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1. Introduction:

This document comprises LarrainVial Low Carbon Environmental, Social and Governance Fund (LarrainVial LC ESG) policy and investment process to be administered by LarrainVial Asset Management.

Policies, filters, as well as financial, environmental and governance procedures to be used in the fund's analysis process and investment decision-making, will be detailed hereafter.

The fund will be invested in Latin American corporate fixed income, expressed in US dollars, and traded in the secondary market.

2. Fund Objective:

The fund will invest in Latin American and Caribbean corporate and sub-sovereign bonds. The goal is to obtain a performance higher than the benchmark, minimizing the following risk factors: scope 1 and 2 carbon footprint, intensity of carbon footprint, ESG company risk and credit risk. The chosen benchmark is the CEMBI Broad Diversified Latin America, a representative index of Latin American corporate bonds designed and published by JP Morgan.

On one hand, investment decisions will be thoughtful of climate change, thus limiting the Fund's carbon footprint. Reducing carbon dioxide (CO_2) emissions not only contributes to decelerate global warming, but also transition risk is reduced. Likewise, we seek to reduce and mitigate portfolio risks related to physical risks of climate change.

On the other hand, we believe that investing in companies that comply with certain environmental and social standards and that show strong corporate governance leads to better medium and long-term risk-adjusted returns, as compared to those portfolios that do not measure these risks. In the past, corporate governance risks, for example, have been relevant in anticipating defaults in many companies. Also, social risks may involve both a penalty from consumers towards companies' products and services, as well as regulatory actions that might jeopardize their businesses.

Through systematic analysis of ESG dimensions, it is possible to identify opportunities and reduce potential risks not yet internalized in the price of assets.

We believe that in the next years the reallocation of resources to companies with a better performance in ESG matters will accelerate, thus, allowing attractive returns to be captured by investment portfolios already positioned to seize this trend. Based on our knowledge and vast experience in this asset class, we can generate risk-adjusted returns above the benchmark.

Investment in Green Bonds, Sustainability-Linked Bonds and Sustainability Bonds will also be possible, even if the company does not qualify for the fund under our investment process, when we have the strong conviction that the investment will be relevant in reducing ESG risks and impact. Bonds in controversial industries are not allowed in any case. Recently, these instruments have taken a significant importance in the region, generating larger impact and commitment to environmental care from both investors and issuers. In some cases, given the use of funds and companies' self-imposed goals, some of these instruments have differentiated from other more traditional ones, and so, building investors' appetite.

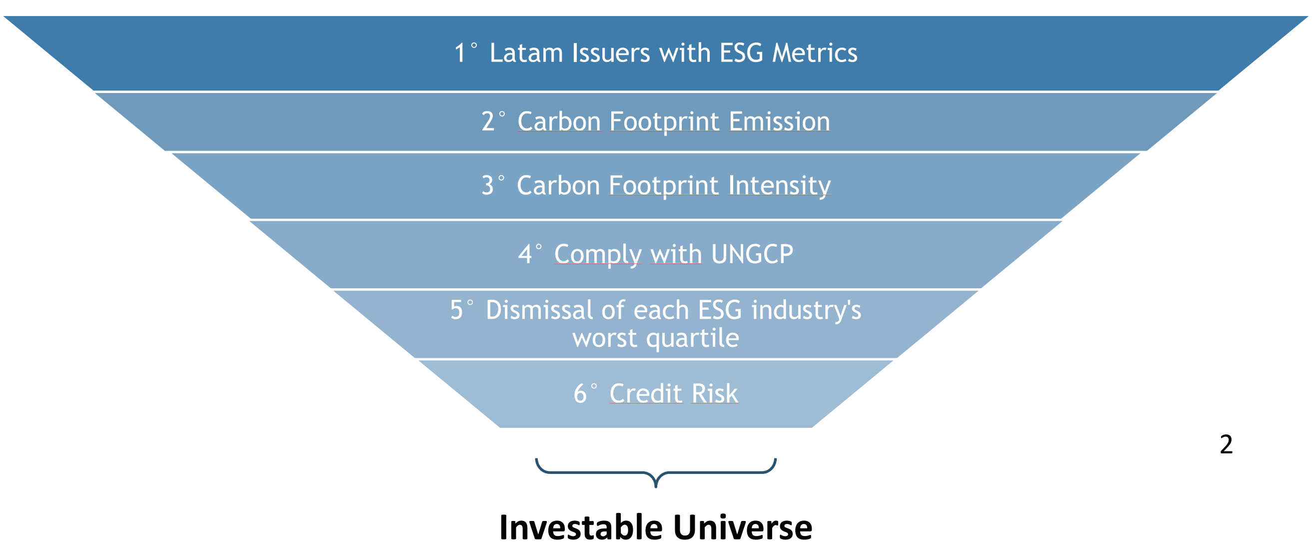
3. Eligible Instruments:

Corporate Latin American and Caribbean Debt:

1. Issued by entities established in Latin America and the Caribbean
2. Issued by entities whose main activities are developed in Latin America and the Caribbean. Latin America and the Caribbean will refer to all member countries of the *Grupo de Acción Financiera de Latinoamérica* (hereafter GAFILAT).
3. Instruments issued by entities whose main investments are developed in Latin America and the Caribbean, will refer to those instruments for which one of the external suppliers of financial information used by the Manager, such as Bloomberg and Reuters, among others, identifies any of the countries in Latin-America or the Caribbean as the respective issuer's country risk.
4. Cash in United States dollars: the account banks holding the cash do not have any ESG or carbon emissions absolute and relative restrictions.

4. Methodology:

To select investable issuers and bonds, investment decision filters have been introduced, as described below:



The information required to apply the filters is mainly provided by: 1) company's sustainability reports and financial statements; 2) discussions with company management through direct calls, conferences, sell-side calls and results reports; 3) MSCI ESG Manager platform (to which we are subscribed); 4) information obtained from our engagement activities with FAIIR, Emerging Markets Investors Alliance, PRI, among others; 5) research reports shared by our brokers and counterparts; 6) information sourced from other LarrainVial Asset Management areas, such as the Equity team.

Description of filters to be applied:

1. Latam Issuers with ESG Metrics: in general, many companies have made big efforts to improve disclosure and investor communication, and yet, there is still a long way to go. What is essential is for them to count with detailed information on these dimensions (Environmental, Social and Corporate Government issues) and to be open to discuss and share it. In cases where the information is not published, we try to persuade the company to disclose what we deem as necessary, by responding to our industry specific questionnaires.

2. Carbon Footprint Emission: companies that generate more than 0.33% of the annual global carbon emissions (34.1 Gigatons of CO2 for 2020, in accordance with the Global Carbon Project) are excluded. This 0.33% is equivalent to 112,530,000 Tons of CO2.

3. Carbon Footprint Intensity: the aim is to evaluate and measure the carbon footprint of companies in both absolute and relative terms based on a defined metric, excluding those companies that generate more than 1,000 Tons of CO2 per each one million US dollar of sales.
   For this metric we consider scope 1 emissions (the ones that are directly produced by fuel burning of own or controlled assets) and scope 2 emissions (indirect emissions generated by electricity purchased and used by the company). Scope 3 emissions are not considered as their definition and measurement is difficult since they come from assets which companies do not control. Also, disclosure of scope 3 emissions is not mandatory under several methodologies.
   However, the fund is allowed to invest up to 30% of the portfolio in companies with no disclosure of carbon emissions, as long as they belong to one of the following sectors: Financial, Healthcare, Protein, Real Estate and Telecom. The aim is to reach low-carbon companies, which currently do not publish their level of emissions. After analyzing companies in these sectors that do publish their carbon emissions, we see that on average and each company in these sectors are quite far from exceeding the limit of 1,000 tons. Therefore, this inclusion in the fund does not significantly increase the carbon footprint of the fund.

