non-U.S. companies involves risks and considerations not typically associated with investing in U.S. companies and the value of non-U.S. securities may be more volatile than those of U.S. securities. The values of non-U.S. securities are subject to economic and political developments in countries and regions where issuers operate or are domiciled, or where the securities are traded, such as changes in economic or monetary policies, and to changes in currency exchange rates. Values may also be affected by restrictions on receiving the investment proceeds from a non-U.S. country.

Systematic Risk of the Global Capital Markets. Stock markets are vulnerable to changes in economic cycles, interest rate levels, commodity prices, government policies and geopolitical and natural disaster risks. However, over time, stock markets have tended to provide an excess return over a risk free rate of interest. Therefore, systematic risk is believed to be mitigated by protracted holding periods. Further, the use of short positions may offset some systematic risk.

Exchange Control Repatriation Risk. It may not be possible for an Account to repatriate capital, dividends, interest and other income from a country in which an investment has been made or governmental consents may be required to do so. This can occur in the case of investments in emerging market countries. An Account could be adversely affected by delays in obtaining or the inability to obtain required governmental consents for the repatriation of funds or by any official intervention affecting the process of settlement transactions. Economic or political conditions can lead to the revocation or variation of a consent granted prior to an investment being made in any particular country or to the imposition of new restrictions.

Political, Regulatory, Settlement and Sub-Custodial Risk. The value of the assets of an Account may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. The effect of any future regulatory or tax change on an Account is impossible to predict.

Recent Market Events Risk. Over the last several years, domestic and international markets have experienced

acute turmoil. This turmoil resulted in unusual and extreme volatility in the equity and debt markets, in the prices of individual securities and in the world economy. In addition, many governments and quasi-governmental entities throughout the world responded to the turmoil with a variety of significant fiscal and monetary policy changes, including but not limited to, direct capital infusions into companies, new monetary programs and dramatically lower interest rates. An unexpected or quick reversal of these policies could increase volatility in the equity and debt markets. These market conditions and continuing economic risks add significantly to the risk of short-term volatility in an Account.

Depository Receipts Risk. Depository receipts are subject to the risk of fluctuation in the currency exchange rate if, as is often the case, the underlying foreign securities are denominated in foreign currency, and there may be an imperfect correlation between the market value of depository receipts and the underlying foreign securities.

Risks of Investments in China A-Shares through Stock Connect Programs. There are significant risks inherent in investing in China A-Shares through “Connect Programs” of local stock exchanges in China, such as the Shanghai Connect Program and the Shenzhen Connect Program. The Connect Programs operate independently from each other with substantially similar regulatory framework and operating mechanisms. The Chinese investment and banking systems are materially different in nature from many developed markets, which exposes investors to risks that are different from those in the U.S. The Connect Programs are subject to daily quota limitations, and an investor cannot purchase and sell the same security on the same trading day, which may restrict an Account’s ability to invest in China A-Shares through the Connect Programs and to enter into or exit trades on a timely basis. If either one or both markets involved in a particular Connect Program are closed on a U.S. trading day, the Account may not be able to dispose of its China A-Shares in a timely manner under such Connect Program, which could adversely affect the Account’s performance. Only certain China A-Shares are eligible to be accessed through the Connect Programs. Such securities may lose their eligibility at any time, in which case they could be sold but could no longer be purchased through the Connect Programs. The Connect Programs are in their early stages and the actual effect on the market for trading China A-Shares with the introduction of large numbers of foreign investors is unknown. Further regulations or restrictions, such as limitations on redemptions or suspension of trading, may adversely impact the Connect Programs. In August 2016, the China Securities Regulatory Commission and the Securities and Futures Commission announced the immediate abolition of the former aggregate quota limitations within the scope of the Shanghai Connect Program. In December 2016, the Shenzhen Connect Program formally commenced trading. The rules and regulations for the Shanghai Connect Program and the Shenzhen Connect Program are broadly similar. The future impact of this next stage of integration of Chinese and foreign markets is unclear.

China and Hong Kong Risk. The PRC government exercises significant control over China’s economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the PRC government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries, could disrupt economic development. Territorial border disputes persist between China and several of its neighboring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the PRC economy is also vulnerable to developments on the Korean peninsula. Should political tension increase or military actions be precipitated, it could adversely affect the economy and destabilize the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The PRC government also sometimes takes actions intended to increase or decrease the values of PRC stocks. The domestic consumer class in China is still emergent, while the economy’s dependence on exports may not be sustainable. China’s trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China’s management of its currency, as well as on some export-dependent sectors. Trade and other disputes between China and the United States have increasingly strained the political and diplomatic relationship with the two countries and could lead to a de-coupling of economic ties. Retaliatory political policies by and against China could have an adverse effect on the value of the Account’s investments. Social cohesion in China is being tested by growing income inequality and larger scale environmental degradation. Social instability could threaten

China's political system and economic growth, which could decrease the value of the Account's investments.

PRC Political and Economic Risk. China has implemented a series of economic reform programs emphasizing the utilization of market forces in the development of the PRC economy and a high level of management autonomy since 1978. Although China's economy has experienced significant growth in the past 20 years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The PRC government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of the Account. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalization of some or all of the investments held by the underlying securities in which the Account may invest. Changes in the PRC government's policies could negatively affect the value of investments held by the Account and consequently the net asset value of the Account.

PRC Accounting and Reporting Risk. PRC companies are required to follow PRC accounting standards and practices, which only follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to PRC companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with PRC accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in China on which Power Sustainable can base investment decisions. Consequently, investors may not be provided the same degree of protection or information as would generally apply in developed countries and the Account may be exposed to significant losses.

PRC Legal and Regulatory System Risk. The PRC legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

Nationalization and Expropriation Risk. The PRC government renounced various debt obligations and nationalized private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The PRC government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the PRC government will not take similar actions in the future.

Hong Kong. Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution." The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defense and foreign affairs are the responsibility of the central government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on the Account's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. As of July 2020, Hong Kong is no longer afforded preferential economic treatment by the United States under U.S. law, and there is uncertainty as to how the economy of Hong Kong

will be affected. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is “pegged” to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what affect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

Sector Risk. From time to time, based on market or economic conditions, the Account may have significant positions in one or more sectors of the market. To the extent the Account invests more heavily in particular sectors, its performance will be especially sensitive to developments that significantly affect those sectors. Individual sectors may be more volatile, and may perform differently, than the broader.

