



■ ■ RÉPUBLIQUE FRANÇAISE

# US SHORT DURATION SUSTAINABLE HIGH YIELD FUND

Responsible Investing for a Sustainable Future

## Q3 Impact Report

**SKY HARBOR**  
GLOBAL FUNDS  
*Responsible Investing for a Sustainable Future*

September 30, 2022

By accepting this presentation, you agree the information herein is: (i) proprietary to SKY Harbor; (ii) not to be used for any purpose other than for educational and marketing purposes; (iii) not an offer or solicitation to buy or sell securities; and (iv) subject to important disclosures and disclaimers contained throughout this presentation. Please refer to the prospectus and KIID of SKY Harbor Global Funds (see [www.skyharborglobalfunds.com](http://www.skyharborglobalfunds.com)) before making any final investment decisions.

Marketing Communications

Our socially responsible investment strategies seek to deliver **attractive financial returns** while encouraging issuers to **embrace Corporate Sustainability** that contribute to the **UN Sustainable Development Goals**



*“Corporate Sustainability is a company’s delivery of long-term value in financial, environmental, social and ethical terms.”*

*UN Global Compact*

While there are no assurances that investment objectives can be achieved, we believe Corporate Sustainability positions companies for enhanced resiliency and access to capital, leading to a lower propensity to default.

# THE EXTRA-FINANCIAL OBJECTIVE

We believe the integration of ESG risk mitigation and the identification of key characteristics that define well-conceived corporate sustainability strategies enhances our ability to meet our funds' financial objectives. ESG risk mitigation, however, does not guarantee optimal asset allocation. See "Important Disclosure and Disclaimers" in this presentation for additional information.

Our actively managed responsible investment strategies share an extra-financial objective to encourage issuers of below investment grade debt to embrace Corporate Sustainability, as defined by the UN Global Compact and the OECD Guidelines for Multinational Enterprises, and contribute to Sustainable Development through business activity that increasingly aligns with one or more of the 17 UN Sustainable Development Goals.

Over time, our actively managed strategies are expected to generally have heavier weighting for issuers with more positive E, S, G and HR<sup>rts</sup> metrics and momentum towards corporate sustainability. We intend to monitor such progress according to each of these four dimensions using specific Impact Indicators:

Environment: Direct and Indirect GHG emissions (Scope 1 & 2)

Social: Safety & Wellness Factor






Governance: Chief Sustainability Officer or Committee

Human Rights: CSR HR<sup>rts</sup> \*

\*Covering the three themes of governance & policies, due diligence, and remediation & grievance mechanisms

# CORPORATE SUSTAINABILITY ACCELERATING IN THE HIGH YIELD ISSUER UNIVERSE

Based on our tracking of key E,S,G and HR<sup>ts</sup> factors in our proprietary value rubric, we see issuers in the high yield adopt sustainability principles at an increasing pace.

	High Yield Companies	% of issuer universe	Growth from 2020 to 2021
	Issuing a sustainability report and/or commentary	71%	+61%
	Chief Sustainability Officer (or Board Ownership)	48%	+46%
	Chief Diversity Officer (or C-suite committee)	44%	+97%
	Highlighting sustainable products	38%	+48%
	>33% of gender diversity on Boards	21%	+38%
	Publicly acknowledging SDGs	28%	+37%

While growth rates are high over the last year, absolute company participation across most metrics are still below half of the universe leaving still more progress to be made.

4 Source: SKY Harbor, ICE BofA US High Yield Index. Statistics updated in Q4 2021 and compares SKY Harbor value rubric results from 12/31/20 to 12/31/21. Factors selected showed some of highest growth rates. Not a complete list

# WE SEE THE PACE OF CHANGE ACCELERATING

	<b>Joined:</b> <b>October 2015</b>
	<b>June 2017</b>
	<b>September 2017</b>
	<b>February 2018</b>
	<b>June 2018</b>
	<b>February 2019</b>
	<b>February 2020</b>
	<b>January 2021</b>
	<b>March 2021</b>
	<b>October 2021</b>
	

We are undergoing our annual update of the progress toward sustainability for the high yield issuer universe.

Each year we have in essence “raised the bar” for high yield issuers with additional factors that require companies report metrics and suggest targets for certain elements of their sustainability journey.

We are also looking for more accountability, giving companies less credit for acknowledgement and awareness and more credit for action and outcomes.

The high yield issuer universe is ready for this challenge in our view. We are excited to see more companies leading with environmentally thoughtful product offerings, developing real strategies to meet DE&I goals, and being exacting about resource utilization metrics.

We are publicly affirming our aspirational net zero targets in Q4 and will look to have a Climate Action Plan available in the next several quarters.

## Direct engagements

Engagement with companies to better understand risks and drive improvement on ESG behaviors

Topics: tailored to company's progress

Objective: engage with 45-60 companies annually

Trailing 12-month direct: 39

Primary Topic	1Q2022	2Q2022	3Q2022
Environmental	5	1	10
Social	2	1	7
Governance	0	0	8
Human Rights	0	3	5
<b>Impact Indicators</b>			
Environmental	4	1	4
Social	1	1	5
Governance	1	0	2
Human Rights	1	3	0

## Collective engagements



Paris aligned working group participation in preparation for NZAM target setting

Most of our engagements over 2022 have been focused directly on our Impact Indicators.

The goals are to both acquire more information AND to raise the bar by advocating for advancements in the respective categories.

## Q3 spotlight



PetSmart recently added a VP of Corporate Social Responsibility and Sustainability to accelerate leadership across ESG matters and spearhead internal and external engagement areas across the Company. This is an impact indicator we look for in how management integrates sustainability into the overall direction of the business. While the company is tracking energy consumption, they have yet to set any public reduction goals. We will continue to advocate for them to set reduction targets and move towards net zero.

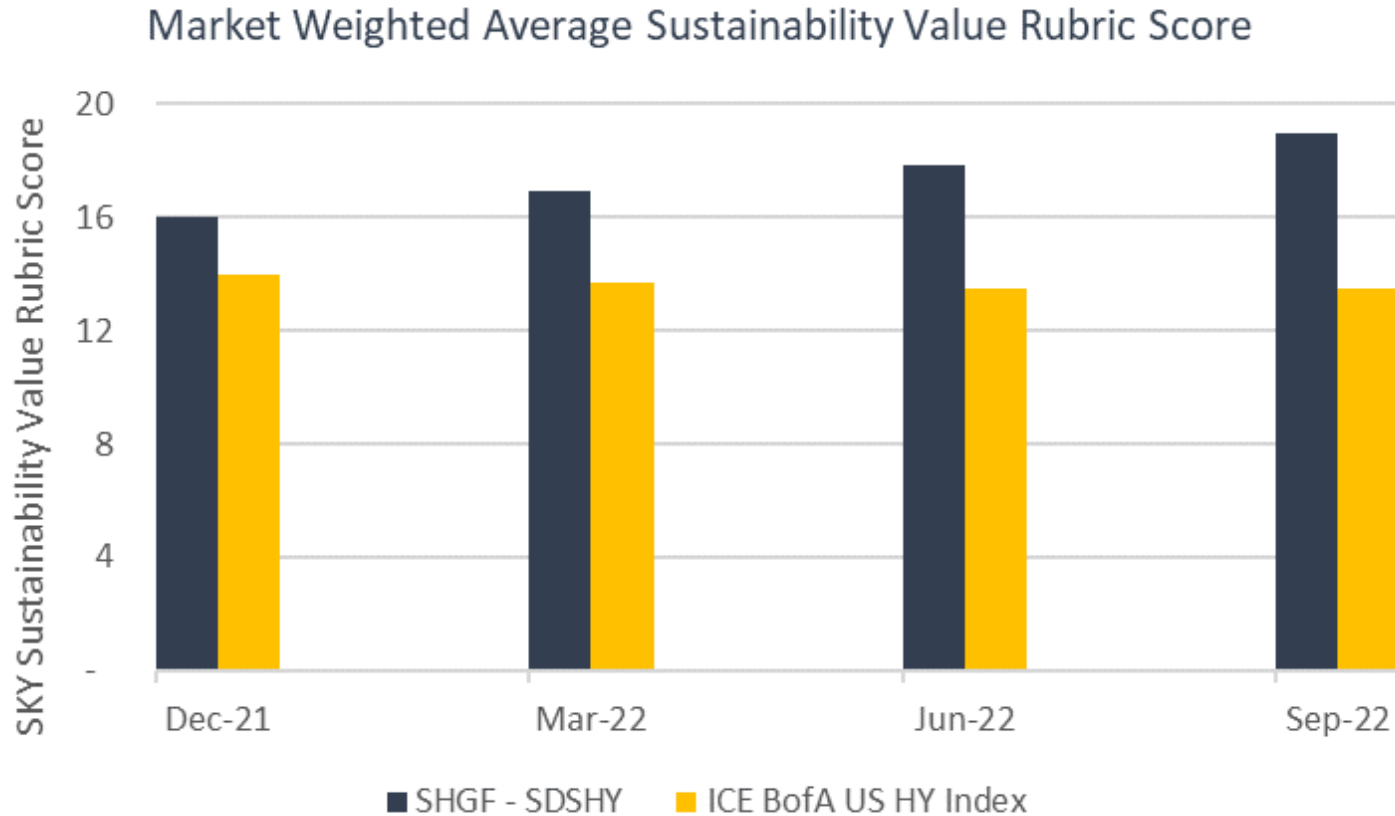


Brand's leadership is enthusiastic across E,S,G and Human Rights with their relatively new Chief Legal Officer spearheading the operation. Brand is in the process of putting together more public information taking a deliberate approach to setting up reporting structures to ensure they can continue to produce these metrics on a go forward basis. Given they are in setup mode, we advocated to go to the best practice. They are tracking emissions currently but have not made a reduction target. We suggest they do so and when they report to do so in a TCFD compliant manner. Sustainability within governance may be their strongest aspect, though currently they lack in transparency to give investors full comfort.



We were excited to learn that the Company is ramping up efforts this year by adopting a specific ESG action plan for FY 2022 through our Corporate Responsibility Committee that calls for measuring compliance against SASB standards for restaurants and developing baseline data for greenhouse gas emissions and energy and water usage to inform long- term reduction plans.

# SUSTAINABILITY SCORE COMPARISON TO THE INVESTABLE UNIVERSE\*



The Fund is not benchmarked. Comparative data is the ICE BofA US High Yield Index

SKY Harbor, ICE BofA, as of September 30, 2022

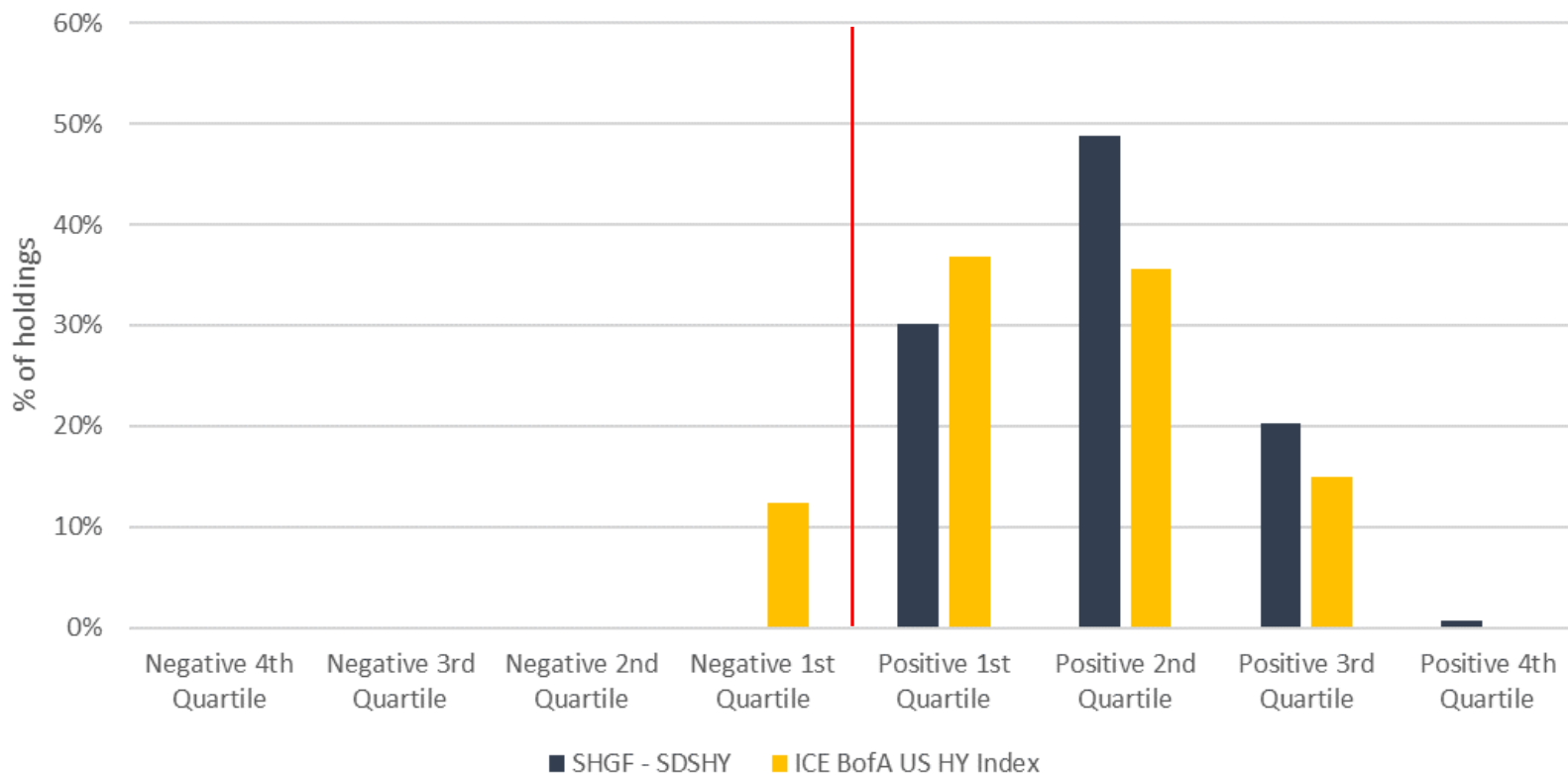
\* As defined in the SHGF prospectus, the Investable Universe means the High Yield debt securities comprising the ICE BofA US High Yield Index

"SHGF – SDSHY" represents the SKY Harbor Global Funds – US Short Duration Sustainable High Yield Fund



# SKY HARBOR SUSTAINABILITY FACTOR SCORECARD

## SKY Sustainability Value Rubric Score Distribution



9 The Fund is not benchmarked. Comparative data is the ICE BofA US High Yield Index SKY Harbor, ICE BofA, as of September 30, 2022

# LONG TERM ENGAGEMENT ACTIONS TO CONTINUALLY IMPROVE OUR INDICATOR SCORES

## Direct and Indirect GHG Emissions (Scope 1 & 2)

E

- Target companies with SBT and Paris Agreement alignment goals
- Advocate for companies to disclose carbon reduction targets
- Penalize companies failing to address high transition risk

## Chief Sustainability Officer or Committee

G

- Target companies with management teams dedicated to sustainability
- Advocate for companies to create C-level position to integrate sustainability across the business

## Safety & Wellness Factor

S

- Target companies with dedicated focus on safety and wellness and improving incident rates
- Advocate for companies to disclose incident rates and remediation actions

