

Sustainability Risks Policy

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1. INTRODUCTION

This document sets out the policy of RAM Active Investments (Europe) SA (hereinafter the “ManCo” or “RAM”) on the integration of sustainability in RAM’s investment decision-making process.

Article 3 of the EU Sustainable Finance Disclosure Regulation (“SFDR”) requires Financial Market Participants to disclose their sustainability risk policy (hereinafter the “Policy”) on the website to provide transparency about the integration of sustainability risk factors. The Policy applies to each the ManCo, its delegated investment managers and all funds managed by RAM.

RAM believes that the integration of Environmental, Social and Governance (“ESG”) criteria into the investment decisions creates long term value for investors and support the development of a sustainable economy as a responsible investor. RAM aims to promote the principles of responsible investing within our investments and encourage our partners to consider ESG criteria in their activities.

2. PURPOSE OF THE POLICY

Under SFDR, “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 an investment.

Sustainability factors broadly refer to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

This Policy therefore approaches sustainability risk from the perspective of the risk that ESG events might cause a material negative impact on the value of our products’ investments.

For the purposes of SFDR, sustainability risk is not concerned with the risk of harm that our investment decisions may do externally to sustainability factors.

The external harm of investments is covered by a separate regime under SFDR, which considers the principal adverse impacts of a firm's investment decisions on sustainability factors. RAM decided to implement the principal adverse impact ("PAI") arrangements under Article 4 of SFDR.

3. GOVERNANCE AND RESPONSIBILITY

RAM's Board of Directors is the ultimate responsible body for each firm's policies and procedures in respect of sustainability risks.

However, the members of the Responsible Investment (RI) Committee have an active advisory role in the review and implementation of all ESG-related decisions. The RI Committee meets once per quarter and has a multi-dimensional composition.

Investment teams: the teams managing RAM's investment portfolios have the primary responsibility for managing the risk generated by their investment activities throughout the lifetime of the portfolio. This principle is equally important for the integration of risks stemming from sustainability factors. RAM has incorporated the requirement of sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments.

RAM's Risk Management function validates if ESG-related investment decisions are correctly executed and in accordance with the legal fund documents.

RAM's Compliance function contributes to the risk management framework and monitors the alignment of RAM activities with regulatory requirements, including sustainability regulatory aspects and RAM's own internal policies with regards to sustainability elements (e.g. product governance policies, conflict of interest policies and client suitability assessment procedures).

4. SUSTAINABILITY RISK APPROACH

RAM has set-up a granular monitoring of sustainability risks by integrating them, on an initial and on-going basis, into the risk profiles of the relevant funds. The risk profile of a given fund (also understood as sub-fund) reflects the level of identified relevant risks that arise from the investment strategy, including relevant sustainability risks, as well as the interaction and concentration at portfolio level for each fund managed by RAM.

Sustainability risk management is performed on two levels. Firstly, for funds that require sustainability integration, it is integrated in the investment process and secondly, for all funds, the independent risk management function reviews and rejects or validates the execution according to the rules defined in the prospectus, the exclusion list and the respective risk profile of the fund. The Risk Management function is represented in the RI Committee and is empowered to bring forward any amendment in the processes or to report any item of relevance. In addition, the Risk Management function is responsible to enforce mitigation actions with the responsible fund managers. On a regular basis, the Risk Management function reports formally to the Executive Committee on sustainability risk aspects.

As part of RAM's broader risk management processes when investing, RAM has implemented procedures to (i) identify, (ii) assess and (iii) manage sustainability risk aspects.

RAM's approach to sustainability risk management may vary from investment strategy to investment strategy, hence from fund to fund.

Identification of risks

RAM has reviewed the sustainability risks which are likely to cause a material negative impact on the value of RAM's fund range and underlying investments, should those risks materialize.

Risks are broadly divided into the three ESG categories of environmental, social and governance risks. RAM treats sustainability risk on an individual investment, a cross-investment and an overarching business activity risk basis (incl. market-, operational-, legal-, financial-, etc., sustainability risks). The Risk Management function covers ESG indicators which are part of an overall ESG scoring taken up by the Risk Management function.

Assessment of risks

RAM excludes investments which do not meet the ESG standards defined by the RI Committee. The exclusion list is constantly reviewed to ensure it remains up to date.

Exclusion decision: the exclusion list is based both on data from external data providers and RAM's own in-house analysis of securities and issuers. Securities and issuers can be excluded on a discretionary basis upon decision from the RI Committee and are based on singular or multiple criteria and issues identified.

The decision to exclude a company is taken after an assessment by the RI Committee, based on the criteria described below. Additional ad-hoc criteria can be considered in certain cases. Please refer to the Sustainability Policy¹ disclosed on the website for further information.

The exclusion criteria defined below applies to funds managed by RAM within the listed equity asset class. RAM predominantly applies exclusions based on:

- Controversial business practices that are against international norms or RAM's values
- Limits on revenue generated from business activities that are harmful to society (weapons, adult entertainment, gambling, tobacco, etc.)

After assessment, if the excluded securities or issuers demonstrate improvements in their policies and business operations, they may be reinstated within the RAM investable universe.

Management

RAM applies exclusionary screening for specific issuers; industries; jurisdictions and geographies which it has identified as unusually high risk. Controls are managed at pre-trade level by the Risk Management function and refer to pre-trade checks on revenue and norm-based exclusions. This control is essential to prevent funds trading into any of the pre-defined exclusions.

¹ <https://www.ram-ai.com/en/regulatory-information>

IMPORTANT INFORMATION

This Policy does not represent neither an offer nor an invitation to buy or sell any RAM funds and may not be interpreted as an investment advisory service. Publication is done for regulatory² and transparency purposes.

Opinions included in this material constitute the judgement of the Investment Managers and RAM Active Investments (Europe) SA at the approval date of this Policy and may be subject to change without immediate publication on the website. In case of questions, investors are invited to contact RAM Active Investments via email or phone.

We understand that this material is solely for the attention of professional investors as defined in the Directive 2014/65 UE dated 15 May 2012 and in Switzerland for the attention of qualified investors as defined in Swiss applicable Laws and Regulations.

RAM funds are not offered for sale in the United States or its territories and possessions, nor to any US person (citizens or residents of the United States of America). The opinions expressed herein do not take into account each customer's individual situation, objectives or needs. Customers should form their own opinion about any security or financial instrument mentioned in this document. Prior to any transaction, customers should check whether it is suited to their personal situation and analyse the specific risks incurred, especially financial, legal and tax risks, and consult professional advisers if necessary. Investors are advised to base their decision whether or not to invest in fund units on the most recent reports and prospectuses. The prospectus, KIID, articles of association and financial reports are available free of charge from the SICAV's head office, the Management Company RAM Active Investments (Europe) S.A., 51 av. John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg., RAM Active Investments S.A., in Switzerland and the Funds' representative in countries where the funds are registered.

² Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector