

Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Ambianta X Alpha Fund

Legal entity identifier: 213800SFNX3U92NSEK89

Sustainable investment objective

Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes		<input type="radio"/> <input type="radio"/> <input type="checkbox"/> No	
<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 60%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with a social objective	<input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 0%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments		

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What is the sustainable investment objective of this financial product?

The investment objective of the Fund is to generate attractive risk-adjusted absolute returns by investing primarily in environmentally sustainable (ES) investments.

The ES investments referred to investment objective relate to resource efficiency, encompassing the entire spectrum of natural resources, and/or the pollution control, including all types of pollution affecting water, air, soil and human health.

The investment strategy involves the Fund investing primarily in equities and equity-related securities of companies worldwide which are exposed to environmental trends and are considered, based on the Manager's proprietary methodology, sustainable investments. Such investments can also contribute to the environmental objectives set out by Regulation (EU) 2020/852 (the "Taxonomy"): climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The ES investments contribute to the Fund's sustainable investment objective on the basis that they are assessed against the criteria used by the Manager to determine that an investment meets the definition of sustainable investment as part of the Manager's investment strategy as outlined below.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

To measure the attainment of the sustainable investment objective of the Fund the Manager uses two types of indicators.

At Fund level, the Fund's net exposure to sustainability (Sustainable Notional Value, or "SNV") must be greater than the Fund's net exposure to the market (Delta Notional Value, or "DNV"). The SNV is calculated as the weighted average of the individual Ambienta Sustainability Index ("ASIs") of each holding in the portfolio, described below. It provides the net sustainable value of the portfolio as an indication of its contribution to resource efficiency and/or pollution control.

At position level, target issuers are analysed using the ASI, the Manager's single holding sustainability indicator, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and/or pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each division of the company, weighted by its enterprise value.

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

A business of an investee company can present both negative and positive environmental impact contributions. The ASI analysis allows the Manager to assess whether the prevailing contribution is positive or negative and therefore represents the first test applied by the Manager in the context of examining an equity or equity-related security to ensure that it does no significant harm to the environmental objectives of the sustainable investments.

Furthermore, the integration of an environmental, social and governance ("ESG") assessment by the Manager is an integral part of the investment process and contributes to the identification and control of the potential negative effects associated with investments, including in the area of social and governance matters. The Manager considers the main negative impacts of its investment decisions on sustainability factors deemed relevant for the investee companies through a combination of proprietary and external market research analysis and ensures that the Do No Significant Harm ("DNSH") principle per the SFDR is respected.

The above takes place through the Manager's *ESG in Action* programme (a proprietary approach to the integration of non-financial factors into portfolio management) that is structured in two main phases:

- prior to investment, due diligence is carried out by the Manager to analyse the main impacts on environmental and social objectives and, in so doing, to ensure the absence of negative impacts in accordance with the DNSH principle;
- during the holding period the Manager will continue monitoring negative impacts through a combination of data collection and the Manager's own analysis as

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

described below. Findings deriving from the monitoring activities are integrated into the Manager's engagement and active ownership practices to ensure the mitigation of any risks of negative impacts (i.e. on DNSH principles) that may have arisen post-investment.

Based on findings, from the aforementioned phases, an escalation process may be required consisting of additional company engagement activities and progress analysis in respect of mitigation of negative impacts. The escalation process may ultimately result, based on severity of the negative impacts by an investee company, in disinvestment from the company.

The Manager uses internal research activity complemented with external research and data from specialised external providers in the above.

— — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

ESG analysis is an integral part of the Fund's investment process and contributes to the identification and control of the principal adverse impacts (PAIs) associated with investments. Through the Manager's *ESG in Action* programme, the Manager considers the main negative impacts of investment decisions on sustainability factors. All the mandatory PAIs outlined in Table 1 of Annex I to the Commission Delegated Regulation (EU) 2022/1288 (the "Level 2 Measures"), at least one additional "environmental" indicator (as set out in Table 2 of Annex I of the Level 2 Measures) and at least one additional "social" indicator (as set out in Table 3 of Annex I of the Level 2 Measures), will be considered. The material factors for the investee companies will be defined through a combination of proprietary and external market research analysis, and will be taken into account to ensure the mitigation of negative impacts in both the due diligence phase, prior to investment, and thereafter throughout the holding period through a qualitative and quantitative approach that may consider, where relevant, third-party providers sector data.

— — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Manager is a signatory to the Principles for Responsible Investment defined by the United Nations; as such it promotes alignment with the internationally recognized fundamental principles regarding business conduct and respect for human rights. During the due diligence phase the Manager assesses proposed investments using external data regarding controversies and minimum safeguards to ensure the proposed investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Afterwards, during the monitoring of the investment the Manager verifies that the investment continues to align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, by regular monitoring through external data analysis and annual engagement.

In order to do that, the Manager uses a combination of external data analysis and engagement with issuers.



Does this financial product consider principal adverse impacts on sustainability factors?

Yes

Through the Manager's *ESG in Action* programme, the Manager considers the main negative impacts of investment decisions on sustainability factors. All the mandatory PAIs outlined in Table 1 of Annex I to the Commission Delegated Regulation (EU) 2022/1288 (the "Level 2 Measures"), at least one additional "environmental" indicator (as set out in Table 2 of Annex I of the Level 2 Measures) and at least one additional "social" indicator (as set out in Table 3 of Annex I of the Level 2 Measures), will be considered. The material factors for the investee companies are defined through a combination of proprietary and external market research analysis, and will be taken into account to ensure the mitigation of negative impacts in both the due diligence phase, prior to investment, and thereafter throughout the holding period through a qualitative and quantitative approach that may consider, where relevant, third-party providers sector data. In monitoring performances of issuers during the holding period the Manager will also rely on its engagement process with investee companies.

Based on the Manager's analysis in due diligence or throughout the holding period by monitoring, an investment may be excluded from the portfolio or the Manager may engage with the investee company regarding potential changes that it could take in order mitigate principal adverse impacts on sustainability factors.

Information on how principal adverse impacts on sustainability factors are considered will be made available in the annual reports of the ICAV according to Article 11(2) SFDR.

No



What investment strategy does this financial product follow?

The investment strategy involves the Fund investing primarily in equities and equity-related securities of companies worldwide which are exposed to environmental trends and are considered, based on the Manager's proprietary methodology, sustainable investments.

Environmental Sustainability is a key driver of the Investment Strategy and is embedded in the Manager's portfolio selection process by which it identifies ES investments.

In seeking to identify ES investments, the Manager employs a disciplined and uncompromising fundamental bottom-up investment research process, leading to a high conviction, concentrated portfolio of securities of companies exposed to ES trends. The Manager uses a fundamental investment research process driven by an extensive meetings program with company management and the use of the Manager's proprietary analytical assessment process. In conducting this assessment process, the Manager will rely on its experience, relationships with market and industry participants, corporate managers, research analysts and consultants. In reviewing companies, the Manager uses its own screening, research, forensic and valuation techniques to locate opportunities where the assessment of a company and its stock value differs from the market perception of the company and its stock price. The Manager applies a proprietary scoring model which combines the analysis of sustainability trends with company specific fundamental analysis as described above.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Manager implements this strategy on a continuous basis through monitoring the sustainable exposure of each position, using its proprietary methodology to quantify the exposure of an investment in a company which can be attributed to activities exposed to sustainability trends. This methodology is based on a detailed fundamental analysis of a company, combined with an assessment of the underlying sustainability trends to which the revenues and other cash flow streams of the company are exposed. The analysis results in the ASI, the Manager's single holding sustainability indicator, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. The weighted averages of the ASIs at position level combine in the SNV (as outlined above), representing the Fund's net exposure to sustainability. This indicator must be greater than the DNV, representing the Fund's net exposure to the market, thus leading to the attainment of the sustainable investment objective of the Fund.

● ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The binding elements of the investment strategy outlined above to attain the sustainable investment objective are:

- Identification of ES investments, as outlined above, by the Manager employs a disciplined fundamental investment research process driven by an extensive meetings program with company management and the use of the Manager's proprietary analytical assessment process;
- Monitoring the sustainable exposure of each position, using the Manager's proprietary methodology to quantify the exposure of an investment in a company which can be attributed to activities exposed to sustainability trends, as outlined above, which such methodology. The methodology is based on a detailed fundamental analysis of a company which includes as follows:
 - at position level, during the due diligence phase and annually following investment, target issuers are analysed by the Manager using the ASI, which represents in one figure, between -100% and +100%, the contribution to resource efficiency and pollution control of each individual company and therefore the correlation of the value of a listed company to environmental sustainability and related trends. It is calculated as the average of the positive or negative environmental contribution of each company division, weighted by the company's enterprise value. Among the long positions, the Fund invests in target issuers that meet the ASI threshold ($\geq +25\%$), representing investments in companies that attain a positive environmental impact based on assessment of the company's single divisions.
 - at Fund level, the SNV of the Fund needs to be greater than the DNV, ensuring a net exposure to sustainability larger than the net exposure to the market. The SNV is calculated as the weighted average of the individual scores (ASIs) of each holding in the portfolio. It provides the net sustainable value of the portfolio as an indication of its contribution to resource efficiency and/or pollution control.

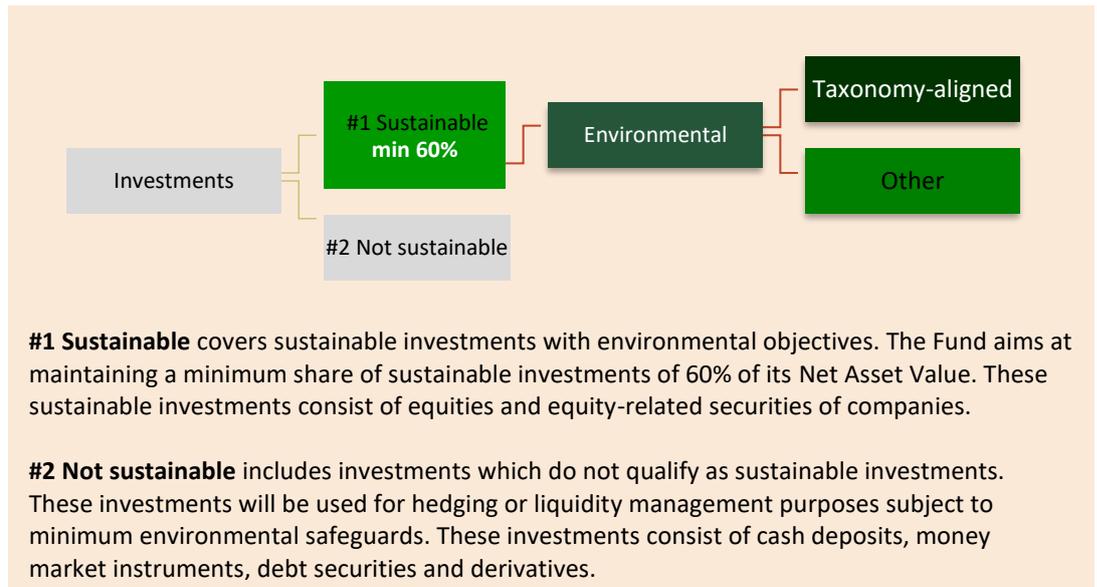
● ***What is the policy to assess good governance practices of the investee companies?***

During the due diligence phase for selecting investments and afterwards as part of the ongoing monitoring of a holding, as per the Manager's *ESG in Action* program, the Manager aims to ensure that investee companies operate in compliance with the best practices of business conduct and integrity, with particular reference to sound management structures, relations with employees, staff remuneration and compliance with tax obligations. The Manager ensures that investee companies have good governance practices by examining governance ratings provided by third party data providers, or by analysis conducted on the relevant company by the Manager's investment management team, and through regular engagement with the management of the company. Through the support of a third party, the Manager also engages in proxy voting which allows the Manager to assess the governance practices of the investee companies.