## CSR HR<sup>rts</sup>

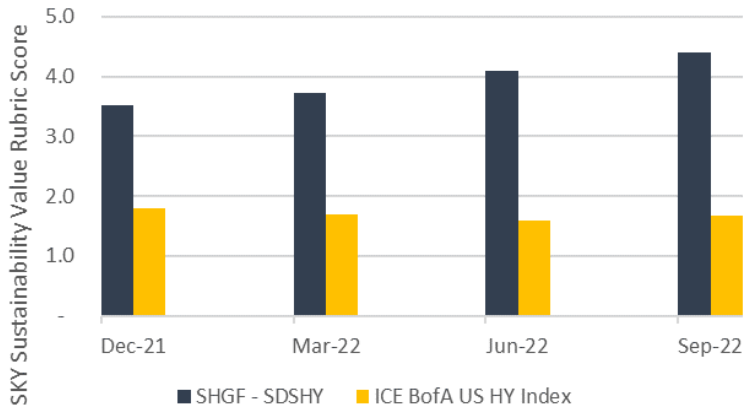
HR<sup>rts</sup>

- Target companies implementing the UN “Protect, Respect & Remedy” Framework set forth in Guiding Principles on Business and Human Rights
- Target companies with CSRs that highlight regular and consistent engagement across all stakeholders
- Target companies with robust code of conduct and employee relation policies
- Advocate for companies to join the UN Global Compact as an affirmation of dedication to human rights

