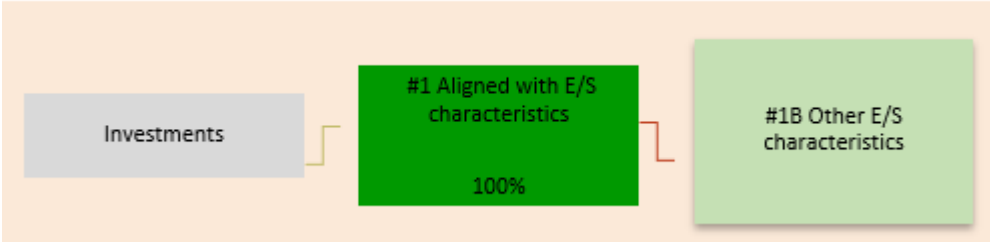


PRE-CONTRACTUAL DISCLOSURE OF A FUND THAT PROMOTE E/S CHARACTERISTICS

NAME OF FUND	Fullerton Carbon Action Fund
SFDR CLASSIFICATION	Article 8 The fund promotes environmental or social characteristics but does not have sustainable investment as its objective.
1. SUMMARY	<p>The principal purpose of the Fund is to support the carbon net zero agenda and achieve long-term capital growth by investing in companies in Asia that focus on decarbonisation.</p> <p>In promoting these environmental characteristics, the Fund will focus on sectors that are best positioned to deliver financial and decarbonisation performance. They include, without limitation, energy, manufacturing, construction, industrials, agriculture and transportation.</p> <p>The Fund uses a variety of ways to assess its environmental or social performance but does not use a reference benchmark to which it aligns the environmental or social characteristics that the Fund promotes. These references may include industry net zero transition roadmaps, published green taxonomies, and global carbon emissions database during investment due diligence.</p> <p>100% of the Fund’s investments (excluding undeployed cash) will be aligned with the aforementioned E/S characteristics but no commitment is made for targeting sustainable investments within the meaning of SFDR.</p> <p>Due diligence is conducted to objectively evaluate the ESG management of investee companies. The results of the due diligence and review are documented for internal validation, monitoring and audit.</p>
2. NO SUSTAINABILITY INVESTMENT OBJECTIVE	This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.
3. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT	<p>The principal purpose of the Fund is to support the carbon net zero agenda and achieve long-term capital growth by investing in companies in Asia that focus on decarbonisation.</p> <p>In promoting these environmental characteristics, the Fund will focus on sectors that are best positioned to deliver financial and decarbonisation performance. They include, without limitation, energy, manufacturing, construction, industrials, agriculture and transportation.</p> <p>The Fund will also consider material ESG factors in the identification and management of risks and opportunities. The primary materiality mapping is adapted from that of the Sustainability Accounting Standards Board (SASB) and supplemented with other frameworks.</p> <p>Such ESG factors may include (but are not limited to):</p> <ul style="list-style-type: none"> • Emissions, Effluents and Waste • Ecological Impacts • Occupational Health and Safety • Data Privacy and Security

	<ul style="list-style-type: none"> • Corporate Governance • Business Ethics <p>The Fund uses a variety of ways to assess its environmental or social performance but does not use a reference benchmark to which it aligns the environmental or social characteristics that the Fund promotes. These references may include industry net zero transition roadmaps, published green taxonomies, and global carbon emissions database during investment due diligence.</p>
<p>4. INVESTMENT STRATEGY</p>	<p>The principal purpose of the Fund is to support the carbon net zero agenda and achieve long-term capital growth by investing in companies in Asia that focus on decarbonisation.</p> <p>In promoting these environmental characteristics, the Fund will focus on sectors that are best positioned to deliver financial and decarbonisation performance. They include, without limitation, energy, manufacturing, construction, industrials, agriculture and transportation.</p> <p>The Fund has established eligibility criteria and evaluation procedures to ensure that each investment contributes to decarbonisation in the region.</p> <p>The Investment Manager will rate all the securities in the Fund with an ESG score using its own proprietary framework applied across its investment universe. Among all factors, corporate governance is the factor that must be considered across all companies, regardless of industries and countries. Corporate governance is regarded as a high ESG risk exposure factor by default and investee companies are expected to fully manage the governance issues. Some of the key elements to be considered including Board and management quality and integrity, Board structure, remuneration and stakeholder governance.</p>
<p>5. PROPORTION OF INVESTMENTS</p>	 <p>100% of the Fund's investments (excluding undeployed cash) will be aligned with the aforementioned E/S characteristics but no commitment is made for targeting sustainable investments within the meaning of SFDR. The portion #1 aligned with E/S characteristics are all direct investments.</p>
<p>6. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS</p>	<p>The Fund uses sustainability indicators relating to measurement of carbon emissions and ESG risk exposures in investee and pipeline companies:</p> <ul style="list-style-type: none"> • Carbon Emissions: The Fund conducts carbon accounting and estimation to understand the emission profiles of investee companies. The Fund will aim for investees to have a declining carbon intensity over time and for investees to contribute to lowering local market emissions.

