Sustainability-Related Disclosures

Pursuant to 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 (the "**SFDR**"), the manner in which Sustainability Risks (as defined hereafter) are integrated into the investment decision and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the funds managed by Mantra are described below.

Sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investments ("**Sustainability Risk**"). Specific Sustainability Risk can vary for each product and asset class, and include but are not limited to:

Environmental Risk
The risk posed by the exposure to issuers that may potentially be causing or affected by environmental degradation and/or depletion of natural resources. Environmental risks may result from air pollution, water pollution, waste generation, depletion of freshwater and marine resources, and loss of biodiversity or damages to ecosystems.

Environmental risks also include the risk posed by the exposure to issuers that may potentially be negatively affected by the physical impacts of climate change (the so-called "**Physical Risk**") or by the transition to a low carbon economy due to their involvement in exploration, production, processing, trading and sale of fossil fuels, or their dependency upon carbon intensive materials, processes, products and services (the so-called "**Transition Risk**").

- Physical Risk includes acute risks arising from extreme weather events such as storms, floods, droughts, fires or heatwaves, and chronic risks arising from gradual changes in the climate, such as changing rainfall patterns, rising sea levels, ocean acidification, and biodiversity loss.
- Transition Risk may result to several factors, including rising costs and/or limitation of greenhouse gas emissions, energy-efficiency requirements, reduction in fossil fuel demand or shift to alternative energy sources, due to policy, regulatory, technological and market demand changes.

Environmental risks may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

Social Risk
The risk posed by the exposure to issuers that may potentially be negatively affected by social factors such as poor labor standards, human rights violations, damage to public health, data privacy breaches, or increased inequalities. Social risk may negatively affect the value of investments by impairing assets, productivity or revenues or by increasing liabilities, capital expenditures, operating and financing costs.

Governance Risk
The risk posed by the exposure to issuers that may potentially be negatively affected by weak governance structures. For companies, governance risk may result from malfunctioning boards, inadequate remuneration structures, abuses of minority shareholders or bondholders' rights, deficient controls, aggressive tax planning and accounting practices, or lack of business ethics. For countries, governance risk may include governmental instability, bribery and corruption, privacy breaches and lack of judicial independence. Governance risk may negatively affect the value of investments due to poor strategic decisions, conflict of interest, reputational damages, increased liabilities or loss of investor confidence.

(a) Transparency on the integration of Sustainability Risks

Mantra integrates Sustainability Risks in its investment decision-making and risk monitoring to the extent that they represent potential or actual material risks and/or opportunities to maximizing the long-term risk-adjusted returns. The integration of Sustainability Risks is reflected in Mantra's environmental, social and governance policy (respectively, the "ESG" and the "ESG Policy"), available below:

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class in which the underlying funds made their investments. In general, where a Sustainability Risk occurs in respect of an asset, there may be a negative impact on, or entire loss of, its value.

The funds managed by Mantra may therefore be exposed to some Sustainability Risks, which will differ depending on the type of investment made by the underlying funds. In particular, some companies, markets and sectors will have greater exposure to Sustainability Risks than others.

(b) Transparency of adverse sustainability impact

Mantra considers the principal adverse impacts, being those impacts on investment decisions that result in negative effects on Sustainability Factors (as defined below) and has put in place due diligence policies with respect to those impacts.

Although information is not always readily available for all of the sustainability indicators at this stage, Mantra is already considering the principal adverse impacts of investment decisions on Sustainability Factors indirectly by integrating ESG criteria into its investment process, as further described in Mantra's ESG Policy, available below.

"**Sustainability Factors**" are defined as environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Information on principal adverse impacts on Sustainability Factors shall also be available in the annual reports of the funds managed by Mantra, and for the first time in the annual reports of the accounting period ending on 31 December 2021.

(c) *Transparency of remuneration policies in relation to the integration of sustainability risks*

Mantra ensures that its remuneration policy is consistent with the integration of Sustainability Risks and notably ensures that, when determining the variable remuneration of the identified staff, Mantra takes into account compliance of the relevant staff member with all its procedures and policies, including those relating to the integration of Sustainability Risks. Integration of ESG/Sustainability Risk considerations, where these are relevant and material for investment performance, are already incentivized by these existing requirements as it should be seen and used as an instrument to enhance investment performance, which would equally benefit the funds (and their investors), Mantra and its employees.

