ALMA CAPITAL

MANEKI CAT BOND FUND

SUMMARY

The Sub-Fund is classified as a product that promotes environmental and social characteristics according to Article 8 of the Regulation (EU) 2019/2088, however it does not have as its objective sustainable investment. The Trading Advisor will invest a minimum of 70% of assets that meet the environmental and social characteristics. For the purpose of promoting these characteristics, the Trading Advisor researches and evaluates ESG characteristics.

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 Fund promotes environmental and social characteristics. These characteristics relate to the assessment and management of environmental and social risks that arise from natural disasters and climate-related events. Catastrophe bond investments can support environmental and social objectives by providing pre-defined, rapid financial capacity to homeowners, public and private entities exposed to such events. This funding helps reduce the economic impact of disasters, supports the protection of communities and critical infrastructure, and enhances resilience measures such as early recovery, reconstruction and climate-adaptation planning. The Fund evaluates these environmental and social factors systematically through its ESG assessment process.

The Fund applies a defined and measurable ESG evaluation framework to its investment process. In particular, the Fund seeks to achieve its environmental and social characteristics through:

- using an internal ESG scoring methodology to evaluate all catastrophe bond investments based on consistently applied, objective criteria;
- excluding potential investments that fall below a predetermined ESG score; and
- maintaining a portfolio allocation to a minimum ESG score above a specified threshold.

INVESTMENT STRATEGY

The investment objective of the Fund is to achieve risk-adjusted absolute returns from investment in catastrophe bonds, also referred to as cat bonds.

The Fund will aim to achieve its investment objective by investing up to 100% of its Net Asset Value in cat bonds.

Cat bonds are securities where the coupon and/or redemption depends on the occurrence of insured events (e.g. natural disasters, pandemics, disasters caused by explosion or fire, aviation disasters or similar rare insured events). An insured event is a phenomenon that occurs at a particular time, at a particular place and in a particular manner, thereby triggering the payment of insurance claims.

The Fund will be actively managed and aims to generate attractive risk-adjusted returns by investing in a diversified portfolio of cat bonds that provide exposure to natural catastrophe risks, while maintaining prudent risk diversification across perils, geographies and counterparties.

The Trading Advisor applies a disciplined investment process that combines qualitative assessment and quantitative modelling. Each potential investment is evaluated on a case-by-case basis, as not all cat bonds are exposed to the same risks or structural characteristics. As part of its analysis, the Trading Advisor considers the environmental, social and governance factors to ensure that the target investment contributes towards the sustainable development of society.

ESG analysis

As part of its analysis, the Trading Advisor considers the environmental, social and governance factors to ensure that the target investment contributes towards the sustainable development of society.

The increase in damage caused by natural disasters in densely populated regions threatens the quality of life in our society. The growing population, the increase in assets and the climate risk in certain areas call into question the insurance industry's ability to provide risk coverage. The Fund's investments in cat bonds provide the necessary capital to enable insurance companies to insure damage to homes, businesses and private property. The investments therefore help to prevent poverty by enabling the adequate reconstruction of the property after a major natural disaster. Some investments can also provide rapid financing of disaster relief to help people in emerging countries. Cat bonds have become important to keep the entire insurance and reinsurance system functioning. While such investments do not directly mitigate climate change, they can contribute to enhanced disaster preparedness and resilience by enabling faster recovery, protecting communities and critical infrastructure, and supporting adaptation measures. The interests of catastrophe bond investors are economically aligned with the effectiveness of risk-management, resilience and adaptation practices implemented by the bond sponsors, as these factors influence the likelihood and severity of loss events.

Cat bonds are generally structured as fully secured SPVs, the governance of which is completely independent of the sponsoring insurance company. As such, the investments are not exposed to the insurer's credit risk. A debt default resulting from unsustainable behaviour by the insurer will have no impact on the SPV. The SPV is only exposed to the occurrence of an insured event. The Trading Advisor carefully examines the structure and organisation of the SPV to ensure independent governance.

The ESG analysis for cat bond investments focuses on assessing the social and environmental implications of the insurance coverage that underpins the bond. The Trading Advisor reviews the sectors covered by the insurance, such as residential, commercial, industrial, automotive, and specialized insurance. Additionally, the analysis examines the types of catastrophic events that the bond protects against, including earthquakes, tropical cyclones, storms, forest fires, severe thunderstorms, hail, floods, volcanic eruptions, meteorite impacts, and other events related to life and mortality. The evaluation also considers who will receive payments following a covered event and ensures that these payments align with sustainable social and environmental development goals. Furthermore, the ESG framework includes an assessment of the insurer’s organizational integrity, reputation, underwriting practices, and claims management history to ensure responsible handling of claims.

