

Policy for responsible investments

THIS POLICY WAS ADOPTED BY THE BOARD OF DIRECTORS of Söderberg & Partners Asset Management S.A. (the **"Company"**) on 7 September 2023. The policy for responsible investments (the **"Policy"**) refers to the investments in each fund (the **"Fund"** or **"Funds"** collectively) managed by the Company. The Policy shall be reviewed at least annually, or whenever needed due to regulatory or operational changes.

The vision of Söderberg & Partners group (**"Söderberg & Partners"**) is to "be proactive today, for you to enjoy a richer and more secure life tomorrow". This vision runs through the Company, and it is a cornerstone in the sustainability work. Sustainability refers to the environment, climate, human rights, labour standards and business ethics, and is based on international norms. The purpose of the Company's sustainability work is to manage its exposure to sustainability risks, as well as support companies in their transition towards alignment with the United Nations Sustainable Development Goals (**"SDGs"**), which will remain a guiding framework for the Company's activities. Therefore, the Company incorporates some of the latest research conducted within sustainability, including the analyses produced by Söderberg & Partners, and influences through dialogues with counterparties to provide solutions for a more sustainable future.

The Company recognises the importance of participating in international initiatives that support businesses to operate in a more sustainable manner. The Company has signed the United Nations Principles for Responsible Investment (**"UN PRI"**), which is the leading international initiative for responsible investments for companies in the financial sector. The Company has also signed the Task Force on Climate-related Financial Disclosures (**"TCFD"**), which is an agenda on climate change that is comprehensive and focused on accelerating investor action for a net-zero emissions economy.

Detailed information on the initiatives the Company has signed can be found on www.soderbergpartners.lu/sustainability.

SCOPE OF THE POLICY

The Funds mainly invest in other funds (**"Target funds"**), but the Company also makes investments in listed equities (**"Target equities"**). The Policy thus encompasses the companies in which the Target funds invest as well as the Company's direct investments in Target equities (**"Investee companies"**). Primarily, it applies to the Company's investments in Investee companies that have issued shares for trading on a regulated market in the Nordics. As for other investments, such as in Investee companies in other jurisdictions or Investee companies in which the Company is an indirect owner, the Policy will be followed to the greatest extent possible.

THE COMPANY'S APPROACH TO RESPONSIBLE INVESTMENTS

The Company's view is that responsible investing is a requirement for long-term and sustainable value creation. Therefore, the Company has a strong commitment to invest responsibly and environmental, social and governance (**"ESG"**) issues are considered in the investment decisions.

The Company conducts responsible investments based on three principal pillars: exclusion screening, positive selection, and active engagement. The focus will be on the inclusion of sustainable companies and engagement in order to continue to support companies in their transition towards alignment with the SDGs which are prioritized by the Company (**"Targeted SDGs"**). The Company has

selected several principal adverse impact indicators (“PAIs”) to consider that correspond to the Targeted SDGs, which are detailed for each Fund in the respective Appendix – Sustainability-related disclosures of the Prospectus.

1 Exclusion screening

The Company’s main principle is to use its influence to effect positive change in its investments, rather than to exclude and divest. However, the Company conducts exclusion when the ability to influence the Target fund or Investee company to align its operations with the Targeted SDGs is limited, or when an investment does not show a willingness to comply with the Policy. Information on the exposure to controversial business activities is collected from the third-party data provider Sustainalytics (www.sustainalytics.com), a Morningstar company. In turn, Sustainalytics collects information from publicly available presentations published by the Investee companies, through direct contact with the Investee companies, and from media. The Company uses the application of exclusion filters based on environmental, social, and governance factors in the portfolio construction process and conducts a pre-investment and semi-annual screening on whether the Investee companies follow the full exclusion criteria as detailed in *Appendix 1*. The process for managing this is further described in section 7. *Screening process* below.

Furthermore, through the consideration of the set of PAIs that correspond to the Targeted SDGs, the Company flags Target funds that show deterioration of a considered indicator, and accordingly a deterioration in aligning with the Targeted SDGs. The process for managing this is further described in section 6. *Principal adverse impact process* below.

2 Positive selection

In the management of the Funds, the Company utilizes a sustainability rating of funds (“**Sustainability rating**”) generated by Investment Management within Söderberg & Partners (“**Investment Management**”). The Sustainability rating of the Target funds is an assessment based on self-reported information about fund managers’ and fund companies’ sustainability work. The Sustainability rating is based on two parameters: Positive selection and Responsible ownership. The aggregated rating is expressed as a traffic light system, where a fund can receive a red, a yellow or a green rating. Green ratings are awarded to funds whose managers have tools and incentives for selecting sustainable companies and engaging actively. A yellow rating indicates that the fund manager has sufficient tools to select sustainable companies, or alternatively to try to influence companies that are not considered as being particularly sustainable. A red grade implies that the fund has less prerequisites and primarily conducts a reactive impact work. More information on the Sustainability rating can be found on the Company’s website www.soderbergpartners.lu/sustainability.