ESG Disclosure – ESG Policy

When investing in underlying funds, Mantra promotes environmental or social characteristics within the meaning of Article 8 of the SFDR and integrates ESG criteria in all steps of the funds' investment process, from initial investment screening, through due diligence, portfolio monitoring, and exits.

Mantra seeks to achieve social, economic, and environmental progress through seventeen Sustainable Development Goals, being:

- no poverty
- zero hunger
- good health and well-being
- quality education
- gender equality
- clean water and sanitation
- affordable and clean energy
- decent work and economic growth
- industry innovation and infrastructure
- reduced inequalities
- sustainable cities and communities
- responsible consumption and production
- climate action
- life below water
- life on land
- peace, justice and strong institutions
- partnerships for the goals

Actions undertaken in coordination with underlying funds allow Mantra to actively work towards economic growth, job creation, industry innovation, reduction of greenhouse emissions, good health and wellbeing, quality education and gender equality.

Mantra's internal ESG process is outlined below:

(a) Pre-Diligence / Initial Screening – Opportunistic Inclusion

In the initial screening process of an underlying fund, Mantra uses its best efforts to ensure that the core business of the target is not related to certain sectors/ industries, such as:

- development or manufacture or distribution of weapons of all types
- alcoholic beverages exceeding a 15% alcohol volume
- manufacturing or distribution of tobacco and related products
- gambling, internet gambling, casinos or online casinos
- fracking, horizontal drilling or ancillary support services to this industry
- culture, production or selling of marijuana
- pornography
- the manufacturing of products under inhospitable working conditions and/or contrary to child labor provisions (in the sense of an infringement of the core labor standards of the International Labor Standards on Child labor)
- manufacturing of products which are specifically designed to violate human
- dignity through denigrating and degrading representations of persons

Mantra also seeks to include the following areas in its target sector research:

- social care, communities and stakeholders

- sport and healthy lifestyle
- education and children
- elderly people
- labor intensive
- inclusion of minorities
- climate change, clean energy
- resource efficiency and recyclable materials
- biodegradable and organic products, in its target sector of research for investment

(b) ESG Due Diligence

Mantra’s investment team completes an ESG checklist before making an investment in an underlying fund in order to flag up any potential issues for further investigation. During the assessment of an investment opportunity, relevant ESG issues are also investigated, where necessary, through the due diligence process which includes social and corporate, environmental and strategic due diligences.

Before making an investment in an underlying fund, Mantra also uses, with respect to all funds whether with primary or secondary strategies, its best efforts to ensure that such underlying fund (or its general partner or manager, as applicable) has proper, updated ESG internal guidelines in place, focusing on:

Environmental
Mantra’s investment team uses its best efforts to ensure that the underlying funds which face potential environmental issues have continuous improvement plans in place. Mantra promotes best in class approaches and encourages the use of environmentally friendly technologies. In addition, Mantra shall, with respect to funds with primary strategies, request that an annual energy efficiency audit be carried out where necessary, in addition to the underlying funds’ self-assessment of climate related risks and opportunities.

Social
Mantra’s investment team uses its best effort to ensure that the underlying funds (i) correct and improve the management of social issues in their portfolios companies with, as far as funds with primary strategies are concerned, an initial plan based on social due diligence findings and (ii) monitor social performance in their portfolio companies relative to staff turnover, employee litigations, quality of management / worker relationships, discriminatory practices of any kind, as well as health and safety standards for customers and employees.

Governance
In order to implement sound value creation strategies, Mantra uses its best efforts to ensure that underlying funds have key conditions in place, such as adequate representation in the portfolio company’s board of directors, top management incentives aligned with those of the shareholders and sufficient quality of operational and financial reporting.

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If Mantra considers, to the best of its efforts, that a prospective underlying fund does not have adequate ESG policy, or the means or the willingness to achieve it, it will not move forward with an investment in such prospective underlying fund.

(c) ESG Monitoring

For funds with primary strategies, Mantra uses its best efforts to ensure that the underlying funds fill out an annual ESG questionnaire, following which performance is analyzed and rated (from C- to A+) in four key areas: environmental, social, governance, and ESG initiatives and best practices.

For funds with secondary strategies, Mantra uses its best efforts to monitor the ESG progress made by the underlying funds.