Stock Connect Risk. In addition to the risks relating to China above, other risks applicable to investments by the Account using Stock Connect apply. The Account may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect program or the Shenzhen-Hong Kong Stock Connect programs subject to any applicable regulatory limits. The Stock Connect programs are a securities trading and clearing linked program developed by HKEX, HKSCC, SSE and SZSE (as relevant) and ChinaClear with an aim to achieve mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE and SZSE listed China A-Shares through their Hong Kong-based brokers.

General Risk. The relevant regulations of the Stock Connect are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Account. The programs require use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong, and Shanghai and/or Shenzhen markets through the respective programs could be disrupted.

Quota Limitations. The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the daily quota drops to zero or is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the Account’s ability to invest in China A-Shares through the Stock Connect on a timely basis, and the Account may not be able to effectively pursue its investment strategy.

Legal/Beneficial Ownership. Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local central securities depositaries, HKSCC and ChinaClear. HKSCC is the “nominee holder” of the securities acquired by foreign investors through the Stock Connect. While the CSRC Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through the Stock Connect in accordance with applicable laws, it is unclear how a beneficial owner investing through the Stock Connect would be able to exercise and enforce its rights over such securities in the courts in China. HKSCC, as nominee holder, is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or depositary as registered holder of the relevant Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entity and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, Power Sustainable cannot ensure that the Account’s ownership of these securities or title thereto is assured. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Account has no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Account suffers losses resulting from the performance or insolvency of HKSCC. In the event ChinaClear defaults, HKSCC’s liabilities under its market contracts with clearing

participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Account may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Clearing and Settlement Risk. HKSCC and ChinaClear have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the PRC securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities Regulatory Commission. In the event of a ChinaClear default, HKSCC's liabilities in SSE shares and SZSE shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear, but it is not obliged to do so. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation process, if available. In that event, the Account may suffer delay in the recovery process and/or may not fully recover its losses from ChinaClear.

Suspension Risk. Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the Account's ability to access the PRC market via the Stock Connect will be adversely affected.

Differences in Trading Day. The Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Chinese market but China A Shares trading via the Stock Connect cannot be carried out. The Account may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring. PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (*i.e.*, the stock brokers) to ensure there is no over-selling. If Power Sustainable intends to sell certain China A Shares held by an Account, the Account must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("**trading day**"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Account may not be able to dispose of its holdings of China A Shares in a timely manner.

Operational Risk. The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SSE, SZSE or SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function

properly, trading in both markets through the program could be disrupted. The Account's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk. The Stock Connect is a novel concept. The current regulations are untested, and there is no certainty as to how they will be applied. Using the Stock Connect as a means of investment will result in trades being subject to additional restrictions to those usually traded directly on exchange, which may result in investments being subject to greater or more frequent rises and falls in value and the investments may be harder to liquidate. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. The Account may be adversely affected as a result of such changes.

Recalling of Eligible Stocks. When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the Account, for example, if Power Sustainable wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund. Investment in SSE or SZSE shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of an Account are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SZSE shares or SSE shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Account is exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect. Investment in China A Shares via Stock Connect will also not be covered by the China Securities Investor Protection Fund.

Change of Law Risk. The Account must comply with regulatory constraints, such as a change in the laws affecting the applicable investment restrictions, which might require a change in the investment policy and objectives followed by it.

Counterparty Risk. The Account will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. At any one time, the Account may be exposed to the creditworthiness of its counterparties in respect of all or part of such collateral. Also, transactions may not always be delivery versus payment and this may expose the Account to greater counterparty risk. In the event of the insolvency of a counterparty, the Account might not be able to recover cash or assets of equivalent value in full.

General Investment and Trading Risks. Substantial risks are involved in investing in the various securities and instruments Power Sustainable intends to purchase and sell. Prices may be influenced by, among other factors: (i) changing supply and demand relationships; (ii) domestic and foreign policies of governments, particular policies to do with trade or with fiscal and monetary matters; (iii) political events, particularly elections and those events that may lead to a change in government; (iv) the outbreak of hostilities, even in an area in which an Account is not invested; and (v) economic developments, particularly those related to balance of payments and trade, inflation, money supply, the issue of government debt, changes in official interest rates, monetary revaluation or devaluation and modifications in financial market regulation.

As a result of the nature of these investment activities, the results of the Account's operations may fluctuate substantially from period to period. Accordingly, performance results of a particular period will not be indicative

of results in future periods.

Illiquid and Restricted Securities. Certain securities in which an Account invests may be difficult to sell at the time and price beneficial to the Account, for example due to low trading volumes or legal restrictions. When there is no willing buyer or a security cannot be readily sold, the Account may have to sell at a lower price or may be unable to sell the security at all. The sale of such securities may also require the Account to incur expenses in addition to those normally associated with the sale of a security.

Liquidity Risk. It may not always be possible for an Account to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions, including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, the Account may not be able to execute trades or close out positions on terms that Power Sustainable believes are desirable.

Credit Risk. There can be no assurance that issuers of the securities or other instruments in which an Account invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments.

Interest Rate Risk. An Account may be subject to interest rate risk. As interest rates rise, market value tends to decrease. This risk will be greater for long-term securities than for short-term securities. Unexpected changes in interest rates may adversely affect the value of the Account's investments.

Foreign Currency Risk. An Account may be exposed to currency exchange risk. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of the Account's investments to diminish or increase. A decline in the value of foreign currencies relative to its base currency will reduce the value of securities held by the Account and denominated in those currencies. Currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates, budget deficits, low savings rates, and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by relevant governments or central banks, or by currency controls or political developments. An Account may incur costs and experience conversion difficulties and uncertainties in connection with conversions between various currencies. Fluctuations in exchange rates may also affect the earning power and asset value of the foreign entity issuing the security.

Foreign Investment Risk. Special risks associated with investments in foreign (non-U.S.) companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability, differing auditing and legal standards and the imposition of economic sanctions in a particular jurisdiction or industry. To the extent that an Account's investments are concentrated in one or a limited number of foreign countries, including the PRC, the Account's performance could be more volatile than that of more geographically diversified funds.

BREXIT Risk. The UK withdrew from the EU and the EEA on 31 January 2020. Following withdrawal from the EU, the UK entered a transition period, during which EU law continued to apply in the UK. New EU legislation that took effect before the end of the transition period also applies to the UK. The transition period ended on 31 December, 2020. On 30 December 2020, the EU and the UK signed an agreement on the terms governing certain aspects of the EU's and the UK's relationship following the end of the transition period, the EU-UK Trade and Cooperation Agreement (the "TCA") which is currently in the process of being ratified by the EU's and the UK's respective parliaments. Notwithstanding the TCA, there is likely to be uncertainty as to the UK's post-transition framework, and in particular as to the arrangements which will apply to the UK's relationships with the EU and with other countries, which are likely to continue to develop.

