OCORIAN

SUSTAINABILITY RISK POLICY AS OF MAY 2023

CONTEXT

1. INTRODUCTION

The present document contains a description of the policies of Ocorian Fund Management S.à r.l. (“**Ocorian**” or the “**Company**”) on the integration of sustainability risks in the investment decision-making process in accordance with article 3 of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the **“SFDR”**). The present policy is to be seen in the context of Ocorian acting in its capacity as (i) designated management company ("**Management Company**") of undertakings for collective investment in transferable securities ("**UCITS**") and other undertakings for collective investment ("**UCIs**") in accordance with the provisions of Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended from time to time (the "**UCI Law**") and (ii) alternative investment fund manager ("**AIFM**") pursuant to Chapter 2 of the Law of 12 July 2013 on alternative investment funds managers, as amended from time to time (the "**AIFM Law**") and Directive 2011/61/EU of 8 June 2011 on alternative investment fund managers, as amended from time to time (the "**AIFM Directive**"). The SFDR entered into force on 29 December 2019 and is applicable for most of its provisions from 10 March 2021.

2. DEFINITION OF SUSTAINABILITY RISK

In accordance with article 2 No. 22 of the SFDR, sustainability risk is defined as 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 the investment (**“Sustainability Risk(s)”**).

ORGANISATION OF THE PORTFOLIO MANAGEMENT FUNCTION

The investment decision-making process of the Company is described in the portfolio management procedure of the Company.

With regard to the organizational set-up of the portfolio management function, it has to be distinguished between two models of portfolio management, the advisory-model and the delegation model. The advisory-model foresees that Ocorian acts as investment fund manager for the funds under management and appoints an investment advisor to benefit from the specific skills of the investment advisor. On the other hand, the delegation model foresees that Ocorian would delegate the portfolio management function to a delegate. As at the date of the present policy, Ocorian has implemented both the advisory-model and the delegation model in its investment decision-making process.

2.1 Ocorian performs the portfolio management function

It is the Company's objective to ensure that the internal policies of the appointed investment advisors with respect to sustainability risks are aligned with those of the Company. In this respect, in the course of the initial as well as the ongoing due diligence exercise, investment advisors are required to disclose to Ocorian, information about how they have integrated the identification, the management and mitigation of sustainability risks in their respective internal processes.

2.2 Ocorian has delegated the portfolio management function

The Company may delegate the portfolio management function to third party portfolio managers. In case of delegation, the external portfolio manager is responsible for the investment decision process and pre-investment checks. The Company is legally required to monitor the quality and compliance of the service of the external portfolio manager on an initial and ongoing basis. In this respect, in the course of the initial as well as the ongoing due diligence exercise, third party portfolio managers are required to disclose to Ocorian, information about how they have integrated the identification, the management and mitigation of sustainability risks in their respective internal processes.

DESCRIPTION OF THE MANNER IN WHICH SUSTAINABILITY RISKS ARE INTEGRATED INTO INVESTMENT DECISIONS

Ocorian is a third party management company providing AIFM and fund administration services to AIF, RAIF, non-AIF and UCITS funds. Our clients are large-scale institutional investors, international fund promoters and investment managers. The business model of Ocorian is to offer investment funds to institutional investors, which frequently also act as the initiators of these investment funds. The idea and concept for the investment funds, especially the investment policy, is determined by these initiators.

Sustainability Risks are considered at various stages of each product's investment process, in respect of each individual investment opportunity.

Where investment decisions are taken by Ocorian, these are based on several factors while always acting in the best interest of the investors. Sustainability Risks are included in the investment decision process together with financial factors, such as risk and valuation metrics, when building and monitoring portfolios.

As an example, when receiving investment proposals submitted by the investment advisor of a (sub-)fund, as part of its due diligence process, Ocorian reviews the proposal to ensure that the proposed investment does not go against principles of good corporate governance (and ESG in general), and has adequately considered Sustainability Risks.

Another example is the review of corporate governance in all underlying structures of a (sub-)fund's investments. Ocorian has put in place certain measures to ensure that underlying entities of a (sub-)fund respect the principles of good corporate governance, such as by (i) ensuring appropriate clauses are included in the relevant agreements between parties, and (ii) implementing an authority matrix to ensure that no actions are being taken with regard to investment decisions, against the agreed process.

Furthermore, as a general control measure, Ocorian and/or the investment advisors respectively delegated portfolio managers perform regular due diligence on all parties involved in the investment operations process.

In case a material Sustainability Risk is identified as part of the due diligence process, the item is flagged at the level of the investment advisor and of the board of managers of Ocorian, when the investment decision for approval by the AIFM. Likewise, in the case of delegated portfolio management decisions, the occurrence of material Sustainability Risks is subject to specific flagging as part of the portfolio manager's reporting to the Company.

PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS IN ACCORDANCE WITH ART. 7 (2) OF THE SFDR

As per article 7(2) of the SFDR, Ocorian does not currently consider principal adverse impacts of investment decisions on sustainability factors. The relevant data needed to identify and weight principal adverse sustainability impacts is not yet available in the market to a sufficient extent or of the required quality.

Ocorian will review the data situation on a regular basis and, if necessary, decide again on this basis on the possibility of taking into account principal adverse impacts of investment decisions on sustainability factors.as part of its internal strategies.

DISCLOSURE IN ACCORDANCE WITH ART. 5 OF THE SFDR

In accordance with article 5 of SFDR, Ocorian is required to include in the applicable remuneration policy, information on how the remuneration policy is consistent with the integration of sustainability risks. This information is required to be published on our website.

The remuneration principles of Ocorian do not encourage excessive risk-taking with respect to Sustainability Risks and are linked to risk-adjusted performance (please refer also to the Remuneration Policy published on our website).