ESG Integration in the investment process

The Trading Advisor has developed its own scoring system, which rates each target investment according to various factors, including the ESG characteristics described in the SFDR Annex. These scores are used as the basis for investment decisions. The aim of the portfolio management process is to minimise the allocation in cat bonds that contradict the UN Sustainable Development Goals. At least 70% of the Fund's assets are invested in assets with positive ESG characteristics.

UN Sustainable Development Goals means the UN’s blueprint to achieve a better and more sustainable future. They address the global challenges faced, including those related to poverty, inequality, climate change, environmental degradation, peace and justice. There are 17 interconnected goals, and the UN has set a target of achieving them all by 2030. Further information on the 17 goals is set out at the following link: Goals Archive - The Global Goals.

PROPORTION OF INVESTMENTS

The minimum proportion of the investments used to attain the environmental and social characteristics promoted by the Fund is 70% of the net asset value.

Such exposure is reached through direct investment into target companies.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

As part of the investment selection process, the Trading Advisor applies its scoring method noted above, excluding any instruments that are rated below 3. It also applies to a minimum score threshold at the portfolio level. At least 70% of the Fund is invested in assets with positive ESG characteristics (i.e. target investments with a score above 3).

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Trading Advisor has developed its own scoring system, which rates each target investment on a scale of 1 to 5. Investments rated 3 exhibit neutral ESG characteristics. Investments rated above 3 exhibit positive ESG characteristics. Investments rated below 3 are detrimental to ESG objectives. These scores are used as the basis for investment decisions. The scoring system considers various factors:

- environmental factors: natural peril covered by the cat bond, alignment of interest to contribute to the mitigation of

climate risk

- social factors: insurance penetration in the region covered, type of collateral investment (e.g. special development bonds, green bonds etc.), special goals like funding emergency recovery efforts in emerging markets
- governance factors: loss calculation type (indemnity/parametric/industry loss), independent SPV governance structure.

The factors are primarily intended to assess the ESG characteristics of each target investment rather than to measure realized social or environmental impact. The scoring framework evaluates how the structure, design, and features of an investment are aligned with ESG objectives and risk mitigation, based on ex-ante, observable characteristics. Certain factors, particularly within the social pillar (such as insurance penetration or funding of emergency recovery efforts in emerging markets), may be indicative of potential social impact. However, the scoring does not seek to quantify or verify actual outcomes or impact achieved.

The Trading Advisor assigns separate scores ranging from 1 to 5 for environmental, social, and governance factors. The overall ESG Score is calculated as the equally weighted average of these three component scores.

Objectivity and consistency of the ESG Score are ensured through a documented scoring methodology. The Trading Advisor applies predefined criteria and uniform scoring guidelines for all target investments, using verifiable data. Each environmental, social, and governance factor is assessed based on clearly defined indicators, and scores are supported by a rationale.

The ESG scores are calculated for each catastrophe bond prior to investment, using the information disclosed in the offering documents and, where relevant, information obtained through presentations, meetings and calls with the bond sponsor and structurers. The Trading Advisor also conducts ongoing monitoring of each investment's ESG score throughout the holding period, using updated disclosures, event reports and periodic engagement with sponsors where appropriate, to ensure that the score remains current and that any material changes are reflected in the assessment. The Fund excludes any potential investment that is scored below 3.

DATA SOURCES AND PROCESSING

The Trading Advisor uses a range of transaction-specific information sources to assess the environmental, social and governance (ESG) characteristics of catastrophe bond investments. These sources primarily include offering circulars and other transaction documentation, information on the underlying insurance coverage and risk transfer structure, and, where relevant, presentations, meetings and calls with bond sponsors and structurers. The assessment may also draw on information concerning the sponsor's underwriting practices, claims management, reputation and governance, as well as information about the geographical regions and natural perils covered by the transaction.

Information collected from these sources is reviewed and processed using the Trading Advisor's proprietary ESG scoring methodology. Each potential investment is assessed separately against predefined environmental, social and governance criteria. A score ranging from 1 to 5 is assigned to each of the three ESG pillars, and the overall ESG Score is calculated as the equally weighted average of the three component scores. The scoring process applies consistent assessment criteria and scoring guidelines across investments. Each score is supported by an assessment rationale based on the information available at the time of the analysis. The resulting ESG Score is used in investment selection and portfolio construction.