This process and/or the uncertainty associated with it may, at any stage, directly or indirectly adversely affect an Account and its investments. There may be implications for the value of the Account's investments and/or its ability to implement its investment program in respect of any investments in the UK. This may be due to, among other things:

- (i) uncertainty and volatility in financial markets;

- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the UK;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Account, its service providers and/or certain of its assets are or become subject.

The UK's vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue during the transition period. It may have a destabilizing effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

The withdrawal of the UK from the EU could have a material impact on the UK's economy and its future growth, impacting adversely an Account's investments in the UK. It could also result in prolonged uncertainty regarding aspects of the UK economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on an Account.

MiFID II Regulatory Risk. MiFID II and the MiFID Regulations came into effect on 3 January 2018. It was a wide ranging piece of legislation which introduced changes to, among other things, European financial market structure, trading and clearing obligations, product governance and investor protection. While MiFIR and a majority of the MiFID "Level 2" measures were directly applicable across the EU as EU regulations, the revised MiFID directive had to be "transposed" into national law by Member States. In the course of transposition, individual Member States and their national competent authorities introduced requirements over and above those in the European text and applied MiFID II provisions to market participants that would not otherwise be caught by MiFID II. Aspects of MiFID II and its implementation may be unclear in scope and subject to differences in regulatory interpretation. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact on market participants including an Account and/or Power Sustainable, the operation and performance of the Account, and the ability of Power Sustainable to implement a Account's investment objectives.

Integration of Sustainability Risks. Environmental, social and governance ("ESG") is integrated into Power Sustainable's investment philosophy and investment decision making process. A 'sustainability risk' means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a sustainability risk associated with an investment materializes, it could lead to the loss in value of an investment. By integrating both financial analysis and ESG analysis within the investment decision process, Power Sustainable seeks to understand relevant long-term sustainability risks for the targeted companies.

The European Union's Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended from time to time, the "SFDR") sets out certain ESG and sustainability disclosure requirements for alternative investment fund managers and investment managers to Undertakings for Collective Investment in Transferrable Securities ("UCITS"). The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in the processes of a manager and the provision of sustainability-related information with respect to alternative investment funds ("AIFs") and UCITS. The SFDR can impact a non-EU manager, such as Power Sustainable, if its Clients are AIFs or UCITS or otherwise subjected to the SFDR. Such a non-EU manager can be subject to the requirements of the SFDR, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process, (ii) publishing on its website: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not do so, including, where relevant, information as to whether and when it intends to consider such adverse impacts, (iii) publishing on its website and including in its remuneration policies maintained in accordance with sectoral legislation, information on how remuneration policies are consistent with the integration of sustainability risks, and (iv) ensuring that marketing communications do not contradict the information disclosed pursuant to the SFDR. The SFDR also requires managers to include sustainability related information

in the pre-contractual disclosures and periodic reports of an AIF or UCITS, and, depending on the strategy of the AIF or UCITS, on websites. The SFDR also has remuneration requirements. Certain Clients will bear the costs and expenses of compliance with the SFDR and any other applicable legislation or regulations, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters. It is difficult to predict the full extent of the impact of the SFDR on a manager, AIF or UCITS.

Allocation Risk. The ability of an Account to achieve its investment goal depends, in part, on the ability of Power Sustainable to allocate effectively a fund's assets among equities and currencies. There can be no assurance that the actual allocations will be effective in achieving the Account's investment goal.

Risks Relating to Reliance on the Investment Manager. Investment decisions will however be made for an Account by Power Sustainable. The success of the Account will depend on the ability of Power Sustainable to identify suitable investments and the ability of Power Sustainable to dispose of such investments at a profit for the Account. Adverse events could affect one or more of the Account's investments at the same time. There can be no assurance that Power Sustainable will be successful in this regard.

Investment Strategies Risk. No assurance can be given that the strategies to be used will be successful under all or any market conditions.

Dependence on Key Personnel Risk. Trading decisions made by Power Sustainable are based on a combination of fundamental factors supported by technical analysis and the judgment of certain key employees of Power Sustainable. No assurance can be given that Power Sustainable's trading methods and strategies and its trading decisions for the Account will be successful under all or any market conditions. Moreover, if such certain key employees were to die or become disabled or otherwise terminate their relationship with Power Sustainable, or if Power Sustainable were to terminate its relationship with the Account, such event could have a material adverse effect on the performance of the Account.

Investment in Other CIS Risk. Through investments in other CIS, an Account is exposed to not only to the risks of the underlying CIS' investments but also to certain additional risks. Assets invested in other CIS incur a layering of expenses, including operating costs, advisory fees and administrative fees the Account and/or its shareholders indirectly bears. Such fees and expenses may exceed the fees and expenses the Account would have incurred if it invested in the underlying fund's assets directly. To the extent that the expense ratio of an underlying CIS changes, the weighted average operating expenses borne by the Account may increase or decrease. An underlying CIS may change its investment objective or policies without the approval of the Account, and the Account might be forced to withdraw its investment from the underlying fund at a time that is unfavorable to the Account.

PRC and Other Foreign Tax. An Account may invest in securities that produce income or capital gain that is subject to withholding and other taxes, including such taxes imposed by the PRC or another jurisdiction. In addition, developing or emerging countries typically have less well-defined tax laws and procedures and such laws may permit retroactive taxation so that an Account could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests.

Pursuant to the current PRC administrative policy, foreign investors, including an Account, investing in China A-Shares listed on the SSE through the Shanghai-Hong Kong Stock Connect and those listed on the SZSE through the Shenzhen-Hong Kong Stock Connect are temporarily exempt from EIT and value-added tax on the gains on the disposal of such China A-Shares. This temporary exemption could be eliminated at any time. Dividends may be subject to EIT on a withholding basis at 10%, unless reduced under a double tax treaty with the PRC upon application to and obtaining approval from the competent tax authority. The actual applicable tax imposed by the PRC tax authorities may be different and may change from time to time. There is a possibility of the rules being changed and taxes being applied retroactively.

Recent Developments in Financial Markets Risk. Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such

recent market turmoil and the overall weakening of the financial services industry, an Account, Power Sustainable and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on an Account's business and operations.

Financial Markets and Regulatory Change Risk. The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to an Account's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Account. The Account and/or Power Sustainable may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including, for example, restrictions on short selling of certain securities in certain jurisdictions, restrictions on leverage or other activities of funds; increased disclosure requirements; requirements with respect to the appointment of service providers; and requirements in respect of valuations. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is unknown. These recent events, and their underlying causes, are likely to be the catalyst for changes in global financial regulation for some time, and may result in major and unavoidable losses to an Account.

Impact of COVID-19. In December 2019, an outbreak of a contagious respiratory virus now known as COVID-19 occurred and it has since spread globally. The virus has resulted in government authorities in many countries (including the PRC and Hong Kong) taking extreme measures to arrest or delay the spread of the virus including the declaration of states of emergency, restrictions on movement, border controls, travel bans and the closure of offices, schools and other public amenities such as bars, restaurants and sports facilities. This has resulted in major disruption to businesses, both regionally and globally, substantial market volatility, exchange trading suspensions and closures. While the full impact is not yet known, it is anticipated that these events will have a material adverse effect on general global economic conditions and market liquidity.

This may in turn cause material disruptions to business operations of service providers on which an Account relies, including Power Sustainable. It may also adversely impact the Account's investments, the ability of Power Sustainable to access markets or implement the Account's investment policy in the manner originally contemplated, the Account's net asset value and therefore its investors. The Account's access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly.

The impact of a health crisis such as the COVID-19 pandemic, and other epidemics and pandemics that may arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. Any such impact could adversely affect an Account's performance, resulting in losses to investors.

European Economic Risks. EU Member States and European businesses and financial institutions and counterparties are currently being affected, some adversely, by severe political and economic difficulties and concerns. These developments have had and may continue to have, a negative effect on financial markets, investor activity and credit ratings of institutions.

There are increasing concerns that one or more Member States within the Eurozone may not be able to meet their debt obligations or funding requirements. A sovereign default is likely to have adverse consequences for the economy of the Member State and for creditors.

The probability of Member States that have adopted the Euro abandoning or being forced to withdraw from the Euro remains. It is difficult to predict the precise nature of the consequences of a Member State leaving the Euro, however, it is likely that any Euro-denominated assets or obligations that an Account acquired that are converted into a new national currency would suffer a significant reduction in value if the new national currency falls in value against the Euro or other currencies.

Adverse developments of this nature may significantly affect the value of an Account's investments and the

ability of the Account to transact business. Fluctuations in the exchange rate between the Euro and the U.S. Dollar or other currencies could have a negative effect upon the performance of investments.

Operational and Cybersecurity Risk. An Account and its service providers may be negatively impacted due to operational matters arising from, among other problems, human errors, systems and technology disruptions or failures, or cybersecurity incidents. Cybersecurity incidents may allow an unauthorized party to gain access to fund assets, customer data, or proprietary information, or cause the Account or its service providers, as well as the securities trading venues and their service providers, to suffer data corruption or lose operational functionality. It is not possible for Power Sustainable to identify all of the cybersecurity or other operational risks that may affect the Account or to develop processes and controls to completely eliminate or mitigate their occurrence or effects. Most issuers in which an Account will invest are heavily dependent on computers for data storage and operations, and require ready access to the internet to conduct their business. Thus, cybersecurity incidents could also affect issuers of securities in which the Account invests, leading to significant loss of value.

Our Methods of Analysis

We advise Accounts using different methods of analysis depending on the Account's mandate, including "fundamental analysis," which includes the analysis of financial statements, the general financial health of companies and/or the analysis of management or competitive advantages.

Item 9 Disciplinary Information

Not applicable.

Item 10 Other Financial Industry Activities and Affiliations

Other Registrations

Power Sustainable is registered as a portfolio manager and investment fund manager in Ontario and Quebec, an exempt market dealer in Ontario, Quebec, Alberta, British Columbia, Saskatchewan and Manitoba, a registered commodity trading manager in Ontario, and a registered derivatives portfolio manager in Quebec.

Other Financial Industry Activities and Affiliations

Power Sustainable is an indirect, majority-owned subsidiary of PCC, a diversified international management and holding company with interests in companies that are active in the financial services, communications and other business sectors. PCC's financial subsidiaries include U.S. investment advisers, broker-dealers, retirement plan record keepers, and insurance companies, as well as non-U.S. investment advisers, broker-dealers, fund management companies, and insurance companies. As such, Power Sustainable is affiliated with a number of entities that are engaged in financial industry-related activities.

Material Conflicts of Interest between Power Sustainable and Related Parties

Being part of a larger corporate group could involve conflicts of interest if, for example, an asset manager were to use affiliated products and services when those products and services may not be in its clients' best interests. Many U.S. and non-U.S. laws aim to limit these conflicts of interests – for example, by preventing a money manager from entering into trades between its clients and its affiliates where the client might be disadvantaged. Power Sustainable has adopted policies and procedures reasonably designed to manage and, to the extent possible, avoid related conflicts of interest. These policies require that a purchase, sale, or holding of those securities, among other requirements, must among other things: (i) be made free from any influence by a related company; (ii) represent the business judgment of the portfolio manager uninfluenced by considerations other than the best interest of the Account; and (iii) be reasonably expected to achieve a fair result for the Account.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Interest in Client Transactions

Power Sustainable advises numerous Accounts. Power Sustainable can give advice and take action with respect to any Account it manages, or for its own account or the account of a supervised or access person (as those terms are defined by the Advisers Act and rules thereunder), which could differ from actions taken by Power Sustainable on behalf of other Accounts.

Power Sustainable (or a related person) may:

- recommend to Clients securities in which Power Sustainable (or a related person) has a material financial interest;
- recommend securities to Clients at the same time that Power Sustainable (or a related person) buys or sells the same securities for its own (or the related person's own) account; and/or
- invest in the same securities that Power Sustainable (or a related person) recommends to Clients.

Power Sustainable is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that Power Sustainable, its affiliates or their respective supervised and access persons may buy or sell for its or their own account or for any other Account. Power Sustainable is also not obligated to refrain from investing in securities held in the Accounts that it manages, except to the extent that such investments violate policies and procedures applicable to or adopted by Power Sustainable (including the Code, described below). Additionally, Power Sustainable personnel can invest in Funds which, in turn, can invest in securities held in other discretionary Accounts managed by Power Sustainable.

The buy or sell programs of Power Sustainable and its personnel could extend over a period of months and securities could be held for long-term investment. From time to time, officers and employees of Power Sustainable might have interests in securities held by or recommended to Clients.

As these situations could involve conflicts of interest, Power Sustainable has implemented policies and procedures relating to personal securities transactions and insider trading that are designed to identify and prevent or mitigate conflicts of interest. These policies and procedures, including the Code, are intended to avoid conflicts of interest with Clients and to resolve such conflicts appropriately, if they do occur. Any Covered Person who fails to observe the Code and other relevant compliance policies risks serious sanctions, including dismissal and personal liability.