4. Comply with the United Nations Global Compact Principles (UNGCP): there are are 10 principles in total (*see Annex*), and we will exclude those companies presenting conducts or malpractices that may give way to a violation of these principles. The principles rest in 4 pillars:
   a. Human Rights
   b. Labour Relations
   c. Environment
   d. Anti-Corruption

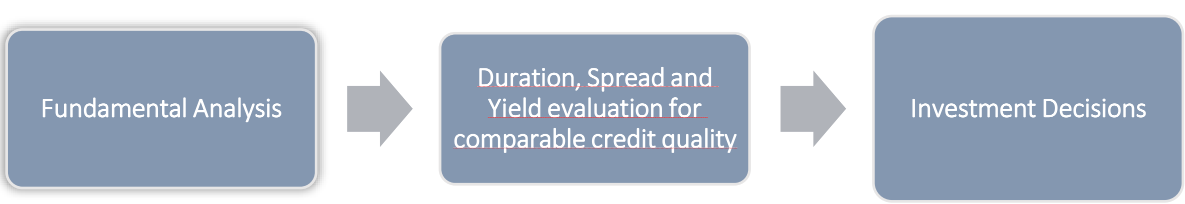
   The compliance of UNGCP will be taken form MSCI ESG Manager data provider. In the case that a company is not rated will be determined by our in-house analysis, relying upon the same methodology that MSCI ESG Manager uses. The MSCI methodology to determine the compliance with the UNCGP is: "Pass" when the company has not been implicated in any controversy case constituting a major breach of global norms within the last 3 years; "Fail" when the company is implicated in one or more controversy cases where there are credible allegations that the company or its management inflicted serious large scale harm in violation of global norms and "Watch list" when the company is implicated in one or more controversy cases that are serious and warrant ongoing monitoring but, based on information available to date, does not constitute a major breach of global norms. Only the companies labelled as "Fail" are not investable.

The sub-fund will ensure that all the bonds in the fund is invested in the 75% better performers in ESG ratings as compared to its global peer's level within the sub-sector. The investable companies of the sub-fund rely on the ESG scores calculated with non-financial data provided by MSCI ESG, which has developed rating models specific to each group of comparable companies (sub-sectors of 'activities), together with the manager´s own models and research analysis. Each ESG component has a different weight factor (Environmental, Social or Governance) depending on the industry, these inputs are also developed by MSCI ESG Manager and LarrainVial Asset Management (internal rating models). All the companies are ranked by their scores in the sub-sector, being the first three quartiles the 75% better ranked companies in ESG scores and forth quartile the worst 25% in ESG scores.

5. Credit Risk: once the investable universe has been determined, we seek to maximize the portfolio's risk adjusted profitability, including both credit risk and ESG risks. For this purpose, our investment team is fully dedicated to the analysis of Latin American entities, with a bottom-up approach based on a fundamental analysis using as theoretical framework the CFA Institute 4Cs model (Capacity to Pay, Character, Covenants, Collateral).

CAPACITY TO PAY	CHARACTER	COVENANTS	COLLATERAL
• Industry knowledge • Country knowledge • Business knowledge • Competitive and operational position • Projected Free Cash Flow generation	• Willingness to pay: previous defaults • Property: public/closed company • Management capacities • Corporate governance: board, committees	• Limitations on new debt • Restricted payments • Transactions with affiliates • Limitations on Asset Sales	• Subordination • Guarantees

Within the risks to be minimized, diversification (no issuer can exceed 5% of total portfolio) and the instrument's liquidity are also considered.
With the purpose of making an investment decision, the results of the company's fundamental analysis are combined with market information on its own bonds and on the comparable ones. The graph below shows a scheme of our investment process:



It should be noted that investment proposals from the credit analysts team are presented weekly to the investment committee, being these recommendations, as already mentioned, product of combining the companies' fundamental analysis with market information on its bonds and on those comparable. Participants in said committee are credit analysts, the head of research, Portfolio

Managers (PMs), the Chief Investment Officer (CIO) and members of the equity team and other areas that may add value in each specific case. Investment proposals are thereby discussed, and the final decision is made by the PMs.

