Asteria
Investment Managers

SUSTAINABLE FINANCE DISCLOSURES

These disclosures are applicable to investment funds sponsored by Asteria Investment Managers SA ("**Asteria**") registered in Luxembourg (the "**Funds**") and aim to ensure transparency within the framework of the Sustainable Finance Disclosure Regulation 2019/2088 of 27.11.2019 ("**SFDR**").

Asteria Investment Managers SA is acting as portfolio manager and distributor of the Funds (upon delegation of portfolio management by Waystone Asset Management SA, the Funds' investment management company).

Asteria is an asset manager specialized in impact investing, convinced that it is possible to have both financial return and positive and measurable impact on society and the environment.

Our investment process integrates innovation and technology to enhance research methodology and portfolio management, enabling us to integrate **sustainability risks** in decision-making process and consider **principle adverse impacts (PAI)** on sustainability factors.

1. Sustainability Risk Integration in the Investment Decision-Making Process

Sustainability risk means an environmental, social or governance factor or condition that, if it occurs, could cause a negative material impact **on the value of the investment**.

How we manage sustainability risk:

Given our specific impact investment strategy, when building and monitoring portfolios, we systematically integrate sustainability risks by assessing environmental, social and governance (ESG) factors, in addition to traditional financial factors (such as liquidity and valuation metrics).

ESG factors are defined by our Impact & ESG Policy and integrated into our Risk Management:

a. **Impact research:** Including sustainability risks as part of underlying companies' **internal ESG scoring** across all portfolios. Our systematic research framework is based on our proprietary tool and provides portfolio managers and analysts with relevant information on how companies manage critical environmental, social and governance (ESG) issues, making it possible to identify sustainability risks and opportunities within the investable universe. Our proprietary, multidisciplinary and scalable tool is a high-tech financial, ESG and impact research platform which combines machine-learning based on big data acquired from multiple open-source and third-party providers (the "**Tool**");

b. **Considering sustainability risks throughout the investment decision-making process** prior to investing and while constructing and managing the portfolio (Investment and Impact Committees involved): integration of sustainability risks can differ between fund strategy, as the materiality of the sustainability risk will vary depending on asset class, investment objectives and market trends, and will be adjusted according to the investment strategy of each fund;

c. **Remuneration policy**: sustainability risks are also integrated in our Remuneration policy applicable to Asteria's staff which is based on a combination of:

- a fixed part linked to the responsibilities entrusted to the employee, and
- a discretionary bonus determined on on the basis of individual performance, which considers the attainment of both qualitative and quantitative objectives, including specific sustainability objectives in terms of impact target and ESG scores achievement.

2. Principal Adverse Impact (PAI) statement

Principal Adverse Impact (PAI) refers to the negative effect of an investment decision on sustainability factors (impact of activities of the underlying investments of Asteria Funds on sustainability).

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

The adverse sustainability / principal adverse impact statement is a statement describing how we take the principal adverse impacts on sustainability factors into account when making investment decisions.

Asteria is considering the principal adverse impacts on sustainability factors ("**PAI**") of investment decisions according to our Impact & ESG Policy which applies to all Asteria strategies since launch (accessible on our website) and using our Tool described above in Section 1.

How we consider PAI in our investment decision-making process:

- **exclusion of harmful activities**: we do not invest into companies that generate a significant share of their revenues from some activities (armaments, tobacco and coal)

- **exclusion of controversies**: we do not invest in companies severely and continuously breaching the UN Global Compact Principles

- **exclusion of companies that have an adverse impact on sustainability factors** (identified by our Tool) as per our Impact & ESG Policy (for both investment decisions and portfolio management)

- **ESG scores**: a proprietary ESG scoring system based on numerous ESG indicators including restrictive internal constraints is used and updated monthly. Our core approach is following an impact investing strategy where every company in the portfolio is contributing positively to an environmental or social challenge. Because we search for companies and projects with positive impact that have a sustainable and responsible behaviour, we apply a **best-in universe approach** by eliminating 30% worst ESG score and 10% worst scores in each pillar

- **Impact scores:** the impact research framework enables us to assess the exposure of companies or projects to products, services or technologies contributing positively or negatively to a sustainability challenge addressed by the political agenda of the Sustainable Development Goals (SDGs). Any company with > 5% revenue exposure to a negative activity is excluded.

- **Impact Committee:** this decision-making committee is responsible for defining, reviewing and overlooking the implementation of the Impact and ESG Policy for defining the impact strategy and measurement framework; reviewing and coordinating the monitoring process and, finally, monitoring the impact at investment fund level and clients' portfolios. The Impact Committee has a veto right in relation to investment decisions.

- **active shareholder**: proxy voting and engagement (as a responsible investor, we engage with companies constructively in order to protect and enhance our investments). Our goal is to drive positive change in sustainability policy and corporate standards and generate long-term investment performance for our customers. As an asset manager we monitor business strategy, financial performance, capital structure, non-financial performance and any relevant ESG factors that may impact the investment. We take part in shareholder voting on behalf of our customers, in both actively managed and passively managed portfolios. And we report on the results as per our Proxy Policy.

- **Impact & ESG reporting**: our Impact and ESG policy is available on our web page as well as our annual impact reports in the future.

For more information, please refer to our Impact & ESG Policy.

Asteria has signed the UN PRI and has been awarded for Asteria Funds SICAV as having the Best ESG Impact Investment Strategy for Europe by CFI.CO for 2021.

About these disclosures:

These statements apply as of March 2021 and will be reviewed at least annually.