The Code

Power Sustainable has adopted the Code pursuant to Rule 204A-1 under the Advisers Act. Permanent staff, officers, directors and most temporary staff and consultants who have worked for Power Sustainable for more than six months, (collectively, “**staff**”), receive training in the Code and are required to acknowledge their receipt and understanding of the Code on an annual basis and upon any material changes.

The Code contains provisions requiring staff to act in the best interests of the Clients and to comply with the federal securities laws which govern Power Sustainable's activities. The Code also contains Power Sustainable's personal trading policies and procedures which govern the personal investing activities of its staff. The Code requires staff to disclose all of their “covered accounts” (securities accounts, including accounts of immediate family members sharing the same household, over which staff exercise any control or retain a beneficial interest) to Power Sustainable's compliance department.

Power Sustainable allows staff to deal on their own account on the basis that staff will not trade to the disadvantage of Power Sustainable's clients, abuse their trust and responsibility or take inappropriate advantage of their position. Any personal dealing by Power Sustainable staff is subject to the overriding condition that (a) client orders must be transmitted to the market before any Power Sustainable staff can deal in the same or related securities on their own account and (b) any personal dealing does not reduce the staff's contribution to the work

of Power Sustainable and/or affect the staff's duties to Power Sustainable and its clients. Power Sustainable reserves the right, in any event, to require staff to close out or reverse a transaction at the staff's risk.

Under the Code, staff must pre-clear all non-exempt transactions (which include purchases and sales of equities and futures) in personal accounts with the compliance department. In certain situations, in the sole discretion of the CCO, staff may receive an exception to these policies. In the event of any exception granted to staff, Power Sustainable will ensure that the employee does not trade ahead of clients or to the client's disadvantage. Moreover, Power Sustainable may recommend to clients the purchase or sale of securities in which Power Sustainable staff and/or related persons already have a financial interest. To address any potential conflicts of interest, staff transactions are subject to Power Sustainable's policies and procedures regarding personal securities trading described above, as well as to the requirements of the Advisers Act and other applicable laws.

Clients and prospective Clients may obtain a copy of the Code by contacting Power Sustainable, in writing, at 751 Square Victoria, Montréal, Québec, Canada H2Y 2J3.

Insider Trading Policies

Power Sustainable and its related persons could, from time to time, come into possession of material non-public and other confidential information which, if disclosed, might affect an investor's decision to buy or sell a security ("**Inside Information**"). Inside Information could relate to, among other things, Power Sustainable, its affiliates, Accounts which offer publicly traded securities, or other issuers. Under applicable law, Power Sustainable and its related persons are prohibited from improperly disclosing or using Inside Information for their personal benefit or for the benefit of any other person, regardless of whether that person is a Client. Accordingly, should such persons come into possession of Inside Information with respect to any issuer, they will be prohibited from communicating such information to, or using such information for the benefit of, their Clients when following policies and procedures designed to comply with applicable law.

Power Sustainable has also adopted policies and procedures to prevent the misuse of Inside Information by Power Sustainable and its officers, directors and employees which are designed to comply with applicable law including, but not limited to, the Advisers Act.

Other Conflicts of Interest

Inconsistent Investment Positions and Timing of Competing Transactions

From time to time, Power Sustainable could take an investment position or action for one or more Accounts that is different from, or inconsistent with, an action or position taken for one or more other Accounts having similar or differing investment objectives, and such actions could be taken at differing, and potentially inopportune, times.

When a position is established or disposed of for one Account ahead of, or contemporaneously with, similar portfolio decisions or strategies for another Account, market impact, liquidity constraints, or other factors could result in one or more Accounts receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased, such Accounts could be diluted, the values, prices or investment strategies of another Account could be impaired or such Accounts could otherwise be disadvantaged. On the other hand, conflicts could also arise because portfolio decisions made for one Account could result in a benefit to other Accounts.

Power Sustainable can pursue or enforce rights of certain Accounts with respect to an issuer in which other Accounts have invested, and those activities could have an adverse effect on those other Accounts. To avoid such conflicts, Power Sustainable could refrain from participating or could determine to exercise the rights for all such Accounts having a right to participate, to the fullest extent of each Account's interest and right to do so, even though doing so could disadvantage other Accounts.

Side-by-Side Management and Differential Interests

As discussed above, the nature and amount of compensation paid to Power Sustainable by certain Accounts investing in similar, competing or conflicting investments, could differ from the compensation paid by other Accounts. Additionally, Power Sustainable and its personnel might have differing investment or pecuniary interests in different Accounts and personnel might have differing compensatory interests with respect to different Accounts.

Power Sustainable faces conflicts of interest when:

- (1) the actions taken on behalf of one Account impact other similar or different Accounts (*e.g.*, because such Accounts have the same or similar investment strategies or otherwise compete for investment opportunities, have potentially conflicting investment strategies or investments, or have differing ability to engage in short sales and economically similar transactions); and
- (2) Power Sustainable and its personnel have differential interests in such Accounts (*i.e.*, expose Power Sustainable or its related persons to differing potential for gain or loss through differential ownership interests or compensation structures), because Power Sustainable has an incentive to favor certain Accounts over others that are less lucrative.

Such conflicts can present particular concern when, for example, Power Sustainable places, or allocates the results of, securities transactions that Power Sustainable believes could more likely result in favorable performance, engages in cross trades or executes potentially conflicting or competing investments.

To mitigate these conflicts, Power Sustainable's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to such Accounts and without consideration of Power Sustainable's (or such personnel's) pecuniary, investment or other financial interests.

Item 12 Brokerage Practices

Trade Aggregation and Allocation

Power Sustainable maintains an allocation policy and procedures designed to ensure that allocations of investment opportunities and securities transactions are made on a fair and equitable basis. As far as practicable, where two or more Clients are equally suited to a type of investment opportunity and able and willing to participate, Power Sustainable will allocate such investment equitably in order to ensure that each similar Client has equal access to the same quality and quantity of the investment opportunity. Power Sustainable may aggregate a number of comparable Client orders. In considering whether to aggregate orders, Power Sustainable considers liquidity, market conditions and volume, and the speed and ability to execute a complete order, among other things. In limited circumstances, similar orders may not be aggregated, which may include Client restrictions and/or Client broker selection requirements.

The effect of this aggregation and any resulting allocation may work to a Client's advantage or disadvantage in relation to a particular order. However, Power Sustainable will only aggregate orders where it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any Client whose order is to be aggregated. Clients participating in an aggregated order will receive the average price and pay a proportional share of any broker commission.

If an aggregated order cannot be filled completely, allocations will generally be made on a *pro rata* basis. An order may not be allocated on a *pro rata* basis where, for example, (i) it is uneconomic to do so, (ii) *pro rata* allocation would result in odd lots or *de minimus* amounts, or (iii) where Power Sustainable reasonably determines that departure from a *pro rata* allocation is advisable.