# E, S, G AND HR OVERALL EVOLUTIONS OF THE FUND

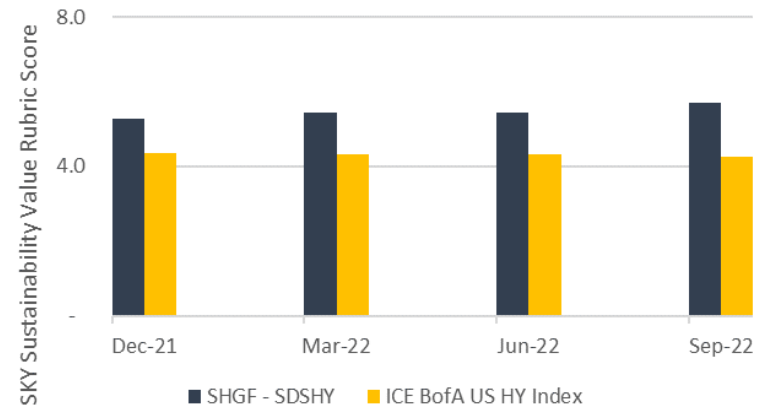
E

Environmental Sustainability Value Rubric Score



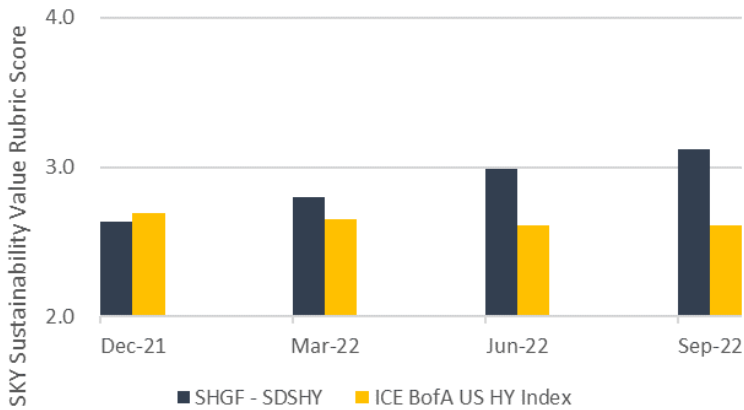
S

Social Sustainability Value Rubric Score



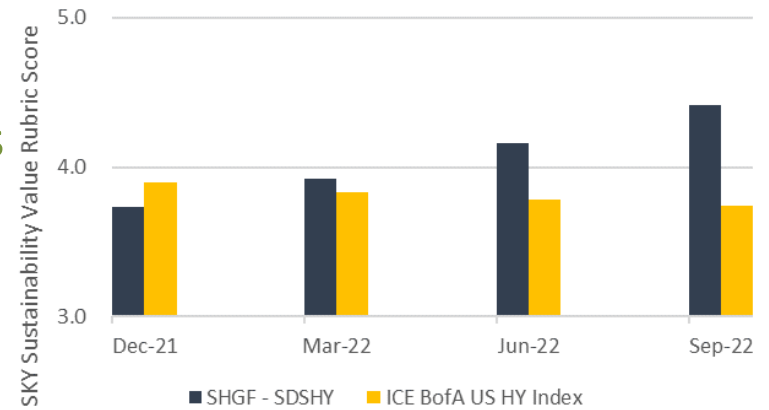
G

Governance Sustainability Value Rubric Score



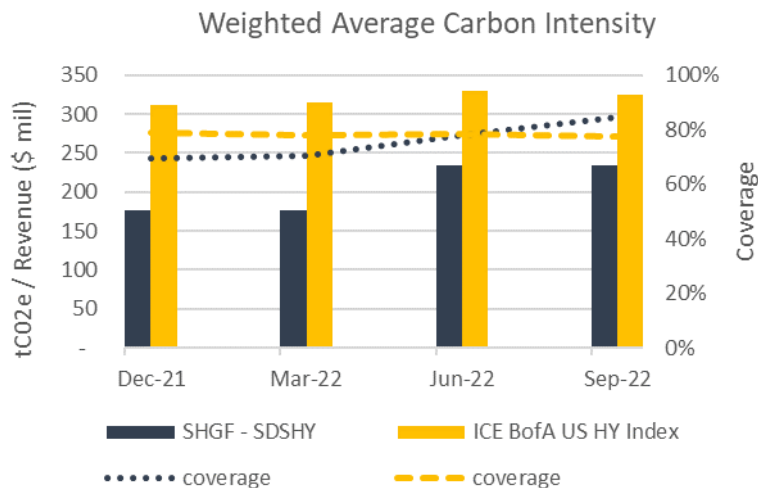
HR<sup>r</sup>ts

Human Rights Sustainability Value Rubric Score

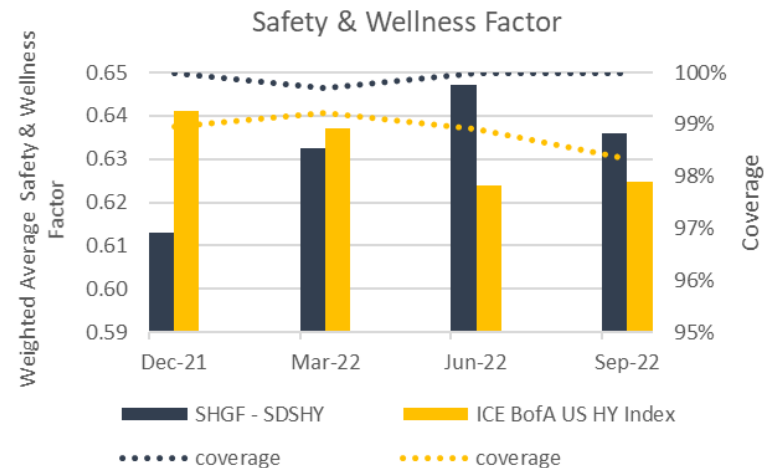


# KEY E,S,G, HR INDICATOR EVOLUTIONS

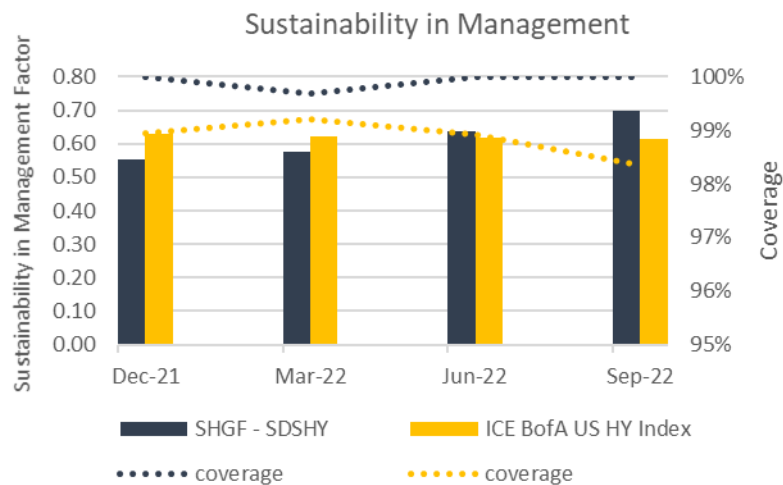
## E



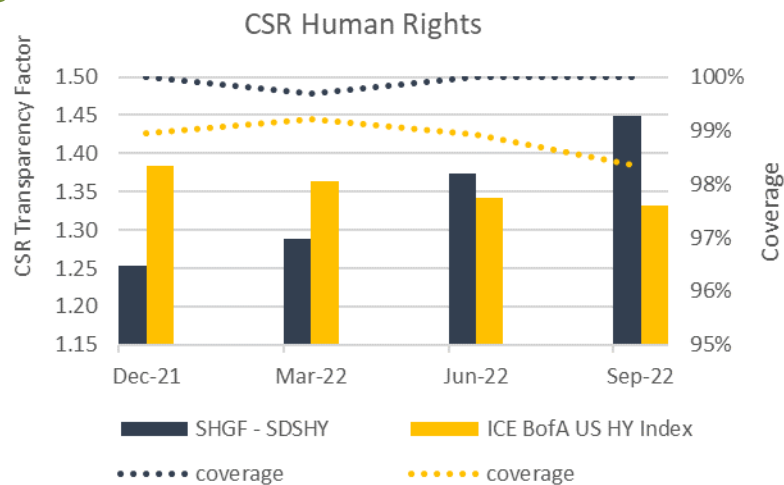
## S



## G



## HR<sub>rts</sub>



12 The Fund is not benchmarked. Comparative data is the ICE BofA US High Yield Index SKY Harbor, ICE BofA, ISS ESG as of September 30, 2022

# KEY COMPLIANCE AND AVOIDANCE HIGHLIGHTS

**Goal: Exclude >20% of the Investment Universe through negative screening and minimum ESG scores**

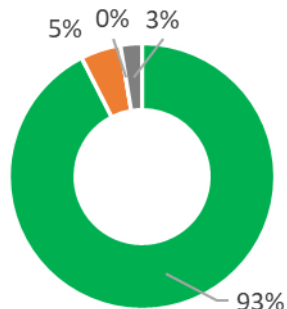
Exclusionary Screen	Market Weight (%)
Negative screening exclusions	19.52
Countries excluded (but not negatively screened and not below eligibility threshold)	1.65
ESG scores below eligibility threshold but not negatively screened and not an excluded country	2.78
<b>Total Investment Universe Exclusion</b>	<b>23.96</b>

**Goal: Avoid high-risk controversies**

**Goal: Own green/sustainable linked bonds when appropriate**

## ISS-ESG Norms-Based Controversy Portfolio Screening\*

No new controversies observed



### GREEN

- 1 No Allegation
- 2 Past Involvement
- 3 Involvement Beyond Scope
- 4 Undergoing Remediation
- 5 Under Observation

### AMBER

- 6 Fragmentary Information
- 7 Verified Failure to Respect Established Norms, Undergoing Remediation
- 8 Alleged Failure to Respect Established Norms
- 9 Imminent Failure to Respect Established Norms

### RED

- 10 Verified Failure to Respect Established Norms

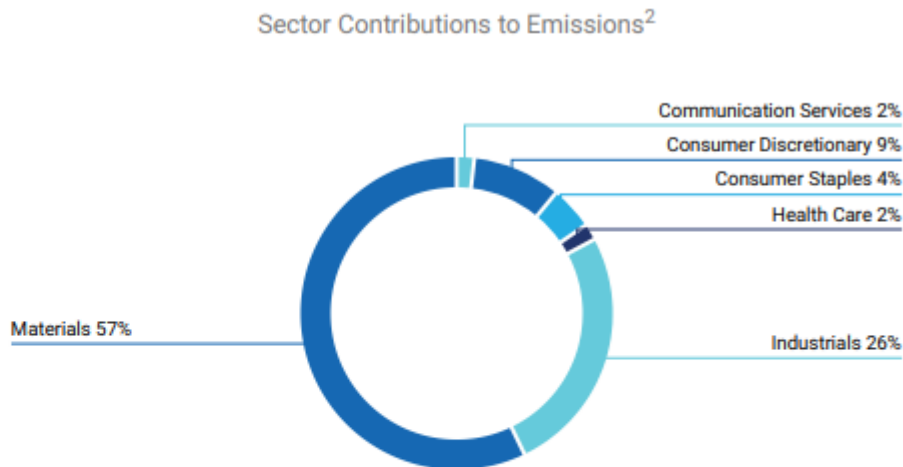
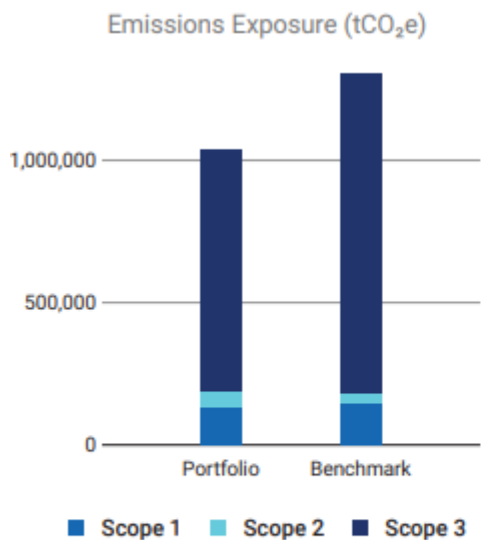
### GREY

Not covered

SKY Harbor retains ISS ESG to help screen for norms-based violations and performs the analysis internally

# CARBON EXPOSURE RELATIVE TO THE OVERALL HIGH YIELD MARKET

Disclosure Number/Weight	Emission Exposure tCO <sub>2</sub> e		Relative Emission Exposure			Climate Performance	
	Share of Disclosing Holdings	Scope 1 & 2	Incl. Scope 3	tCO <sub>2</sub> e/Invested	tCO <sub>2</sub> e/Revenue	Weighted Avg	
				Relative Carbon Footprint	Carbon Intensity	Weighted Avg Carbon Intensity	Carbon Risk Rating <sup>1</sup>
<b>Portfolio</b>	59.2% / 60.1%	186,880	1,036,743	111.94	189.31	233.15	43
<b>Benchmark</b>	47.8% / 60.7%	184,433	1,304,012	110.48	220.41	318.91	42
<b>Net Performance</b>	11.4 p.p. / -0.5 p.p.	-1.3%	20.5%	-1.3%	14.1%	26.9%	—



<sup>1</sup> Note: Carbon Risk Rating data is current as of the date of report generation.

<sup>2</sup> Emissions contributions for all other portfolio sectors is less than 1% for each sector.

Source: SKY Harbor, SKY Harbor Global Funds US Short Duration Sustainable High Yield, ISS ESG as of September 30, 2022  
 “Benchmark” is ICE BofA US High Yield Index for relative comparison only. The Fund is not benchmarked.

# PORTFOLIO SDS BUDGET ALIGNMENT

Portfolio and Benchmark Comparison to SDS Budget (Red = Overshoot)				
	2022	2030	2040	2050
<b>Portfolio</b>	-44.35%	-31.07%	+33.46%	+202.93%
<b>Benchmark</b>	+60.46%	+99.29%	+234.95%	+512.56%

2037

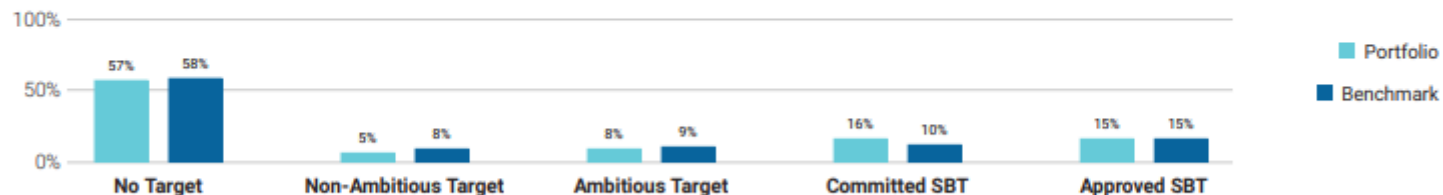
The portfolio exceeds its SDS budget in 2037.