Target funds with a better Sustainability rating are preferred when selecting investments and the Funds cannot be invested in Target funds with a red Sustainability rating. If a Target fund is downgraded to a red Sustainability rating, the Company will initiate a dialogue with Investment Management to understand why and engage with the management of the Target fund to see what they must do to improve. It is then discussed with the Company’s Responsible Investment Committee to determine the appropriate action that needs to be taken, as detailed in section 5. *Responsible Investment Committee*. In addition, the Company’s consideration of ESG characteristics is verified through a sustainability questionnaire that is addressed to the managers of the Target funds. The Funds aim to primarily, where available, invest in Target funds with a sustainable investment objective. Secondly, the Funds aim to invest in Target funds that promote environmental and/or

social characteristics, or in Target funds that demonstrate improvements of these characteristics, resulting in improved Sustainability ratings. Good governance practices shall be a precondition for all investments.

The Company also invests in index-related instruments such as equity index futures, exchange traded funds or index funds, but they are not typically used for ESG purposes. Investments in these instruments are based on a predefined index where the instruments' main objective is to generate a return in line with the index. The index may or may not take sustainability into consideration, but when there are instruments available that are deemed to have a sustainability level more in line with this Policy, those alternatives are preferred. The Funds thus invest in instruments that are based on an index which takes sustainability into account, most commonly in the form of exclusions, to the extent possible.

3 Active engagement

The Company wants to encourage Investee companies to be compliant with international norms and conventions and manage their business in a more sustainable manner. The Company will engage for positive outcomes with the ambition of aligning corporate outputs with improving ESG characteristics based on the Target funds Sustainability ratings, exclusion screening results, and alignment with the Targeted SDGs.

For more information on engagement policies, including voting principles and guidance related to handling conflicts of interest, please refer to the Company's policy for shareholder engagement ("**Policy for Shareholder Engagement**").

RESPONSIBLE INVESTMENTS IN PRACTICE

In general, the Company has a broad approach to responsible investments and thus a wide range of sustainability factors are considered in accordance with Regulation (EU) 2019/2088 ("**SFDR**"), i.e., environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters. Accordingly, the Funds promote environmental and social characteristics, and commit to a minimum proportion in sustainable investments which is detailed for each Fund in the respective Appendix – Sustainability-related disclosures of the Prospectus. In order to monitor and assess this, the following sustainability processes are applied, which take sustainability risks into account.

4 Sustainability risks

A sustainability risk implies an environmental, social or governance event that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. It is expected that the Funds will be exposed to a range of sustainability risks. However, as the Funds are broadly diversified, it is not anticipated that any single sustainability risk will drive a material negative financial impact on the value of the Funds. Moreover, the Company has a comprehensive approach to manage sustainability risks associated with the Funds. The responsible investing approach consisting of exclusion screening, positive selection, and active engagement identifies and addresses related risks. Furthermore, the fund managers' work to manage sustainability risks is considered and integrated in the Sustainability rating. Lastly, the Company's approach to managing climate-related risks and opportunities is guided by the recommendations of TCFD. This risk management is employed in investment decisions, products, policy developments and in engagements alike.

5 Responsible Investment Committee

The process of managing the overall responsible investing activities is coordinated internally within Söderberg & Partners, with an active input from the Responsible Investment Committee (“**RI Committee**”). The Company’s RI Committee includes the CEO, the Company’s Compliance Counsel, and the Head of Sustainability from Söderberg & Partners Wealth Management AB. The RI Committee is responsible for the ongoing management of sustainability risks and operates in a both reactive and proactive way. Furthermore, the RI Committee develops and organizes work around responsible investing, including updating and overseeing related policies and procedures adhering to the ESG management, and keeps the organisation informed about developments relating to sustainability.

The responsibilities of the RI Committee also include decision-making regarding the assessment of companies in relation to the Company’s three pillar approach to responsible investments. The RI Committee discusses the Investee companies based on the results from the screening process, and the Target funds based on the results from the principal adverse impacts process (both detailed below), as well as any downgraded Sustainability ratings. The RI Committee focuses on Target funds and Investee companies that can be influenced to apply a more sustainable solution so that they are not in violation of the Policy. Should the monitoring show that the management of a Target fund is not sufficiently addressing a potential violation within one year of first being identified, i.e., no progress is made, or no action plan is in place, the Company shall divest.