In those situations in which Power Sustainable has determined that it is not able to make a *pro rata* allocation due to odd lots or *de minimis* requirements or other considerations as outlined above, Power Sustainable will periodically review all deviations from *pro rata* to ensure that all Clients are treated fairly and equitably over time.

How We Select Broker-Dealers for Client Transactions

Investment and brokerage decisions for Accounts, to the extent such discretion has been granted to Power Sustainable, are made by portfolio managers and traders. In placing brokerage transactions for Accounts with respect to which Power Sustainable or an affiliate has been granted trading discretion, Power Sustainable seeks to:

- (1) determine each Client's trading requirements,
- (2) select appropriate trading methods, venues and agents to execute the trades under the circumstances,
- (3) evaluate market liquidity of each security and take appropriate steps to mitigate excessive market impact,
- (4) maintain confidentiality of Client and proprietary information related to trading decisions, and
- (5) review the results of executions on a periodic basis.

On a periodic basis, Power Sustainable reviews its trading practices and results including the quality of executions received by discretionary Accounts. Among the items considered in this review are: a broker-dealer's trading history, administrative quality and responsiveness; examinations of failed trades and the broker-dealer's response thereto; conflicts of interest; commission rates and execution costs. Power Sustainable's goal, when evaluating its efforts to seek best execution is to exercise reasonable, good faith judgment to select broker-dealers that will consistently provide quality execution.

Soft Dollars/Commission Sharing

Power Sustainable participates in "soft dollar" arrangements. In accordance with any agreement with a Client and consistent with Power Sustainable's policies and procedures, Power Sustainable takes into account the value of

eligible brokerage and research products and services (each a “**soft dollar item**”) provided by broker-dealers, as long as such consideration do not jeopardize the objective of seeking best execution. Power Sustainable provides Clients with detailed information about the research and other products and services received by Power Sustainable in exchange for client brokerage upon Client request or in accordance with the terms set forth in the investment management agreement.

Broker-dealers typically provide a bundle of services, including research and execution of transactions. When appropriate under its discretionary authority and consistent with its duty to seek best execution, Power Sustainable can direct brokerage transactions for Accounts to broker-dealers who provide Power Sustainable with useful soft dollar items. The brokerage commissions used to acquire soft dollar items in these arrangements are commonly referred to as “soft dollars.” Soft dollar items are either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by the broker-dealer) and include: (i) advice relating to the value of a security or the advisability of effecting a transaction in a security; (ii) an analysis, or report, concerning a security, portfolio strategy, issuer, industry or an economic or political factor or trend; or (iii) a database or software, to the extent that it supports research goods or services.

Consistent with applicable law, Power Sustainable can use soft dollars to acquire proprietary or third-party research, and execution products or services; however, Power Sustainable will not enter into any agreement or understanding with a broker-dealer that would obligate it to direct a specific amount of brokerage business to that broker-dealer in return for a soft dollar item. Nonetheless, certain broker-dealers could state in advance the amount of brokerage commissions they require for certain soft dollar items and the applicable cash equivalent. Power Sustainable can use soft dollars to acquire soft dollar items that are also available for cash, where appropriate and permissible by law.

When Power Sustainable uses client brokerage commissions (or, where consistent with applicable law and regulatory interpretations, markups or markdowns) to obtain soft dollar benefits, Power Sustainable receives a benefit because, except as noted otherwise, Power Sustainable generally does not have to produce or pay for the benefits. This creates an incentive for Power Sustainable to select or recommend a broker-dealer based on the interest in receiving the soft dollar benefits, rather than on the Client’s interest in receiving the most favorable execution.

Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, provides a “safe harbor” which allows an investment adviser to pay for eligible soft dollar items with commission dollars generated by client securities transactions. When an adviser pays more than the lowest available commission in recognition of the receipt of soft-dollar items, the adviser is said to be “paying up.” Under SEC interpretations, soft dollars are permitted to be used for, among other things, eligible soft dollar items that assist Power Sustainable in meeting its Clients’ investment objectives and Power Sustainable’s relevant responsibilities to its Accounts. The receipt of soft dollar items in exchange for soft dollars benefits an adviser by, among other things, allowing the adviser, at no cost to it, to supplement its own research, analysis and execution facilities. It also allows the adviser to receive the views and information of individuals and research staffs at other securities firms and those of issuer personnel and to gain access to persons having special expertise on certain companies, industries, economic areas and market factors, relieving Power Sustainable of expenses that it might otherwise bear in obtaining the same or comparable products or services on its own.

Consistent with U.S. regulatory requirements and interpretations, Power Sustainable generally uses soft dollars generated with respect to trades consistently with the safe harbor described above. As such, in determining whether to pay up for a relevant execution, Power Sustainable evaluates whether the soft dollar item(s) provided by the broker-dealer: (i) (A) consist of advice, analyses or reports containing substantive content with respect to appropriate subject matters, as set forth in section 28(e) and related SEC interpretations thereof, or (B) are sufficiently related to the effectuation, clearance or settlement of a transaction and are provided and/or used during the time period commencing when Power Sustainable communicates with the relevant broker-dealer for the purpose of transmitting an order for execution and concluding when the funds or securities are delivered or credited to the Account or the accountholder’s agent; (ii) provide lawful and appropriate assistance in carrying out its relevant responsibilities to Accounts; and (iii) are acquired for an amount of soft dollars that is reasonable

in relation to the value of the soft dollar item(s) provided.

These determinations are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to them concerning the level of commissions paid by other investors of comparable size and type. In selecting broker-dealers, Power Sustainable considers the broker-dealer's ability to provide quality execution and its belief that the research, information and other soft dollar items provided by such broker-dealers will benefit Clients. It is often not possible to place, with precision, a dollar value on the quality executions or on the soft dollar items received from broker-dealers effecting transactions in portfolio securities.

Power Sustainable can also use soft dollars to pay for a portion of certain "mixed use" items (*i.e.*, items which provide both eligible and non-eligible benefits or encompass multiple functionalities some of which are not eligible for the safe harbor). Although the allocation between soft dollars and cash is not always capable of precise calculation, a good faith effort is made to allocate payment for such items appropriately by paying cash for that portion of the cost of the soft dollar item which is attributable to a use or functionality which is not, itself, eligible under the safe harbor. Records of such allocations and payments are maintained.

