Sustainability risk policy

Overview

The Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“**SFDR**”) came into effect on 10 March 2021.

The objective of SFDR is to harmonise transparency rules with regards the integration of sustainability risks and the consideration of adverse sustainability impacts in the Sub-Funds’ investment management processes and the provision of sustainability-related information.

Sustainability risks are defined in Article 2 of SFDR as an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

APIS ASSET MANAGEMENT S.A. (“**APIS**”), qualifies as a Financial market participant as defined in the article 3 of the SFDR. As a consequence APIS discloses on its website information about its policy on the integration of sustainability risks in its investment decision-making process.

Transparency of adverse sustainability impacts at Sub-Fund level

Sustainability risks (e.g. climate change, health and safety, companies with breach issues such as serious criminal penalties, etc) may represent a risk of its own and / or have an impact on other Sub-Funds’ risks. Therefore, sustainability risks may significantly contribute to the increase of the Sub-Fund’s risks, such as market risks, credit risks, liquidity risks and operational risks while negatively impacting the value and/or the return of the Sub-Funds. Sustainability risks may have an impact on long-term risk adjusted returns for investors. Assessment of sustainability risks is complex and may be based on environmental, social, or governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

Therefore, APIS considers, in addition to financial criteria, ESG criteria could help to enhance long-term risk adjusted returns for investors, in accordance with the investment objectives and policies of the Sub-Funds. APIS therefore is willing to integrate ESG criteria into the investment process, either directly or via its delegated investment managers, without however being determining factors in the investment management's decision.

As of the date of this documents, the Sub-Funds managed by APIS have not been designed to integrate sustainability criteria (as defined in the Article 8 or 9 of SFDR). Therefore, a superficial integration of ESG criteria will not encounter Article 8 and 9 of SFDR requirements. APIS might consider ESG criteria in a longer range to change in-depth the investment policy and objectives of those funds.

As a consequence, the Sub-Funds under APIS management do not promote ESG characteristics (as defined in article 6 of SFDR) and do not have as main objective sustainable investments (as defined in the Article

8 or 9 of SFDR). This is mainly due to the economic sector in which those Sub-Funds are invested or the investment universe considered by those Sub-Funds.

Although APIS might consider ESG criteria, it does not engage on actions in relation to adverse sustainability impacts, or policies in accordance with Article 3g of Directive 2007/36/EC, neither does it adhere to responsible conduct codes and internationally recognised standards for due diligence and reporting, or report the degree of its alignment with the objectives of the Paris Agreement.