6 Principal adverse impact process

The Company requires that Target funds consider principal adverse impacts on sustainability factors. The Company has a process in place to measure the principal adverse impacts on sustainability factors of the Target funds and Target equities (“**PAI process**”). For Target funds, this is done on a look-through basis. The Company uses an internal tool based on data provided by external data providers for measuring and comparing principal adverse impacts of the Target funds pre-investment and on an annual basis. If a Target fund shows deterioration of a considered indicator between measurements, the investment will be flagged. The Company will discuss the progress of the indicator with the Target fund, whereafter the flagged investment can be classified as Resolved, Transitioning (clear action plan to improve the indicator in place) or Unresolved (no action is taken or plan in place). If the investment is flagged as Unresolved after the first assessment, it will be discussed with the Company’s RI Committee to determine the appropriate action that needs to be taken. The Company monitors and classifies Target equities in the same manner as Target funds.

7 Screening process

The Company does not invest in Target equities that are not compliant with the exclusion criteria, covering environmental, social, and governance factors. However, to mitigate negative externalities, the Company has a process in place to ensure that Target funds and Target equities follow its rules for the exclusion of investee companies as stated in the Policy (“**Screening process**”). This entails that the Company conducts pre-investment and semi-annual screenings on whether the Investee companies follow the exclusion criteria, as detailed in *Appendix 1*, using an internal tool. The Company can accept deviations from the exclusion criteria if an Investee company is transitioning towards a more sustainable business. If an Investee company is flagged in a screening, the Company will discuss the Investee company’s progress with the Target fund or Target equity, whereafter it is classified, using an internal tool based on data provided by external parties, as Resolved, Transitioning (clear action plan to resolve the violation) or Unresolved (in violation of the exclusion criteria). If the investment is classified as Unresolved after the first assessment, it will be discussed with the Company’s RI Committee to determine the appropriate action that needs to be taken.

GENERAL INFORMATION

8 Limitations

The implementation of this Policy may limit the number of investment opportunities available to the Funds which may affect its performance compared to other funds that do not employ such investment policies. The integration of investments which maintain strong ESG credentials may result in a return that at times compares unfavourably to similar products without such focus. Responsible investing is mainly qualitative and subjective by nature, and there is no guarantee that the criteria utilized, or judgment exercised by the Company will reflect the beliefs or values of any particular investor.

9 Reporting

The Company's responsible investing activities are documented in an annual Transparency Report compiled for the UN PRI, as well as an annual Climate Report informed by the recommendations of the TCFD. These reports, together with other responsible investing activities, are made available on the Company's website. The promotion of environmental or social characteristics and sustainable investments will be made available in the annual report.

10 Transparency

More information about responsible investments, the Funds' Key Information Documents (KID) and Prospectus are available on www.soderbergpartners.lu.

APPENDIX 1

The Company expects that the Investee companies operate in line with the Targeted SDGs and in compliance with existing laws and regulation, international conventions, as well as standards for a sound ESG management. The following positions describe guidelines and assessments on sustainability in relation to the Company's investments and Screening process. No more than 5 per cent of an Investee company's turnover may be derived from these activities, unless otherwise stated.

Controversial and nuclear weapons

In accordance with the United Nations Charter, every nation has the right to defend itself. However, there is no support for the use of weapons that are considered to cause unnecessary suffering and harm, or which indiscriminately affects the civilian population. The Company does not invest in companies that manufacture, modernize, sell, or buy products that are specially designed for: Cluster munitions, anti-personnel mines, biological weapons, chemical weapons, and/or nuclear weapons.

Coal

Greenhouse gas emissions are one of the main causes to accelerating global temperatures. The Company believes that the use of coal must be reduced and aims to invest in companies that prioritise development towards renewable energy and/or reducing their production of coal. Accordingly, the Company does not to invest in companies whose main business activities include mining of thermal coal and/or power companies that use thermal coal as a source of power generation. No more than 30 per cent of a company's turnover may be derived from these activities.

Tobacco

The WHO Framework Convention on Tobacco Control seeks to protect present and future generations from the destructive social, environmental, and economic consequences of tobacco consumption and exposure to tobacco smoke. The Company supports the framework and does not invest in companies with production and distribution of cigarettes, cigars, pipe tobacco, snus, chewing tobacco and other tobacco-related products.

Pornography

In the production of pornography, the Company argues that it is against UN SDG 5 to "achieve gender equality and empower all women and girls" and SDG 8 to "promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Accordingly, the Company does not invest in companies involved in the production of pornography.

International norms and conventions

The Company monitors how the Investee companies adhere to international norms and conventions through a norm-based screening based on UN Global Compact and the OECD guidelines for multinational companies. The principles of the UN Global Compact are derived from: The Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. The OECD Guidelines set standards for responsible business conduct across human rights, labour rights and the environment.

Climate change

The world faces big challenges: resource scarcity, environmental changes, and demographic shifts. These challenges are closely intertwined with climate change. The Company acknowledges the importance of limiting the average global temperature rise to below the 2°C target. The Company is committed to contribute to climate change solutions, where the SDGs will remain a guiding framework.