	<ul style="list-style-type: none"> • ESG Risk Tiering: In addition, the Fund tracks sector-specific ESG risk indicators relevant to each investee company, based on materiality mapping of the Sustainability Accounting Standards Board (SASB) and supplemented by other international norms and frameworks. ESG risk exposure tiering is conducted to guide due diligence. <p>Sustainability indicators are selected and tracked over time to monitor the progress in investee companies, as part of the sustainability improvement plan of investees.</p> <p>While the Fund does not target sustainable investments within the meaning of SFDR, the Fund references key international norms and standards in formulating ESG baseline and subsequent questionnaires and due diligences, including the OECD Guidelines and UN Guiding Principles.</p> <p>The Fund promotes adherence to and conducting businesses activities in accordance with the United Nations Global Compact (UNGC) by scrutinizing companies that violate these principles. The fund thoroughly assesses the sustainability risk profile of companies and limits investments in companies with an elevated sustainability risk profile. Engagements are used for controversies discussion and monitoring, as well as value creation. Prioritisation of engagement will be based on the materiality of the issues identified through the ESG research.</p>
<p>7. METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS'</p>	<p>Fullerton has its own proprietary ESG rating system rooted in financial materiality. The primary materiality mapping is adapted from that of the Sustainability Accounting Standards Board (SASB) and supplemented with other frameworks.</p> <p>The Investment Manager will rate potential investments in the Fund with an ESG rating using its own proprietary framework. The Investment Manager will assess companies' exposure to material ESG issues listed above. The Investment Manager will assign each investee company an ESG rating that reflects the degree to which the investee company are exposed to these ESG issues.</p> <p>The rating process will be supplemented with active engagement with select companies in the portfolio with the aim to influence corporate behaviour in the management of their material ESG issues, particularly where improvements in policies, practices and disclosure are expected to enhance and protect shareholder value.</p>
<p>8. DATA SOURCES AND PROCESSING</p>	<p>The primary data source is direct disclosure from investee companies.</p> <p>The Investment Manager sends out both standardized and customised questionnaires to solicit ESG data to supplement any information provided by the company. The Fund references its own proprietary ESG rating system and key international norms and standards in formulating ESG baseline and subsequent questionnaires and due diligences.</p> <p>In calculating carbon emissions, the Investment Manager refers to emission factors from sources such as the International Energy Agency to model carbon emissions.</p> <p>The Investment Manager evaluates the data quality and coverage of information provided by each investee companies during due diligence assessments, and may engage external expertise and conduct field due diligence as part of such evaluation. Collected data are recorded and compared over time and against available comparable peer data to gauge relative performance.</p> <p>In limited circumstances where direct data is not available,, the Investment Manager may consider estimation based on established industry practices where appropriate. Estimated data, as opposed to direct disclosure or modelled data, is expected to be below 50%.</p>

9. LIMITATIONS TO METHODOLOGIES AND DATA	The main limitation to the methodologies and data is the lack of corporate disclosure by investee companies. To ensure that such limitations do not affect how the environmental or social characteristics promoted by our fund are met, the Investment Manager focuses on encouraging disclosure while seeking multiple practice indicators to triangulate due diligence findings.
10. DUE DILIGENCE	<p>The Fund integrates consideration of sustainability risks including ability to contribute to decarbonisation and ESG risk exposures as part of the investment process:</p> <p>Decarbonisation and ESG due diligence</p> <ul style="list-style-type: none"> • Decarbonisation evaluation and ESG risk evaluation are integrated into investment due diligence and monitored post-investment, in line with the Fund’s internal operating procedures. • The decarbonisation drivers for each investee company are identified to guide due diligence procedures. • Each investee company is also assigned an ESG rating that reflects the areas of exposure to ESG risks (generally based on sector) which then guides due diligence. • All investee companies undergo baseline ESG questionnaires and further questionnaires addressing specific risks. <p>While the Fund does not target sustainable investments within the meaning of SFDR, there are multiple procedural checks taken during the investment due diligence procedures to prevent significant harm.</p> <ul style="list-style-type: none"> • Firstly, pipeline companies undergo a screening against the Exclusion List which comprises controversial and non-investable activities (such as production or activities involving harmful or exploitative forms of forced labour/ harmful child labour or human rights abuses, etc.). • All pipeline companies which passed the initial screening undergo ESG risk tiering and ESG baseline questionnaires. • Selected pipeline companies (based on ESG risk tiering) are also further screened for evidence of risk management systems in place against an internal list of high ESG impact areas. <p>Investments are only made when sufficient risk management and mitigation measures are in place. Sustainability action plans are put in place at point of investment to identify key focus areas and metrics for tracking across investment life.</p> <p>While the Fund does not undertake to align with Principal Adverse Impact (“PAI”) indicators for all investments as they are defined in Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 (as amended) supplementing SFDR with regard to Regulatory Technical Standards (“RTS”), the Fund tracks an internal list of critical ESG risk exposures for due diligence purposes, in addition to sector-specific risk exposures. Investment opportunities are evaluated against these risk exposures and qualify for investments only when appropriate risk mitigation measures are deemed to be in place.</p>
11. ENGAGEMENT POLICIES	Stewardship and Active Ownership

- The Fund believes that well governed, transparent companies which are able to navigate the ESG trends will be able to generate better long-term shareholder value.
- The Fund will exercise its shareholder and board directorship (where present) to help shape positive corporate behaviour and investment outcomes through engagement and voting.
- In particular, the Investment Manager believes that climate change represents a systemic risk and the Investment Manager encourages companies to manage climate risk and to report under the Task Force on Climate Related Financial Disclosures (TCFD) guidelines.

Prioritisation of engagement will be based on the materiality of the issues identified through the ESG research. In particular, the Investment Manager holds the view that climate change represents a systemic risk, and it will engage with companies to improve their management of climate risk.