The Trading Advisor monitors the ESG characteristics of investments throughout their holding period. This monitoring may incorporate updated transaction disclosures, event reports, sponsor reporting, transaction notices and information obtained through periodic discussions with sponsors and structurers, where appropriate. Where new information or material developments affect the original assessment, the ESG Score may be reviewed and updated.

LIMITATIONS TO METHODOLOGIES AND DATA

The assessment of ESG characteristics in catastrophe bonds presents certain limitations arising from the nature of the asset class and the availability of relevant information. Catastrophe bonds are generally issued through special-purpose vehicles and provide exposure to defined insurance or natural catastrophe risks. Consequently, the information available for ESG assessment may relate primarily to the transaction structure, the insurance coverage underlying the bond and the characteristics of the sponsoring entity, rather than to a conventional operating company.

The availability, granularity and comparability of ESG-related information may vary between transactions, sponsors, geographical regions and types of insurance coverage. Information on the ultimate beneficiaries of insurance proceeds, the social outcomes of insurance coverage, the implementation of climate adaptation measures and the effectiveness of claims management may not always be available in a standardised or independently verifiable form. The assessment therefore relies on the information disclosed in transaction documentation and on additional information obtained from sponsors and structurers where relevant.

The proprietary ESG scoring methodology incorporates qualitative judgements when assessing the environmental, social and governance characteristics of each investment. Although predefined criteria and consistent scoring guidelines are applied, the scoring process involves an element of subjectivity. The resulting scores should therefore be understood as an assessment based on the information available at the time of evaluation and not as an absolute or independently verified measure of sustainability performance.

Furthermore, the methodology primarily assesses the ESG characteristics of catastrophe bond investments on an ex-ante basis. It does not seek to quantify or verify the actual environmental or social impact subsequently achieved. In particular, the provision of insurance risk-transfer capacity may support financial resilience, disaster recovery and climate adaptation, but does not in itself demonstrate that specific environmental or social outcomes have been realised.

These limitations are taken into account when interpreting ESG Scores and applying the methodology to investment selection and portfolio monitoring. The Trading Advisor seeks to address them through a consistent assessment framework, the use of available transaction-specific information and ongoing monitoring of material developments.

DUE DILIGENCE

The Trading Advisor integrates ESG due diligence into the investment selection process for catastrophe bonds. Before making an investment, the Trading Advisor reviews the available transaction documentation and assesses the environmental, social and governance characteristics of the proposed investment in accordance with its proprietary ESG scoring methodology.

The assessment includes consideration of the natural perils and geographical regions covered by the bond, the nature of the underlying insurance coverage, the potential contribution of insurance risk transfer to financial resilience and disaster recovery, and relevant social characteristics such as insurance penetration and the potential provision of emergency recovery funding. The assessment also considers the transaction's structural and governance features, including the loss calculation mechanism, the organisation and independence of the special-purpose vehicle, the arrangements for holding collateral, and relevant information concerning the sponsor's reputation, underwriting practices and claims management.

Due diligence does not end at the time of investment. The Trading Advisor monitors the ESG characteristics of portfolio investments throughout their holding period, taking into account updated disclosures, sponsor reporting, transaction notices, relevant event reports and other available information. Engagement with sponsors and structurers may be undertaken where appropriate to clarify information or assess material developments.

Where monitoring identifies a material change in the characteristics or governance of an investment, the Trading Advisor may reassess its ESG Score and consider the implications for continued investment and compliance with the Fund's ESG investment criteria. This ongoing review supports the consistent application of the ESG methodology throughout the investment lifecycle.

ENGAGEMENT POLICIES

Good governance practices of investee entities are assessed as part of the ESG analysis and scoring methodology. The assessment covers governance factors relevant to catastrophe bond structures, including:

- SPV organisation and operational set-up;
- the presence of an independent Board of Directors;
- maintenance of collateral in a dedicated trust account;
- segregation of the SPV from the ceding insurer;
- the existence of a defined investment policy for the collateral account; and
- additional governance considerations such as management reputation and integrity.

These factors are incorporated into the Trading Advisor's proprietary ESG scoring model. The Trading Advisor obtains information from offering documentation and, where applicable, from interactions with sponsors, structurers and its own industry contact network.

Good governance practices are also monitored on an ongoing basis throughout the investment period. Monitoring includes periodic reviews of updated disclosures, sponsor reporting, transaction notices and other available information, as well as engagement with sponsors where appropriate. Any material developments are reflected in the ESG assessment and may inform investment decisions.

DESIGNATED REFERENCE BENCHMARK

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

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