

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
<p><input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 60%</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> 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 <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: 0%</p>	<p><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</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that 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 <p><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>

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 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 Ambianta 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, minimum safeguards and good governance principles;
- during the holding period the Manager will continue monitoring negative impacts through a combination of data collection and the Manager's own analysis as 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

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

mitigation of negative impacts. The escalation process may ultimately result, based on severity of the negative impacts by an investee company, in divestment 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. The applicable mandatory PAIs outlined in Table 1 of Annex I to the Commission Delegated Regulation (EU) 2022/1288 (the "Level 2 Measures") and the relevant additional "environmental" and/or "social" indicators (as set out in Table 2 and 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. Please also refer to "Does this financial product consider principal adverse impacts on sustainability factors?" for further information on how the PAI indicators impacts on sustainability factors been taken into account.

— — *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?

x

Yes

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.

The Manager considers the applicable mandatory and relevant additional PAI indicators for equity investments as outlined in the Level 2 Measures in its investment process, as part of its due diligence process and during the holding period of an investment through the Manager's monitoring process. In both phases, the PAIs are considered through a qualitative and quantitative approach by looking both at the performance of the PAI indicators for ESG topics relevant for the industry of operation of the company that the Manager has invested in, in respect of the Fund, and the relative management approach taken by the company in respect of the relevant ESG topics. Based on the results of this process, either an exclusionary approach or an engagement approach may be adopted by the Manager in respect of the potential investment.

The Manager considers the applicable mandatory and relevant additional PAI indicators as outlined in the Level 2 Measures, as grouped and categorised by the Manager, following the approach detailed below.

For:

- PAI indicator 1, 2 & 3: 'GHG emissions impacts'
- PAI indicator 4: 'Exposure to Companies Active in the Fossil Fuel Sector'
- PAI indicator 5 & 6: 'Share of Non-Renewable Energy Consumption and Production' & 'Energy consumption intensity per high impact Climate sector'

the Manager analyses the investee companies' performances, targets and transition plans, related to the aforementioned indicators, and engages with companies that seem to lack solid strategies to manage such ESG topics. Through the ASI analysis and the $\geq 25\%$ threshold applied by the Manager as referenced in the section below entitled "What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?", the Manager excludes target issuers significantly involved in certain activities such as for example coal / fossil fuels.

For:

- PAI indicator 7: 'Activities Negatively Affecting Biodiversity-Sensitive Areas'
- PAI indicator 8: 'Emissions to Water'
- PAI indicator 9: 'Hazardous Waste Ratio'
- Optional Environmental PAI indicator 13: 'Non-recycled waste ratio'
- PAI indicator 11: 'Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises'
- Optional Social PAI indicator 9: Lack of a human rights policy'
- Optional Social PAI indicator 10: 'Lack of due diligence'
- PAI indicator 12: 'Unadjusted Gender Pay Gap'
- PAI indicator 13: 'Board Gender Diversity'

the Manager requires all of its positions to implement adequate actions to manage relevant environmental impacts, implement policies, processes and mechanisms to manage social and human rights issues and promote diversity at all seniority levels. The management approach of investee companies and issuers and the performance of investee companies and issuers are analysed and engagement is undertaken by the Manager where relevant improvement areas are identified.

For:

- PAI indicator 10: 'Violations of UN Global Compact ("UNGC") Principles and Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises'
- PAI indicator 14: 'Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)'

the Manager requires its positions in investee companies and issuers to act in accordance with international standards and guidelines including those of the UNGC and OECD. Where an alleged violation is detected, the Manager investigates the case, the company's/issuer's response and action plan(s) are considered and, based on this investigation, the Manager decides whether to proceed with divestment where the Manager has in respect of the Fund already invested in the company/issuer. Where an alleged violation is detected prior to investment by the Manager in respect of the Fund, and based on the Managers analysis of the case, the company's/issuer's response and action plan(s), it may be determined by the Manager to not to proceed with the potential investment, and the Manager may then exclude the target issuers/companies subject to these alleged violations.

Furthermore, the Fund does not invest in positions with exposure to controversial weapons. These companies are blocked on a pre-trade basis by the Manager.

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 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.

Alongside this fundamental analysis, the Manager employs a dedicated research team focussed on identifying sustainability themes and determining how these apply to individual companies. There is continual interaction between the thematic and fundamentally focussed teams to ensure that both sustainability and valuation criteria are attractive, both on a pre-investment and on an ongoing basis. 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.

