**European Union Sustainable Finance Disclosure Regulation**

***Sustainability Risks***

The European Union's Sustainable Finance Disclosure Regulation ("SFDR") defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of the investment. DCI has integrated sustainability risks, as a sub-set of risks generally that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for DCI Umbrella Fund plc, DCI UCITS ICAV, DCI Ireland Fund plc, DCI Investment Funds plc and DCI Alternative Fund (collectively "DCI Funds"). Further information on the manner in which sustainability risks are integrated into investment decisions is available upon request from DCI. Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the DCI Funds (for example, hedging).

***Inclusion of environmental and social characteristics in the investment process***

DCI integrates responsible investment into its investment process in accordance with four foundational pillars as follows:

- Application of a socially responsible investing ("SRI") exclusion screen in respect of the portfolios of each Fund.
- Conducting ongoing research into SRI (and ESG) factors.
- Reviewing, monitoring, and risk modelling each Fund's portfolio for emerging trends, threats, and developments, including those arising from SRI factors.
- Offering a full range of customized SRI strategies to investors.

***SRI Exclusion Screen for each Fund portfolio***

DCI integrates exclusion screening in respect of its' investment selection process. In this regard, it carries out a systematic approach of constructing broad portfolios using fundamentally driven models, with holding periods typically measured in months. DCI does not pursue an activist investment strategy in respect of any of the Funds. However, it is considered appropriate to take account of additional risks that are inherent in socially costly businesses and when possible will seek to avoid them. In this regard, DCI's policy in selecting investments is not to offer implicit or explicit support for socially irresponsible businesses. Whilst this analysis can be subjective, it will assess certain businesses where the social cost of the business creates negative externalities for society that are not fully captured by regulation, taxation or shareholder value. These risks typically manifest as low probability, but high cost, regulatory and legal exposures. In this regard, DCI will exclude such businesses from the investment universe and portfolios of the Funds.

The investment process will identify three broad areas of concern about the inherent social costs in the business models of underlying issuers and securities. These areas are categorised according to the following classification:

- Ethical Reasons
- Social Responsibility and Stewardship
- Environmental Responsibility and Stewardship

Within the above broad categories DCI applies criterion based on businesses that the Investment Manager does not consider it appropriate to implicitly support Such businesses are identified using top down and bottoms up research. The criteria are approved (at least) annually by the Investment Manager's research approval committee and reviewed quarterly.

The potential list for exclusion is sourced from both DCI' s own proprietary research analysis and externally from its' investment partners. The resulting exclusion list is maintained as part of the live portfolio construction process and is included in automatic compliance controls. An exclusion list is available for investors upon request from DCI .

***Ongoing research into SRI (and ESG) factors***

SRI factors, that attempt to measure or classify individual firm’s exposures to many of the negative externalities noted above, have been identified and widely researched in both the academic and industry literature. DCI is an active participant in consuming, evaluating, producing, and testing the application and efficacy of ESG factors in the investment portfolios of the Funds. While it is inconclusive whether these factors offer investment out-performance, DCI is of the view that the application of both narrow and broad exclusion lists do not negatively bias investment performance. DCI will continue to research SRI drivers as part of its overall investment process.

***Review and monitoring of SRI factors on an ongoing basis***

The risk management framework of the Funds is multi-faceted and dynamic. In this regard, DCI continually reviews and monitors portfolio risks and emerging threats. Stress testing and scenario analysis is carried out in the context of the risk management framework of each Fund on an ongoing basis. Sensitivity to SRI factors is part of this process. The Investment Manager has a dynamically-updated risk model that accounts for both firm-level and industry-level developments and is calibrated to pick up on SRI exposures.

***No consideration of sustainability adverse impacts***

At present, the DCI Funds do not consider the adverse impacts of its investment decisions on sustainability factors within the meaning of Article 4(1)(a) of the SFDR. This is because, among other reasons, the regulatory technical standards which set forth the final “principal adverse impacts” and the corresponding mandatory reporting template have not yet been adopted by European legislators, which is expected to limit the availability of investment-level data required for voluntary compliance with Article 4(1)(a). The position on this matter will be reviewed at least annually, and DCI will continue to carry out research and to actively invest in systems and procedures which will enables it, over time, to gather more granular data on the impacts of investment on sustainability factors.

***Remuneration Policy***

In accordance with the UCITS Regulations and the ESMA Guidelines on Sound Remuneration Practices under the UCITS Directive and AIFMD, the DCI Funds have adopted a remuneration policy. The remuneration policy is consistent with the integration of sustainability risks. The remuneration policy supports sound and effective risk management by avoiding excessive risk taking which should have a positive effect on sustainability risks. DCI's ESG assessment which is carried out prior to investment is consistent with avoiding excessive risk taking as it is designed to investment in companies perpetuating negative societal events. A copy of the remuneration policy of the DCI Funds is available to investors upon request.