

SUSTAINABILITY RISK POLICY STATEMENT

Sustainability risks can be defined as any environmental, social or governance (ESG) events or conditions occurring, that could impact actually or potentially in a negative manner the investment's value.

This document has been drafted in accordance with the provisions of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (hereinafter referred to as "SFDR").

1. Purpose and scope of the Sustainability Risk Policy (Article 3 – SFDR)

The purpose of the Sustainability Risk Policy is to summarize the activities performed by Generali Fund Solutions S.A. ("GFS") in relation to the handling and monitoring of sustainability risks which may arise during the investment decision-making process.

Since the sustainability risks can impact the performance of the funds under management, GFS, as Management Company subject to Chapter 15 of the law of 17 December 2010 and AIFM subject to the Law of July 12, 2013, consequently applies the approach described in this Policy in order to strengthen its fiduciary duties towards the investors of its funds and to comply with the requirements set by the SFDR.

The Sustainability Risk Policy is subject to a yearly review and update if applicable, and on an ad hoc basis in case of key changes to (i) the organizational structure of GFS, (ii) the regulatory framework governing the Policy or (iii) if otherwise deemed necessary. The Policy is acknowledged by the Board of Directors of GFS on a yearly basis and in case of material changes.

2. Organizational set-up of the Portfolio Management Function

GFS could either assume the Portfolio Management function or delegate it to third party portfolio managers (hereinafter "Delegated Investment Managers"):

- a) Should GFS assume internally the Portfolio Management function, the due diligence performed on the new investments must contain a section on the alignment of the SFDR aspects with the ones reported in the RTS Annex part of the prospectus/Private Placement Memorandum and a periodic review of the ESG reports on the target funds to ensure alignment of the portfolio with the RTS Annex of the internally managed fund;
- b) Should GFS delegate the Portfolio Management function to external Investment Managers, then the latter are in charge of the investment decision-making process and pre-trade assessments. However, GFS is responsible for the ongoing monitoring of the quality of services rendered by the delegated Investment Managers. To this purpose, firstly GFS oversees and integrate the sustainability risks as deemed relevant in the initial and on-going due diligence assessment of the Delegated Investment Managers; secondly, GFS has in place a post-trade assessment/oversight to verify that the investment decisions taken by the delegated Investment Managers are in line with regulatory and legal requirements.

As of the date of this document GFS doesn't assume internally the portfolio management function.

3. Sustainability factors considered in the investment decision-making process

The sustainability factors considered may vary as they depend on the specific investment strategy followed by the fund/sub-fund.

To give a few examples on ESG factors:

- Environmental aspects may include climate mitigation, as well as all the climate change-related matters, including physical climate events or conditions such as heat waves, storms, rising sea levels and global warming;
- Social aspects may include the consideration of internationally recognized labor law requirements or the abolition of a gender pay gap;
- Governance aspects may include the consideration of employee's rights and data protection.

Such sustainability factors are monitored throughout the investment lifecycle and may therefore lead to reduction in the holding of certain investments given an increase of the sustainability risk level of a specific investment or the fund/ sub-fund portfolio.

4. Sustainability risk approach

GFS has set up a sustainability risks monitoring framework by integrating them into the risk profiles of the funds managed.

The risk profile reflects the level of the identified relevant risks that arise from the investment strategy, as well as the interaction and concentration at portfolio level for each fund managed by GFS.

GFS has defined internal risk limits as for each fund managed in order to take into account the maximum risk a fund is exposed to a certain risk type. In addition to the control framework defined above, GFS cooperates with external data providers to calculate and monitor, through the analysis of external data sources, the overall sustainability (risk) exposure of a fund portfolio based on the defined sustainability factors.

The results of the assessment are analyzed and constantly monitored by the internal Risk Management function against the limits set in the fund/ sub-fund risk profile.

In case the overall sustainability risk exposure of the fund is above the limits defined for a sustainability factor of an investment, it will be directly reported to GFS's Management Committee. Moreover, the Risk Management function, based on their area of competence, will define mitigation actions and escalate the issue to the responsible delegated Investment Manager.

If GFS delegates the Portfolio Management activity to delegated Investment Managers, this activity is performed taking into account the fact that the latter are in charge of the integration of sustainability risks into the investment decision-making process. As such the management of sustainability risks consists in the Risk Management function overseeing the investment strategy's specific key sustainability risk indicators provided by the delegated Investment Managers, along with the measurement of related sustainability risk, as carried out by the delegated Investment Managers. Should such oversight reveal that either the infrastructure in place at the delegated investment Manager is not sufficient, or the fund is not being managed in line with the disclosure of sustainability risks in its precontractual documents, GFS will take steps to ensure corrective action is taken in line with the relevant internal procedures.