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

● ***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.

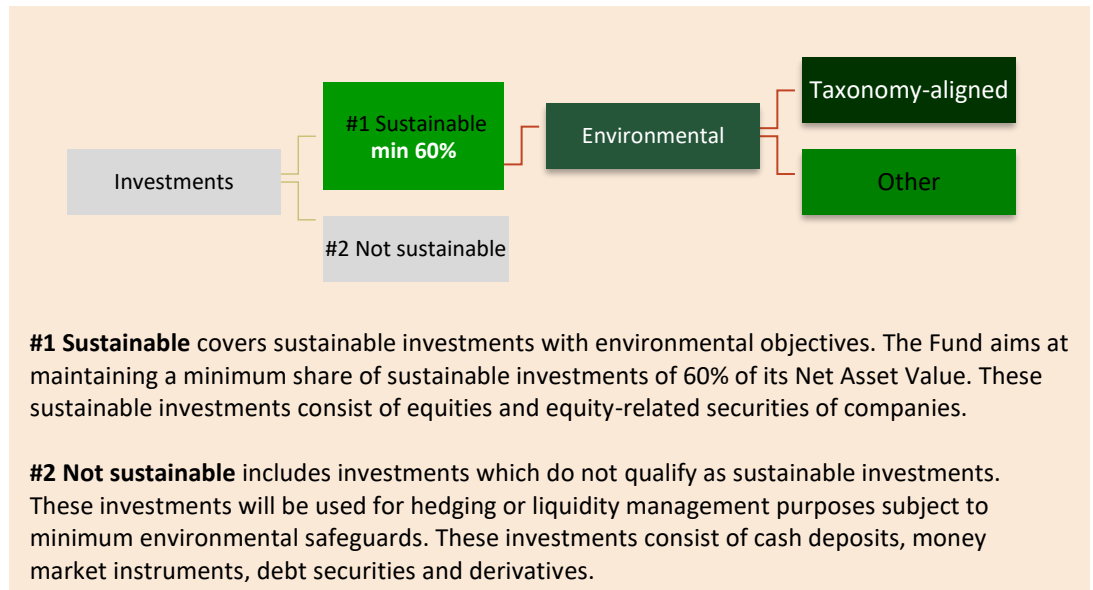
● ***What is the policy to assess good governance practices of the investee companies?***

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% (which may include investment in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy). The Fund does not aim or commit to invest in any investments in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy, but it retains the possibility to do so, if aligned with the Manager's proprietary methodology as outlined above. On this basis we have answered "yes" and selected "fossil gas" and "nuclear energy" to the question below. The above 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.

● Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy¹?

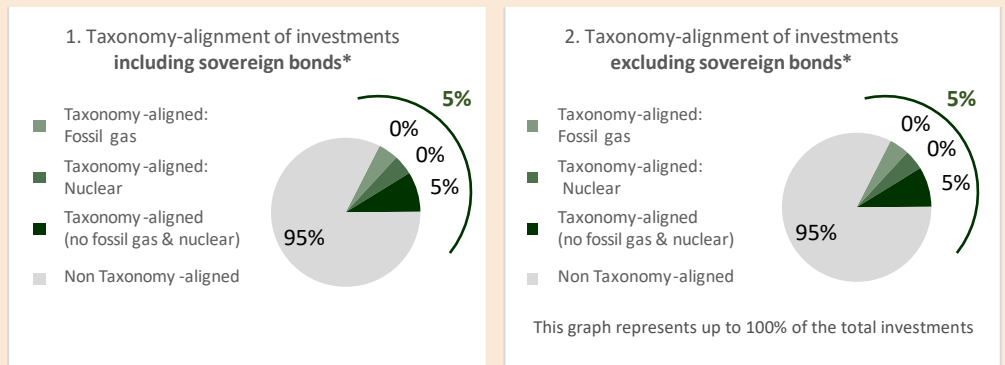
Yes:

In fossil gas

In nuclear energy

No

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.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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?

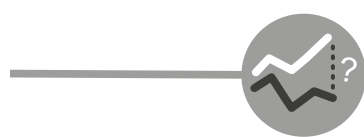
The Fund will not invest in sustainable investments with a social objective.



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, as applicable, compliance with the minimum safeguards 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, the Manager verifies the presence of minimum safeguards and during the holding period, the Manager monitors the continued presence of minimum safeguards. This is done 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 investments 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?**

Reference benchmarks are indexes to measure whether the financial product attains 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/>