2.6°C

The portfolio is associated with a potential temperature increase of 2.6°C by 2050.

## Climate Targets Assessment (% Portfolio Weight)

In order to transition, holdings need to commit to alignment with international climate goals and demonstrate future progress. Currently 38% of the portfolio's value is committed to such a goal. This includes ambitious targets set by the companies as well as committed and approved Science Based Targets (SBT). While commitments are not a guarantee to reach a goal, the 57% of the portfolio without a goal is unlikely to transition and should receive special attention from a climate risk conscious investor.

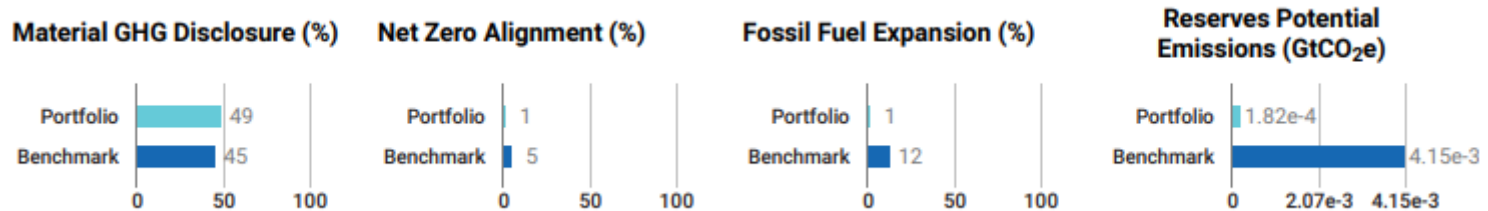


Source: SKY Harbor, SKY Harbor Global Funds US Short Duration Sustainable High Yield, ISS ESG as of September 30, 2022  
 "Benchmark" is ICE BofA US High Yield Index for relative comparison only. The Fund is not benchmarked.

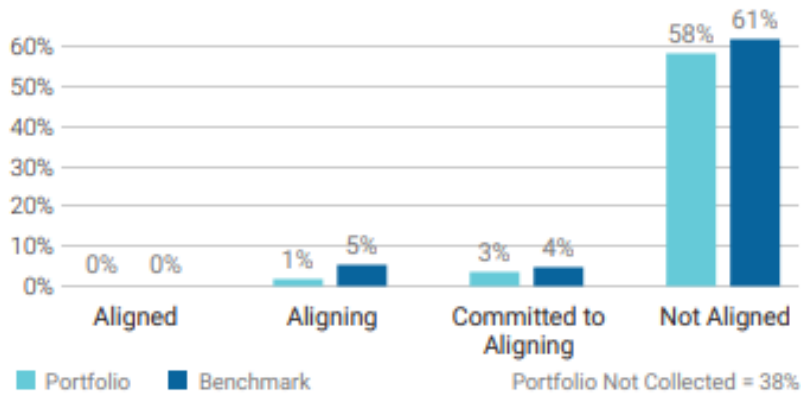
SDS refers to the Sustainable Development Scenario, an integrated scenario introduced in the IEA's World Energy Outlook that specifies a plausible pathway to concurrently achieve universal energy access, meeting the objectives of the Paris Agreement on climate change and significantly reducing air pollution by 2030.

# NET ZERO ANALYSIS

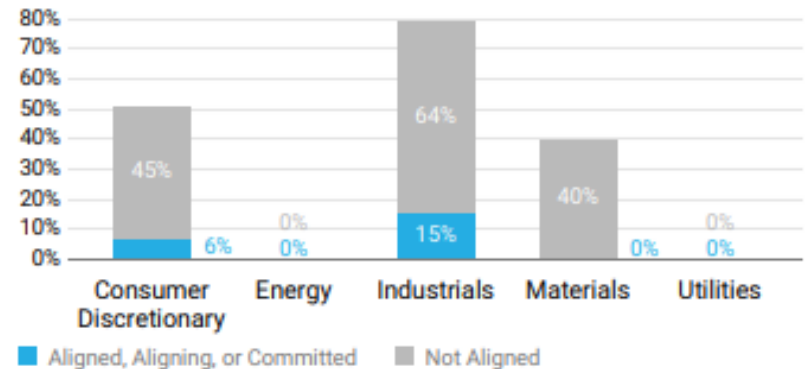
SKY Harbor affirmed our net zero portfolio targets to have at least 20% of the portfolio in material sectors considered net zero, aligned or aligning by 2030. Given the low amount in the high yield universe that are aligning currently we need to continue to accelerate the rate of change over the next decade through individual and collective engagements, regulatory enhancements, corporate and social pressures.