Lastly, it is worth clarifying that the fund's results in terms of positioning by country, sector and rating is a sub product of this bottom-up process or bond-picking. However, we conduct a constant follow-up on macroeconomic, political and social developments in Latin American economies, as well as on global macroeconomic variables. With this information, a Portfolio Committee is conducted where the fund's position per country, economic sector, duration and rating is evaluated. Based on our vision on the mentioned variables, we also make portfolio allocation decisions under a top-down approach.

5. Controversial Industries:

There are certain activities that directly undermine the fund's objectives and are deemed controversial and generate a negative impact on society: some harm health, violate human dignity or prove to be malicious. In addition, they contravene the principles of a socially responsible investment as well as the fund's strategy. Thus, under our selection criteria, we have excluded the following sectors from our investable universe:

1. Alcohol
2. Gambling
3. Pornography
4. Tobacco
5. Weapons in general

The definition of sectors is developed in house accounting the main source of assets/revenues of the company. We support our analysis whit Bloomberg, MSCI and Capital IQ. If any company have more than 30% of revenues from controversial industries is not investable.

6. Restrictions:

The fund abides to certain limits at industry level, per company and per bond. Should any of these restrictions be exceeded, a time frame of 30 working days is available to take on corrective actions in order to comply with the limitations once again. The main limits are the following:

- Maximum exposure per issuer: 5%
- Maximum exposure per corporate group: 10%
- Maximum exposure to the Financial Industry: 40%
- Maximum exposure to Oil and Gas: 5%
- Maximum exposure to Metal and Mining: 5%

If any company in the portfolio becomes in non-compliance with the investment policy related to UNCGP compliance, Carbon Footprint Emission, Carbon Footprint Intensity and scores in the three best quartiles the manager must take out the bond from the fund before three months from the violation.

7. Transparency

The compartment will report quarterly:

- The percentage share of each sector in the fund, showing the compliance with the limits.
- The Carbon Footprint calculated by the manager with the MSCI ESG data provider or if it is not available by any reason calculated directly by the manager.
- A statement regarding the compliance with the United Nations Global Compact Principles of the companies with bonds in the fund and the effective exclusion of excluded sectors.

8. Sources:

Bloomberg: Tool that offers financial software, data downloading and real time news on economies around the world.

Capital IQ: information tool for the analysis of shares and funds, providing detail on capital markets, both at corporate and sovereign level.

CFA Institute Research: world association of global investors providing reports on good corporate practices and professional financial education through seminars, conferences and publications.

CFA Society Argentina and Chile: entity with the purpose of promoting ethical and supportive behaviour through development and participation opportunities.

Companies' Financial Statements and Sustainability Reports: direct discussions between our investment team and the company management.

Investment Bank Research: BofA-ML, Morgan Stanley, JP Morgan, BTG Pactual, Goldman Sachs, Santander, Debtwire, Seminario, Credicorp and Barclays.

JP Morgan Markets: price, research and information provider on market developments and issuers.

MSCI: Supplier of decision-making tools, information and services, with a database of over 20 years.

PRI (Principles for Responsible Investment): investor network aimed on fostering joint efforts in the design of general principles on responsible investment to be considered when making investment decisions.

UN (United Nations): international organization created with the purpose of fostering good relations and international cooperation among nations for solving global problems.

9. Annex:

<u>Human Rights:</u>

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: make sure that they are not complicit in human rights abuses.

<u>Labour:</u>

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment:

Principle 7: businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption:

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.