

ALMA PLATINUM IV OCEANWOOD OPPORTUNITIES

NO SUSTAINABLE INVESTMENT OBJECTIVE

This Sub-Fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE SUB-FUND

The Sub-Fund promotes certain minimal environmental and social standards and therefore applies exclusion criteria with regards to products and business practices that the Investment Manager believes are detrimental to society and the environment. The Investment Manager will not take a long position in a company that obtains the majority of its profits from: manufacturing weapons; thermal coal mining; and/or tobacco production (the “Exclusion List”). This does not prohibit the Investment Manager from taking a long position in an index which contains a company on any one of the exclusion lists.

In addition to this the Sub-Fund promotes minimum environmental and social standards by investing in long securities issued by companies which have an ESG Risk Rating of: Medium; Low; or Negligible as measured by Sustainalytics.

INVESTMENT STRATEGY

The Investment Manager invests both long and short across a broadly defined event-driven universe, allocating capital to the strategies that offer the most compelling investment opportunities while seeking to adhere to a strict risk discipline. The Investment Manager invests predominantly in equities, however may invest throughout the capital structure of issuers dependent upon the particular opportunity and the stage of the event investment cycle. The Sub-Fund mainly invests in corporations based in Europe, but may also invest a portion of its assets globally.

The Investment Manager specialises in event-driven investing. It considers event-driven investments to include: merger arbitrage, holding company arbitrage, restructurings, spin-offs/break-ups, litigation outcomes, value with a catalyst directional positions, special situations, regulatory change driven transactions, liquidations, recapitalisations, distressed company situations, and other significant industry changes that often result in the mispricing of securities.

The Investment Manager uses the Sustainalytics assessment of good governance as part of its overall ESG review. Sustainalytics assesses various governance indicators and gives a score and summary overview. These categories include:

- Board/Management Quality & Integrity: Related Party Transactions, Board Experience, Non-executive Director Experience, Board Tenure etc;
- Board Structure: Directors Not Elected by Shareholders, Board Leadership, Nominating Committee, Independence of Chair etc;
- Ownership & Shareholder Rights: Poison Pill & Takeover Defence, Supermajority Provision, Capital Issuance Risk;
- Remuneration: Disclosure, CEO Termination Scenarios, LTI Performance Metrics.

PROPORTION OF INVESTMENTS

The minimum proportion of the investments used to attain the environmental and social characteristics promoted by the Fund is 50% of the net asset value.

Such exposure is reached through direct investment into target companies.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

At least 50% of the Sub-Fund's Net Asset Value ("NAV") will be invested in securities which promote the E/S characteristics. The other assets/securities may include: cash; foreign exchange; hedges; indices; government bonds; short positions; and long positions that do not have the requisite Sustainalytics ESG Risk Rating.

At least 50% of the notional market value Sub-Fund's long positions will be invested in securities of companies that have an ESG Risk Rating of: Medium; Low; or Negligible by Sustainalytics.

The negative ESG screening process prevents the Investment Manager from taking a long position in a company that obtains the majority of its profits from:

- Manufacturing weapons
- Thermal coal mining
- Tobacco production

This does not prohibit the Investment Manager from taking a long position in an index which contains a company on any one of the exclusion lists.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Sub-Fund has the following sustainability indicators to measure the attainment of the E/S characteristics described above:

1. The percentage of investments in securities that promote other environmental and social characteristics in accordance with the binding elements described herein,
2. The percentage of the notional market value Sub-Fund's long positions invested in securities of companies that have an ESG Risk Rating of: Medium; Low; or Negligible by Sustainalytics.
3. The percentage of investments in securities that are on the Exclusion list.

DATA SOURCES AND PROCESSING

The Investment Manager has engaged Sustainalytics to provide unbiased ESG research and ratings.

Prior to selecting Sustainalytics as a data and research provider, the Investment Manager conducted a detailed assessment of the methodology and data quality, and compared this to other comparable providers in the market.

Sustainalytics data is reviewed via their online portal and scores for each investee company are then aggregated into an internal report. The aggregated data is then monitored to ensure that the sub-fund meets the committed asset allocation.

In the event that an entity is not rated by Sustainalytics, the Investment Manager does not seek to estimate an equivalent rating. Only entities that are rated by Sustainalytics form part of the portfolio that is aligned with the characteristics.

As it relates to the binding exclusions, the Investment Manager conducts internal research to confirm adherence to the exclusion policy.

LIMITATIONS TO METHODOLOGIES AND DATA

The Investment Manager relies on ESG Risk Ratings provided by Sustainalytics to measure the attainment of the Environmental and Social characteristics promoted by the Fund. The ESG Risk Ratings measure the degree to which a company's economic value is at risk driven by ESG factors. A company's ESG Risk Rating is comprised of a quantitative score and a risk category. The quantitative score represents units of unmanaged ESG risk with lower scores representing less unmanaged risk. Based on their quantitative scores, companies are grouped into one of five risk categories (negligible, low, medium, high, severe).

As one of the most prevalent providers of ESG Risk Ratings and as a result of the Investment Manager's initial due diligence, it is believed that on the whole, Sustainalytics data is to be of reasonable accuracy. Sustainalytics ESG Risk Ratings are based on information made available by third parties, subject to continuous change and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflects Sustainalytics' opinion at the date of its elaboration and publication. Where data appear to be outlying in nature, or contrary to the Investment Manager's opinion, the Investment Manager reserves the right to conduct further due diligence as to the quality of the data.

Whilst Sustainalytics has developed a robust and transparent methodology which is used to determine the ESG Risk Rating, from time to time,

Sustainalytics may change certain inputs. The Investment Manager is given advance notice of any upcoming structural changes, such as the addition of new data points, that may be implemented once a year.

Overall, we do not think these limitations significantly impact the ability to attain the environmental and social characteristics promoted by the fund. The portfolio as a whole seeks to reduce exposure to overall ESG risk which we do not believe is materially impacted by the limitations described above.

DUE DILIGENCE

The Investment Manager employs an event-driven strategy and has established an Environmental, Social and Governance (“ESG”) framework in order to identify and monitor ESG risk factors within the investment process via Sustainalytics ESG Risk Ratings.

The Investment Manager has also established an ESG committee which consists of senior individuals from the investment and non-investment teams and meets at least quarterly, though may meet more often as necessary. The ESG Committee is responsible for:

- oversight of overall ESG framework;
- reviewing the ESG policy at least annually;
- overseeing any ESG engagement with portfolio companies and proxy voting (specifically votes against or abstentions); and
- a point of escalation for ESG issues.

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In addition to this the Sub-Fund promotes minimum environmental and social standards by taking a long position in securities issued by companies which have an ESG Risk Rating of: Medium; Low; or Negligible as measured by Sustainalytics.

ENGAGEMENT POLICIES

The Investment Manager may engage with the management teams of portfolio companies from time to time, where relevant and appropriate. The primary objective of engagement on ESG issues is to help companies improve their long-term financial outlook.

The ESG Committee reviews any engagement activity each quarter. If a company fails to respond to engagement or does not take action as a result of the engagement, the Investment Manager may exit the position if the engagement was key to the investment thesis.

In addition to the direct engagement activities noted above, the Investment Manager also demonstrates active ownership through proxy voting. The Investment Manager has a separate Proxy Voting Policy.

DESIGNATED REFERENCE BENCHMARK

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.

Last updated on 7 December 2022