## Target Alignment Status



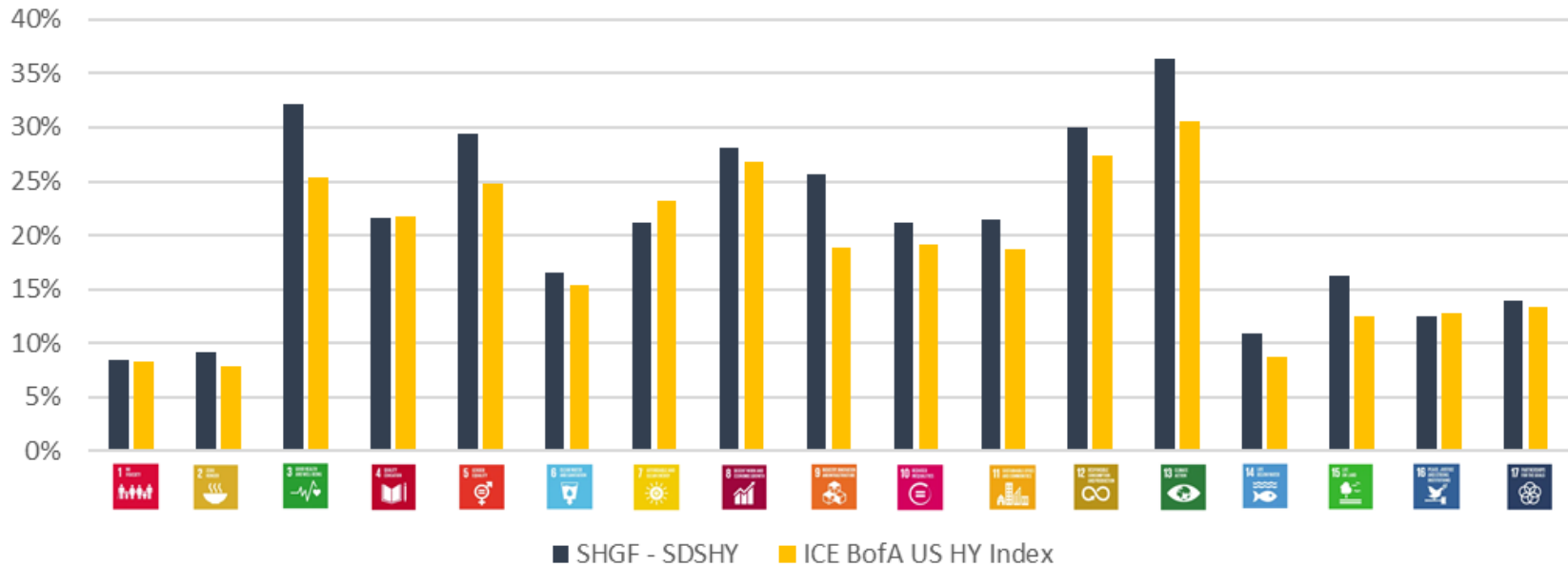
## Alignment per High Impact Sector



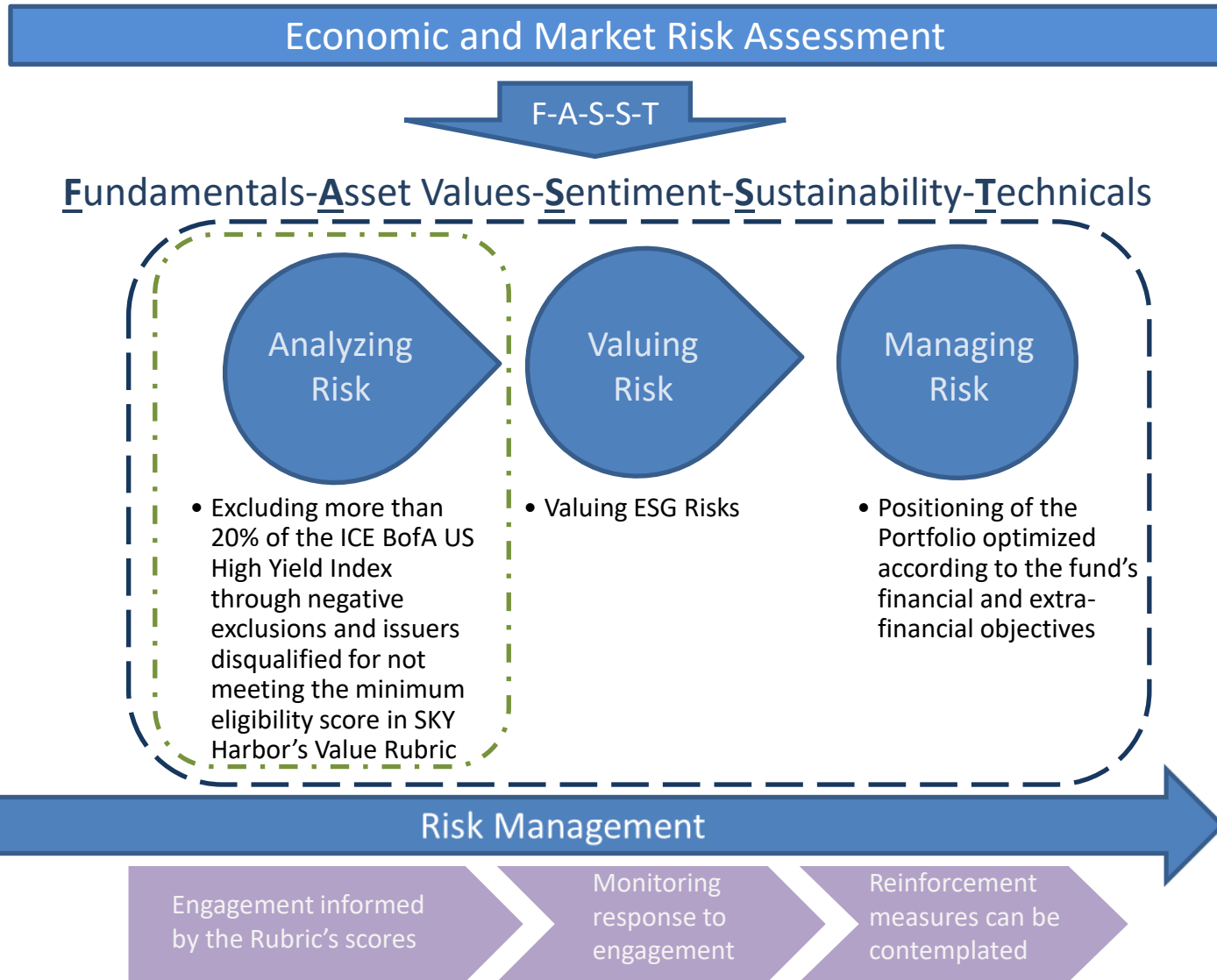
Source: SKY Harbor, SKY Harbor Global Funds US Short Duration Sustainable High Yield, ISS ESG as of September 30, 2022  
 "Benchmark" is ICE BofA US High Yield Index for relative comparison only. The Fund is not benchmarked.



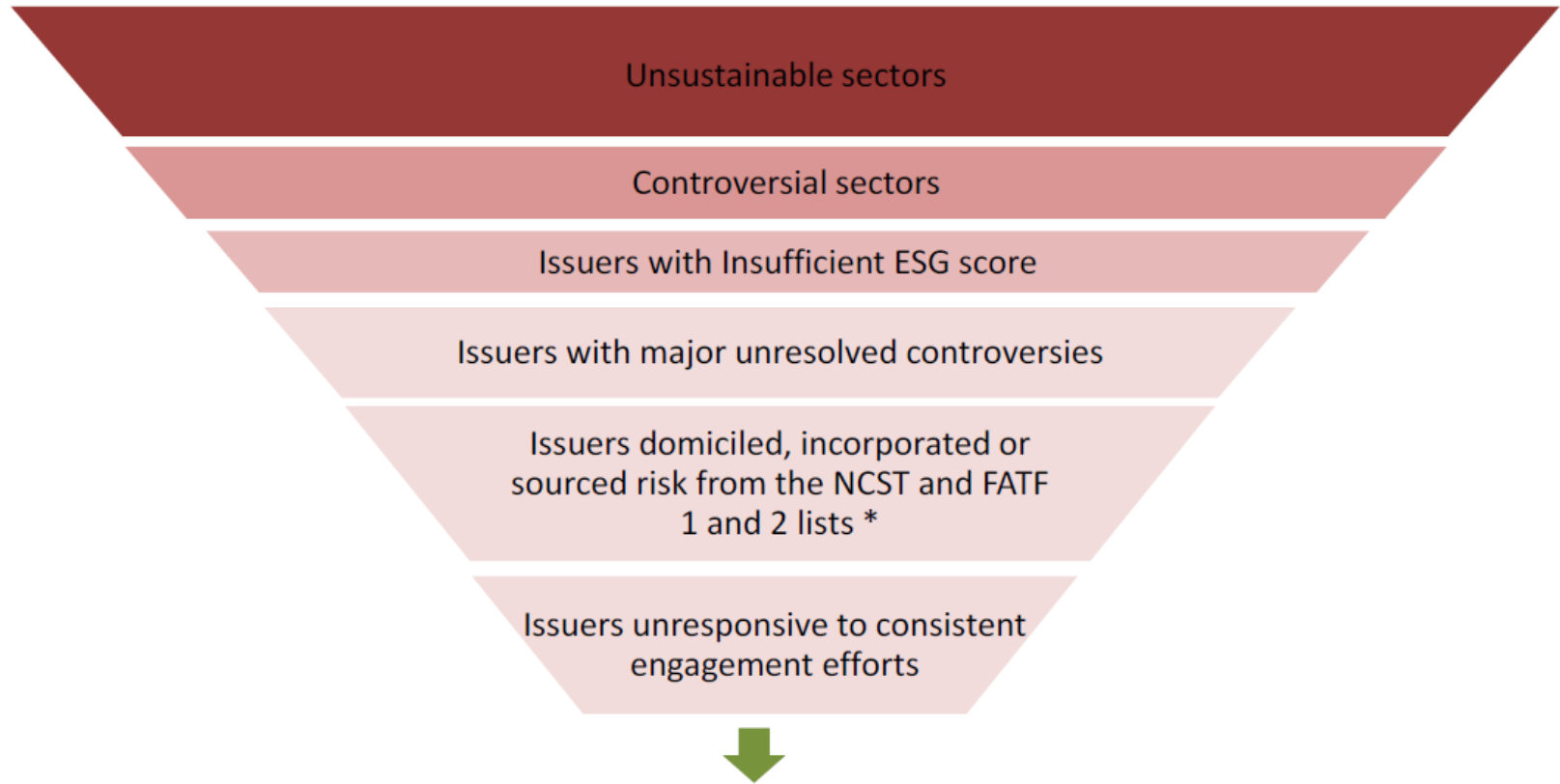
## Market Value Weighted Company Acknowledged SDG



17 The Fund is not benchmarked. Comparative data is the ICE BofA US High Yield Index SKY Harbor, ICE BofA, as of September 30, 2022



## Below Investment Grade Debt Issuer Universe



## Sustainable Investment Universe

Note: The issuer Universe refers to the issuers comprising the ICE BofA US High Yield Index (ticker H0A0). Please see the disclaimers for more details.