What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

● *How does the use of derivatives attain the sustainable investment objective?*

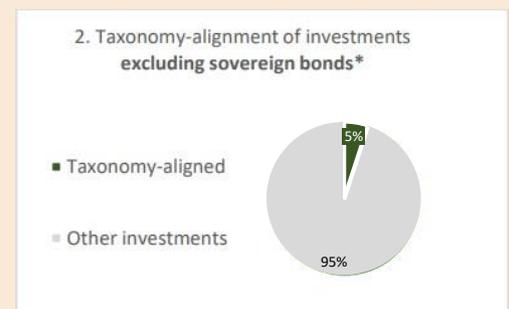
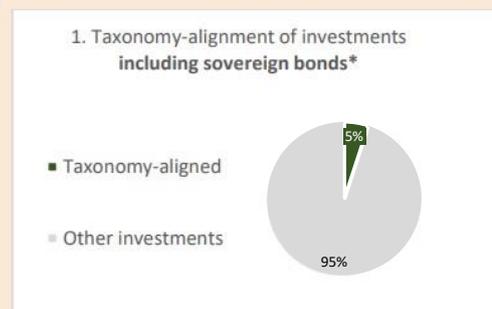
The Fund specifically adopts a derivatives strategy to get exposure to sustainable investments. This strategy includes the synthetic exposure to securities positively contributing to the Fund's sustainable investment objective.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy shall be 5%. This is a minimum figure and it is possible to allocate the above-mentioned minimum 60% of sustainable investments with an environmental objective between those aligned with the EU Taxonomy and those that are not aligned with the EU Taxonomy as there is no fixed allocation (just a minimum allocation) as this will depend on the availability of sustainable investments with an environmental objective aligned with the EU Taxonomy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to a minimum proportion of investments in transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund's sustainable investment objective is in line with the environmental objectives set out by Regulation (EU) 2020/852 (the "Taxonomy") but encompasses a wider spectrum of both environmental impacts and economic activities.

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%. This is a minimum figure and it is possible to allocate the above-mentioned minimum 60% of sustainable investments with an environmental objective between those aligned with the EU Taxonomy and those that are not aligned with the EU Taxonomy as there is no fixed allocation (just a minimum allocation) as this will depend on the availability of sustainable investments with an environmental objective aligned with the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

The Fund will not invest in sustainable investments with a social objective.



What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The Fund's "not sustainable" investments may include cash deposits, money market instruments, debt securities and derivatives, used for hedging and liquidity management purposes. For these investments, compliance with the minimum safeguards principles and specifically with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, is an integral part of the Manager's investment analysis to ensure the delivery of its overall sustainable investment objective. This compliance analysis is performed through the Manager's *ESG in Action* programme: prior to investment, during due diligence, and during the holding period the Manager verifies the presence of minimum safeguards through a combination of data collection and analysis. Findings deriving from these activities are integrated into the Manager's engagement and active ownership practices. Escalation process may be required consisting of additional company engagement activities and progress analysis in respect of mitigation of negative impacts. The escalation process may ultimately result, based on severity of the negative impacts by an investee company, in disinvestment from the company.

Such investment do not constitute a threat to the Fund's sustainable investment.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No specific index is designated as a reference benchmark to meet the sustainable investment objective.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?**

Not Applicable

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not Applicable

- **How does the designated index differ from a relevant broad market index?**

Not Applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://ambientasgr.com/our-businesses/ambienta-x-public-market-investments/>