Soft dollar items, including research, are not always utilized by Power Sustainable, in whole or in part, for the specific Account that generated the soft dollars, and Power Sustainable does not usually attempt to allocate the relative costs or benefits of research or other soft dollar items among Accounts because it believes that, in the aggregate, the soft dollar items it receives benefit Clients by assisting it in fulfilling its overall duty to its Clients. In the same vein, it should be noted that the value of many soft dollar items including, particularly, proprietary research cannot be measured precisely and commissions paid for such items certainly cannot always be allocated to Clients in direct proportion to the value of the item to each Client. Moreover, because Power Sustainable routinely bunches Client transactions, it is often the case that brokerage commissions attributable to one or more Accounts will sometimes be allocated to brokers who provide soft dollar items (such as statistical data or research) used in managing the Accounts of other Clients, and vice versa. For this reason, it is inevitable (at least in the short term) that commissions paid in one Account will, in effect, subsidize soft dollar items that benefited another Account. Additionally, consistent with the section 28(e) safe harbor, Power Sustainable is permitted to use soft dollars generated in respect of trades for one type of Account (*e.g.*, equity) to acquire soft dollar items which benefit other types of Accounts (*e.g.*, fixed income). Soft dollars involving certain Accounts, including Accounts subject to ERISA are subject to additional restrictions.

Power Sustainable does not enter into arrangements with, or make commitments to, any broker-dealer that would bind it to compensate that broker-dealer, directly or indirectly, for Client referrals through the placement of brokerage transactions with that broker-dealer. Of course, Clients can, as discussed below, limit Power Sustainable's discretion by directing that trades be executed through a particular broker-dealer, including one that referred that Client to Power Sustainable. Additionally, Power Sustainable can exercise its discretion to execute transactions with broker-dealers that also refer Clients, when the use of such broker-dealer is consistent with a duty to seek best execution and following procedures reasonably designed to ensure that such referrals are not a factor in the decision to execute a trade, or a particular amount of trades, through such broker-dealer.

Client Directed Brokerage Transactions

While Power Sustainable generally selects broker-dealers to execute transactions for Accounts, Power Sustainable will accept, in limited instances, direction from Clients as to which broker-dealer is to be used. Clients who, in whole or in part, direct Power Sustainable to use a particular broker-dealer to execute transactions for their Account should be aware that, in doing so, they are limiting Power Sustainable's ability to, among other things, obtain volume discounts on bunched orders or to obtain best execution by, for example, executing over-the-counter transactions through a market maker.

Directing brokerage could cost Clients more money and reduce performance. Transactions for a Client that directs brokerage are generally unable to be combined or "bunched" for execution purposes with orders for the same securities for other Accounts managed by Power Sustainable. In these instances, a Client that has directed

Power Sustainable to use a particular broker-dealer to execute its trades will generally have its trades placed at the end of bunched trading activity for a particular security. Accordingly, directed transactions are often subject to price movements, particularly in volatile markets, that can result in the Client receiving a price that is less favorable than the price obtained by the bunched order. Clients who choose to direct brokerage to a particular broker or dealer to execute transactions should be aware that, in doing so, they could be subject to higher commissions, greater spreads or less favorable net prices or lower quality execution than might be the case if Power Sustainable could negotiate commission rates or spreads freely, or select brokers or dealers based on quality of execution. Consequently, best price and execution might not be achieved.

Cross Trades

Unless otherwise restricted, Power Sustainable authorizes transactions between Accounts provided they are in the interests of the Clients involved (unless local market constraints do not allow to do so). In these circumstances, Power Sustainable can utilize “cross-trading,” consistent with applicable law. When cross-trading, Power Sustainable can, in some cases, be required to execute through a brokerage firm and/or exchange or registered dealer, consistent with applicable law. When executing a cross-trade, the traded securities will be valued at a market price that is fair to each participating Account. If the price is not publicly available, this generally involves obtaining market information from at least two market sources prior to execution. Cross-trades involving certain Accounts, including Accounts subject to ERISA may be subject to additional restrictions.

Accounts Subject to ERISA

As noted in Item 4 above, Power Sustainable may manage accounts subject to ERISA which generally prohibit certain types of transactions such as cross trades. This general prohibition on cross trades could in certain circumstances limit Power Sustainable’s ability to place orders that obtain the most favorable execution terms or otherwise seek more favorable execution terms, which in turn could result in a price variance between accounts subject to ERISA and accounts not subject to ERISA.

Trade Errors

In the correction of a trade error, Power Sustainable will ensure that clients are treated fairly. It is Power Sustainable’s policy that any trade errors in Separately Managed Accounts shall be corrected in accordance with the provisions of an Account’s investment management agreement or otherwise through discussions between the CIO and the Client.

Item 13 Review of Accounts

Review of Accounts

Power Sustainable's Compliance department performs daily pre-trade and post-trade reviews of Accounts, aided primarily by the use of automated rules built into the order management system. These rules screen trades and holdings against each Account's applicable investment objective, strategies, and restrictions, as well as applicable regulatory requirements. Also, all Accounts are reviewed on a quarterly basis by the CIO of Power Sustainable and other members of the management team.

Additionally, the portfolio manager(s) for each Account, is responsible for ensuring that the Account conforms to the relevant investment objectives, strategies, and restrictions and for reviewing all trading activity. These reviews include consideration and analysis of: current market activity and conditions; individual issuers; portfolio composition and performance of each Account, as well as comparisons across similar Accounts.

Client Reports

Institutional Clients receive such reports as are agreed upon between the Client and Power Sustainable. The nature and frequency of these reports are typically set forth in the relevant investment advisory contract and can vary from Account to Account. Power Sustainable makes representatives available to discuss investments in a Client's Account with that Client on a periodic basis.

Investors in the Funds will receive reports as described in the applicable Offering Document. Such reports typically include quarterly investment commentary and analysis. Where required by law, Investors in the Private Fund are also provided with Form K-1 for tax purposes. To comply with the U.S. Custody Rule, Investors in the relevant Private Fund will receive audited financial statements, within 120 days following the Private Fund's fiscal year end.

Power Sustainable can rely on information provided by affiliates or third parties in preparing reports and a third party can assist in preparing or distributing reports. To the extent reports include or rely on information from a source other than Power Sustainable (e.g., benchmark information), Power Sustainable attempts to obtain such information from reliable sources, however the accuracy of such information cannot be guaranteed. Reports can also include or rely upon fair valuation determinations made by Power Sustainable or a third party. While such valuations are made in good faith, as described above, their actual or empirical accuracy cannot be guaranteed.

Many Clients also receive custodial statements from their Account's custodian and transaction reports from executing brokers. If the Client receives an account statement from the Custodian, the Client should carefully review such account statement and contact Power Sustainable in the event of any discrepancies. Please see Item 15: *Custody* for more information on our compliance with the U.S. Custody Rule.

In addition to written reports, Power Sustainable often has formal or informal verbal discussions with Clients regarding their Account.

