NEWALPHA ASSET MANAGEMENT

SUSTAINABILITY RISK POLICY ("SFDR")

October 2021

Sustainability risk policy

Regulation (EU) 2019/2088 of 27 November 2019 on sustainability reporting in the financial services sector, as amended ("SFDR") governs transparency requirements relating to the integration of sustainability risks into investment decisions, the consideration of adverse sustainability impacts and the disclosure of ESG information, as well as the publication of sustainability information.

Sustainability risk is the occurrence of an ESG event or condition that could potentially or actually cause a material adverse impact on the value of the underlying investment of one of the Funds managed by New Alpha Asset Management. Sustainability risks may either (i) represent a risk in their own right, or (ii) impact other risks and consequently contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks may impact on long-term risk-adjusted returns to investors. The assessment of sustainability risks is complex and may be based on hard-to-obtain ESG data that is incomplete, estimated to be outdated, or otherwise materially inaccurate. Even when identified, there is no guarantee that such data will be correctly assessed.

New Alpha Asset Management identifies two types of climate risks borne by issuers:

i. physical risks resulting from damage directly caused by weather events and
ii. transition risks related to the effects of the implementation of a low-carbon economic model: legal, regulatory and political changes, changes in supply and demand, technological innovations and disruptions, and customer and stakeholder perceptions of the contribution to the transition.

Biodiversity risks are not assessed due to lack of established data and methodology.

New Alpha Asset Management integrates sustainability risks and opportunities into its research, analysis and investment decision-making process to enhance its ability to manage risk more comprehensively and generate long-term sustainable returns for investors.

New Alpha Asset Management believes that in the short to medium term it is primarily transition risks that may affect investors. If, however, the temperature rise were to be significant, physical risks would become predominant. Transition risks related to the market or technology are latent but may materialize very quickly. The legal, economic and political risks related to, for example, the introduction of a carbon tax or a carbon price should materialize more gradually. The intrinsic characteristics of these risks - long term, non-probabilistic and with no history - are often difficult to reconcile with standard investment processes that rely on probabilities based on the past.

New Alpha Asset Management measures these risks for all portfolios and integrates them into investment decisions from time to time according to its assessment of the occurrence of the risk. In addition, in order to limit this risk as a whole, New Alpha Asset Management has implemented a policy of exclusion targeting the sectors most likely to be the source of liability risks linked to environmental factors.

New Alpha Asset Management is currently unable to consider the main negative impacts of its investment decisions on sustainability factors due to a lack of available and reliable data. Further information regarding the inclusion of ESG criteria in New Alpha Asset Management's investment policy, sustainable investment charter, climate and responsible strategy report, engagement and exclusion policy, can be found online on the Management Company's website at https://www.newalpha.com/societe/#engagement.

To date, all the prospectuses of all the Funds managed by New Alpha Asset Management have been updated, incorporating the changes made by the SFDR Regulation, in their investment strategy.

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