\* Exclusion implemented as of April 2021  
Source: SKY Harbor

The Principal Adverse Impacts are more specifically categorized and described as follows:

E = High Transition Risk

S = Exploitive Business Models

G = Specified Unlawful Acts (e.g., bribery, corruption, tax evasion, product liability, failure of Board oversight).

HR<sup>ts</sup> = Endangers Human Rights (i.e., verified and unredeemed material violations of internationally proclaimed norms and conventions regarding human rights).

If an issuer has more than one Principal Adverse Impact, the analyst will assign the Principal Adverse Impact score to the category that is most severe.

Conversely, SKY Harbor uses a positive impact score to reward particularly commendable behaviors, initiatives or efforts. Analysts will assign a score to one of E, S, or G based on the dimension that is most aligned with the positive impact. In addition, SKY Harbor’s analysts monitor companies’ response to engagement efforts. An engagement score is included in the calculation of the total G score.

This Final score is computed as the sum of the E, S, G and HR<sup>ts</sup> underlying scores. Issuers with a Rubric score below SKY Harbor’s minimum threshold are excluded from the investible universe of the Fund.

**At least 20% of the issuers in the underlying universe of the sub-Funds (as defined by the ICE BofA US High Yield Index, HOA0) shall be excluded at all times as a result of the combination of negative exclusions and the failure to meet SKY Harbor’s minimum Value Rubric score criterion.**

Value Rubric's Sustainability Factors					
Environmental	Social	Governance	Human Rights	SDGs	
Direct and Indirect GHG Emissions (Scope 1&2)	Safety & Wellness	Chief Sustainability Officer or Committee	CSR HRts Governance, Due Diligence & Remediation	Company announced SDGs	
TCFD Elements	Community Engagement / Commitments	DEI Ownership	Policy to respect HR		
Net Zero Commitment	Sustainable Product Highlight	Board Diversity	Process to identify, prevent & account for their impact on HR's		
Waste Handling	DEI Policies & Strategies	Board Independence	Process to remediate any adverse HR impact		
Water Usage	DEI Collective Efforts	C-Suite Compensation	Adopted standards in transparency		
Principal Adverse Impacts	High Transition Risk	Exploitive Business Models	Specified Unlawful Acts	Endanger Human Life	
				Norms breaches	
Positive Impacts	Positive Environmental Momentum	Positive Social Momentum	Positive Governance Momentum		
Post-Engagement Response Factor			Engagement Response		
Total Score for each Dimension	E Score	S Score	G Score	HRts Score	SDG Score
Final Rubric Score	Total Score				

ESG (Impact) Indicator selected by SKY Harbor

Internal Score

External Score (Source: ISS ESG)

Note: The CSR HR<sup>ts</sup> Governance, Due Diligence & Remediation indicator is referred to as CSR HR<sup>ts</sup> throughout this document.

# ISS ESG CARBON DATA DEFINITIONS AND CALCULATION METHODOLOGIES

Total Analysis Value – is the aggregate value of positions that meet the minimum eligibility criteria (data availability for Adjusted Enterprise Value, scope 1&2 emissions and scope 1&2 emissions intensity / revenue millions)

Share Disclosed – calculates the % number of companies that report reliable emissions in the portfolio. The difference between total coverage% and share disclosed% is the modeled company %.

Total Coverage – total analysis value / total market value

Position Ownership Ratio – Aggregated position value / Adjusted Enterprise Value (total debt + market capitalization)

Scope 1 & 2 – reported as tCO<sub>2</sub>e

$$\sum_i^n \text{Position Ownership Ratio} \times \text{Position Scope 1\&2 Emissions}_i$$

Including Scope 3 – same as above including Scope 1-3

Relative Carbon Footprint – provides a measure of emission exposure per value of the portfolio invested reported as tCO<sub>2</sub>e per \$ analyzed

$$\frac{\text{Emission Exposure}}{\text{Total Analysis Value}}$$

Carbon Intensity – Relative emission exposure that measures emission share in tCO<sub>2</sub>e relative to the % holding of a company's revenue stream. Reported as tCO<sub>2</sub>e / M Revenue (currency)

$$\frac{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Scope 1\&2 Emissions}_i)}{(\sum_i^n \text{Position Ownership Ratio}_i \times \text{Position Revenue}_i)}$$

Weighted Average Carbon Intensity – Similar as above but eliminates the Adjusted Enterprise Value impact. Reported as tCO<sub>2</sub>e / M Revenue (currency)

$$\sum_i^n \text{Position Weight}_i \times \frac{\text{Position Scope 1 \& 2 Emissions}_i}{\text{Position Revenue}_i}$$

# IMPACT INDICATORS: DEFINITIONS AND METHODOLOGIES

The integration of the four components of the Sustainability Factors forms the foundation that further supports the Fund's extra-financial objectives.

**4 Impact Indicators (one for each of the E, S, G and HR<sup>ts</sup> dimensions)** have been designed to monitor the performance of the sub-Fund and to compare it to the high yield universe.

## **Environment:**

The Environmental Impact Indicator is the **Direct and Indirect GHG emissions (Scope 1 & 2)**.

Unit of measure: Score based on Tons of CO<sub>2</sub> equivalents per unit of revenue (in USD millions) using an equivalence table.

Source: ISS-ESG

Goal: to achieve at least 70% coverage of the sub-Funds that can be consistently measured by this indicator.

## **Social:**

The Social Impact Indicator we have selected is the **Safety & Wellness Factor**.

Unit of measure: Percentage based on Boolean indicator (disclosure of specific measures, protocols and/or principles to ensure the Safety and Wellness of the company's workforce).

Source: This indicator is proprietary to SKY Harbor.

Goal: to achieve at least 90% coverage of the sub-Funds that can be consistently measurable according to this indicator.

## **Governance:**

The Governance Impact Indicator we have selected is the presence of a **Chief Sustainability Officer or Committee**.

Unit of measure: Percentage based on Boolean indicator (existence of a Chief Sustainability Officer or committee).

Source: This indicator is proprietary to SKY Harbor.

Goal: to achieve at least 90% coverage of the sub-Funds that can be consistently measurable according to this indicator.

## **Human Rights:**

The Human Rights Impact Indicator we have selected is the company's governance, due diligence and remedial action policies specifically pertaining to human rights contained in its corporate social/sustainability report (**CSR HR<sup>ts</sup>**) or other publicly available manifestations of its commitment to implementing the United Nations "Protect, respect and Remedy" Framework as set forth in the Guiding Principles on Business and Human Rights © 2011 United Nations.

Unit of measure: ordinal number value in the proprietary Value Rubric scoring methodology.

Source: Proprietary scoring system modeled after the assessment methodology of the Corporate Human Rights Benchmark Ltd. © April 2019.

Goal: to achieve at least 90% coverage of the sub-Funds that can be consistently measurable according to this indicator.

# IMPORTANT DISCLOSURES AND DISCLAIMERS

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Broad High Yield Market Strategy portfolios may include 6%-12% of USD-denominated below-investment-grade corporate debt securities that are not included in the ICE BofA US High Yield Index (“Index”). These securities may have variable coupon schedules, scheduled maturity of less than one year, USD-listed issuers domiciled outside the US, issues with less than \$250 million in debt outstanding and new-issue securities not yet in the Index due to routine timing lag. The Index reflects no deductions for fees, expenses or taxes.

Investing in securities involves risk of loss and past performance is not necessarily indicative of future results. Fixed income securities, especially high yield debt securities, are subject to loss of income and principal arising from credit risk, which is the risk that the issuer will be unable to make interest and principal payments when due. Material risks in investing in high yield debt securities also include, but are not limited to, opportunity cost (the risk that an issuer’s credit trends deteriorate resulting in a higher level of compensation demanded by the market relative to the initial investment), interest rate risk, liquidity risk, selection risk, ESG (Environmental, Social and Governance) risk (sustainability focused strategies may underperform other high yield strategies), and overall market risk. In general, issuers of high yield debt securities have a greater likelihood of defaulting on the payment of interest or principal than issuers of investment grade bonds. There can be no assurance that the investment objectives described herein will be achieved or that substantial losses can be avoided. Socially responsible investing does not guarantee optimal asset allocation and investment performance and may not necessarily comport with an investor’s own subjective, moral or ethical standards and aspirations. Please refer to Fund’s Prospectus and offering documents for additional Risk Factors.