Item 14 Client Referrals and Other Compensation

Referral Arrangements

From time to time, Power Sustainable could enter into arrangements whereby Power Sustainable will engage a solicitor, including an affiliated solicitor, to refer Clients to Power Sustainable. To the extent that Power Sustainable pays cash referral fees to a solicitor, the referral agreement and related activities will be in compliance with the terms and conditions of Rule 206(4)-3 under the Advisers Act to the extent applicable, which specifies certain requirements related to solicitations and referrals.

Persons introduced to Power Sustainable by an unaffiliated solicitor are provided with this Brochure and the solicitor's disclosure statement at the time of solicitation and must provide Power Sustainable, either directly or through the solicitor, a signed and dated acknowledgement of their receipt of this Brochure and the solicitor's relevant disclosure document prior to, or at the time of, entering into an advisory relationship with Power Sustainable. The solicitor's disclosure statement should be reviewed carefully; they generally contain important information with respect to, among other things, the material terms of the solicitor's compensation from Power Sustainable, the nature of any relationship or affiliation between Power Sustainable and the solicitor and whether the Client or Investor bears any costs with respect to the solicitation or whether the fees paid by such a Client or Investor would differ from fees paid by similarly situated persons who are not so introduced, as a result of the solicitation. Currently, fees charged to those who were introduced by a solicitor are not, as a consequence of the solicitation, higher than those charged to similar persons who were not introduced by a solicitor. However, as discussed above, fees are negotiable, so some Clients not introduced by a solicitor could, as a result of negotiation, pay fees that are lower than similar Clients who were introduced by a solicitor.

Item 15 Custody

Custody of Accounts

Power Sustainable's Separately Managed Account Clients and Funds maintain custody arrangements with independent qualified custodians to safeguard their funds and securities. However, Power Sustainable may sometimes have "custody" (as defined in the U.S. Custody Rule) of client funds and securities, even though it does not actually hold or maintain them.

Power Sustainable is deemed to have "custody" of Accounts within the meaning of the U.S. Custody Rule if Power Sustainable has access to or authority over Client funds and securities for purposes other than issuing trading instructions, although the rule does not apply to Power Sustainable's non-U.S. clients. If Power Sustainable is deemed to have custody over a U.S. Client's Account, the custodian will send periodic account statements (generally on a quarterly basis) indicating the amounts of any securities or cash in the Account as of the end of the statement period and any transactions in the Account during the statement period. Clients should review these statements carefully and should contact us immediately if you do not receive account statements from your custodian on at least a quarterly basis. As noted in Item 13, above, if Power Sustainable separately provides reports or account statements, Clients should compare these carefully to the custodian's statements. Clients should contact Power Sustainable immediately if there appears to be any discrepancy between the custodian's statements and Power Sustainable's.

In addition, because an affiliate of Power Sustainable serves as general partner of one or more Private Funds advised by Power Sustainable, Power Sustainable is deemed to have "custody" in respect of each such Private Fund within the meaning of the U.S. Custody Rule. Each Investor in such a Private Fund will receive audited financial statements within 120 days following the Private Fund's fiscal year end and (where applicable) upon liquidation of such Private Fund. If you have invested in such a Private Fund and have not received audited financial statements timely, or have any questions about such Private Fund's Financial Statements, please contact us immediately.

Item 16 Investment Discretion

Generally, Power Sustainable is retained with respect to its Accounts on a discretionary basis and is authorized to make the following determinations in accordance with the Account's specified investment objectives and restrictions without Client consultation or consent before a transaction is effected:

- which securities to buy or sell;
- the total amount of securities to buy or sell;
- the broker or dealer through which securities are bought or sold;
- the commission rates (or equivalents) at which transactions are effected;
- the prices at which securities are to be bought or sold, including spreads, mark-ups and other transaction costs.

Power Sustainable can, however, accept Accounts with limited discretion, where investments are client-directed pursuant to the management agreement or where Power Sustainable agrees to execute certain or all Account transactions through specified broker-dealers selected by the Client.

As noted above in Item 4, Clients can impose restrictions on account investments, including reasonable limits on the types of securities held as well as prohibitions or limitations on particular securities or issuers.

Item 17 Voting Client Securities

Power Sustainable's Voting Policies and Procedures

Except to the extent that a Client, by contract or otherwise, explicitly reserves the power to vote proxies to itself or another party (or prohibits Power Sustainable from voting), Power Sustainable will vote proxies with respect to each Account for which it has discretionary authority.

Power Sustainable has written proxy voting policies and procedures as required by relevant local law, including Rule 206(4)-6 under the Advisers Act. Under these policies and procedures, Power Sustainable votes proxies relating to portfolio securities in accordance with the Power Sustainable proxy voting policies and procedures and in the best interests of its Clients, unless the Client has requested, in writing, that alternate procedures (including, but not limited to, a Client's own proxy voting policies and procedures) be applied. Power Sustainable considers the "best interests of its Clients" to be the best economic interests over the long term.

Power Sustainable's proxy voting policies and procedures vest each Account's portfolio manager with the responsibility for making proxy voting decisions for the Accounts he or she manages and, from time to time, different portfolio managers could come to a different conclusion as to the course of action which he or she deems to be in the best interests of Clients. In those circumstances, Power Sustainable could vote proxies for one or more Accounts differently than other Accounts. Power Sustainable also maintains proxy voting guidelines that inform each portfolio manager's decision making with respect to proxy votes, however, portfolio managers retain discretion to vote proxies on a case-by-case basis taking into account all relevant circumstances.

In some circumstances, Power Sustainable could determine that it is in the Client's best interest to refrain from voting proxies, including, for example, where such securities are subject to legal or contractual restrictions on voting, where requirements with respect to voting render the expense of voting excessive in relation to the value of casting a vote or where voting would subject Accounts to "share blocking," which would prevent Power Sustainable from disposing of the security for a specified amount of time surrounding the shareholder meeting.

Conflicts of Interest

Circumstances could occur where there is a conflict of interest between an Account and Power Sustainable with respect to voting the Client's securities. In order to guard against conflicts, Power Sustainable has implemented policies and procedures in order to prevent and manage potential conflicts of interest.

How to Learn More About Power Sustainable's Voting of Proxies

Clients can obtain a copy of Power Sustainable's proxy voting policies and procedures and/or information on how their securities were voted by contacting Power Sustainable, in writing at 751 Square Victoria, Montréal Québec, Canada H2Y 2J3. Power Sustainable will not disclose proxy votes for a Client to other Clients or third-parties, unless specifically requested, in writing, by the Client or required by law.

Item 18 Financial Information

Not applicable.