Gross performance results do not reflect the deduction of investment advisory fees, which would reduce an investor’s actual return. For example, assume that \$1 million is invested in an account with the Firm, and this account achieves a 6% compounded annualized return, gross of fees, for five years. At the end of five years that account would grow to \$1,338,226 before the deduction of management fees. Assuming management fees of 0.55% per year are deducted annually from the average annual AUM, the value of the account at the end of five years would be \$1,302,846, which is the equivalent of an annual compounded rate of 5.43%. For a ten-year period, the ending dollar values before and after fees would be \$1,790,848 and \$1,697,408, respectively. SKY Harbor’s asset-based fees are generally billed monthly or quarterly in arrears. Please refer to the SKY Harbor’s ADV Part 2A or applicable Offering Documents for more information on fees. Consultants supplied with gross results are to use this data in accordance with SEC, CFTC, NFA or the applicable jurisdiction’s guidelines.

Past performance is not indicative of future results. Performance for US Short Duration and/or Core High Yield Strategies from on or about 11/30/1998 to on or about 5/31/2011 (the “Pre-SKY Harbor Period”) displayed herein are gross of management fees and based on the actual monthly composite performance results from accounts managed by the portfolio management team while at prior firms during the period. Management fees (the only relevant fees affecting these performance results) for substantially all of the composite portfolios during the Pre-SKY Harbor Period ranged from about 40 to 60 bps per annum based on assets under management. The performance results of the Pre-SKY Harbor Period strategies would be lower if these fees were incorporated. During the Pre-SKY Harbor Period, Hannah Strasser, Anne Yobage and Tom Kelleher, the portfolio management team and subsequently the founding members of SKY Harbor Capital Management, were the senior executives primarily responsible for the inception, implementation and day-to-day management of the strategies as applied to the accounts and funds comprising the composite results: Anne Yobage was lead portfolio manager of the Short Duration High Yield strategy, Hannah Strasser was the lead portfolio manager of the Core High Yield Strategy and Tom Kelleher was back-up manager on both strategies. (Mr. Kelleher retired from SKY Harbor in November 2016.) The investment objectives, policies and strategies of the Pre-SKY Harbor Period are substantially similar to the SKY Harbor Short Duration High Yield and Broad High Yield Market strategies, respectively. Information regarding composite performance results of the portfolio management team while at prior firms is available upon request.

SKY Harbor is not a tax or legal advisor. Prospective investors should consult their tax or legal advisors before making tax-related investment decisions.

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# IMPORTANT DISCLOSURES (CONT.)

## SKY Harbor Capital Management GmbH Conflicts of Interest Policy Disclosure

SKY Harbor Capital Management GmbH (the “Company”) is licensed by Germany’s BaFin (ID # 129400) to provide certain financial services within the meaning of Section 32 of the German Banking Act. It acts as the Principal Distributor of SKY Harbor Global Funds (the “Fund”), a Luxembourg SICAV regulated as a UCITS by the Commission de Surveillance du Secteur Financier (the “CSSF”). The Company’s business is to promote the Fund to institutional investors directly or indirectly through regulated financial institutions by way of sub-distributor agreements. The Company where appropriate also promotes the investment management services of its parent company, SKY Harbor Capital Management, LLC, an independent SEC-registered investment adviser located in Greenwich, CT, USA, which also serves as the Fund’s Investment Manager. Because the Company neither manages discretionary client assets nor provides brokerage services, it neither takes possession of nor transacts in any assets belonging to clients or investors. The Company does not engage in proprietary trading but is permitted by BaFin to transact on a limited basis in Fund shares for its own account to facilitate the activation of dormant share classes.

a. The Company is committed to act at all times in accordance with its legal and fiduciary obligations in the best interest of the Fund’s investors. Accordingly, the Company has established policies reasonably designed to detect, prevent, manage, and if necessary disclose conflicts of interest between the Company and the Fund’s clients/investors or between one client/investor and another that may arise in the course of providing services. The Conflicts of Interest Policy and Procedures are regularly reviewed by the Compliance Department, senior management, Internal Audit, and at least annually by independent external auditors.

b. Within the scope of its business, the Company’s possible conflicts of interest may include:

- Incentive systems for company staff that encourage aggressive sales practices
- Misrepresentations or omissions of material information in communicating with current or prospective investors
- Favoring one investor over another in terms of service or selective disclosure of information because of the importance of that investor or sub-distributor relationship
- Employee use of material nonpublic information in personal securities transactions
- Impermissible gifts to or entertaining of investors or public officials
- Exercising more liberal discretion for an investor over another when granting permission to the Fund’s transfer agent/custodian/administrator to make accommodations for certain exceptions in transactions with the Fund
- Financial interest in Fund-Shares for which the Company acts as Principal Distributor
- Acting as Directors of the Fund and as MD/ Geschäftsführer of the Company at the same time

c. Measures to detect, prevent, and manage conflicts of interest mainly include:

- Mandatory periodic employee training in Compliance and Code of Ethics including Conflicts of Interest training
- Employee compensation practices designed to align investor interests not conditioned on AUM or sales metrics
- Appropriate rules and guidelines with business partners
- Continuous monitoring, pre-authorization and disclosure of all employees’ personal securities transactions
- Employees are discouraged from transacting in any securities issued by companies in which the Fund may invest
- Selective Disclosure governed by written confidentiality agreements supported by reasonable purposes
- Material information routinely made available to all investors through the Fund’s website and the Company’s periodic newsletter updates to ensure simultaneous access to information
- Requirement that all travel, gift, and entertainment expenses be documented and approved by the parent company
- Written rules of conduct govern disclosure and authorization of incentives, such as the receipt and acceptance of gifts and other benefits, political contributions, and outside business activities
- Periodic employee anti-bribery training
- Vetting and approval of all Marketing and Promotional literature by parent company’s Chief Compliance Officer
- Employees annually acknowledge compliance with global Compliance and other Policies and Procedures
- Annual internal audit performed by parent, SKY LLC
- Retention of independent auditor to perform the Company’s annual audit
- Director discretion in favoring any investor is subject to limitations imposed on the Fund transfer agent/custodian/administrator by the CSSF and relevant law and regulation
- Company’s ownership of Fund shares subject to outside auditor scrutiny
- Retention of external independent Director for the Board of the Fund

This communication is only directed at persons in the UK reasonably believed to be persons who (1) have professional experience in matters relating to investments, falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “Financial Promotion Order”) or (2) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order or (3) are persons to whom such a document may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons or will be engaged in only with relevant persons.



## IMPORTANT DISCLAIMERS (CONT.) AND CONTACT INFORMATION

This document constitutes marketing communications concerning SKY Harbor Global Funds, a Luxembourg UCITS authorized in accordance with Article 5 of Directive 2009/65/EC, as amended (the “Fund”). Lemanik Asset Management S.A. (the “manco”) is the appointed management company of the Fund and is responsible on a day-to-day basis under the supervision of the Board of Directors, for providing administration, marketing, distribution, investment management and advisory services in respect of all the Sub-Funds and has delegated part or all of such functions to third parties including but not limited to SKY Harbor Capital Management, LLC as investment manager and SKY Harbor Capital Management GmbH, as Principal Distributor. The manco has the right to terminate arrangements made for the marketing of the shares of this UCITS in accordance with Article 93 of Directive 2009/65/EC, as amended.

Investor rights to file complaints regarding the operation of the Fund is set forth in the Fund’s prospectus, which is available free of charge in English and French at [www.skyharborglobalfunds.com](http://www.skyharborglobalfunds.com), where the Fund’s Key Investor Information Documents may also be accessed free of charge in English, French, German (including Swiss German), Spanish, Italian, Portuguese, Swedish, Danish, Norwegian, and Dutch.

Additional information is available upon request to the Fund’s Investment Manager and/or its Principal Distributor:

Investment Manager:

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