

Sustainability-related disclosure

RAM (Lux) Tactical Funds II – STRATA Credit Fund (the "sub-fund" or the "financial product")

This document provides you with information about this fund in relation to the Sustainable Finance Disclosure Regulation. It is not marketing material. The information is required by law to help you understand the sustainability characteristics and/or objectives and risks of this fund. You are advised to read it in conjunction with other relevant documentation on this fund so you can make an informed decision about whether to invest.

(b) No sustainable investment objective

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

Where fund aims to make one or more sustainable investments explain how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account?

Not applicable

Are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights?

Not applicable

(c) Environmental or social characteristics of the financial product

What are the environmental or social characteristics that the financial products promotes?

The sub-fund promotes the following:

- Environmental characteristics: a reduction in the intensity of greenhouse gas (GHG) emissions, Scope 1* and Scope 2** by investing part of the portfolio in financial instruments of issuers that do not exceed a maximum threshold of GHG (scope 1* and 2**) emissions per million of sales in USD.
- Social characteristics: with an assessment of companies in the portfolio to ensure their compliance with the United Nations Global Compact, the Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises.

Finally, the sub-fund promotes certain environmental and social safeguards by applying exclusion criteria regarding sources of income and business practices that RAM-AI considers harmful

** Scope 1 GHG emissions: direct emissions from company-owned/controlled sources*

*** Scope 2 GHG emissions: indirect emissions resulting from energy purchased by a company but sourced by other entities*

d) Investment strategy

What is the investment strategy used to meet the environmental or social characteristics promoted by the financial product?

The ESG methodology is applicable to the sub-fund's fixed-income portfolio when sufficient reliable data is available.

The sub-fund aims to have a solid investment universe and the manager excludes certain fixed-income investments based on the ESG methodology applied to the sub-fund.

The ESG screening is applied to the cash bonds which are selected from a valuation and credit analyses. The above-mentioned ESG screening is based on a dynamic list of exclusions of transferable securities.

The extent to which it is applied may vary according to available data, as part of either a systematic investment process which is applicable to Bonds where data on the underlying company is able to be accessed via a linked equity or where there is no linked equity, a manual analysis is performed. ESG criteria and measures as well as financial information are provided by information and data sources from recognised industry specialist third party providers.

The sub-fund will promote E/S characteristics while not making any sustainable investment and commits to a GHG intensity reduction (Scope 1 and 2) by excluding companies exceeding a maximum threshold of GHG (scope 1 and 2) emissions per million of sales in USD. The threshold is higher for those companies with commitments* to reduce GHG emissions.

**commitments: the companies shows a public commitment to reducing absolute greenhouse gas emissions, by adopting science-based targets (SBT), carbon neutrality targets, a commitment to increase the use of renewable energy or to substantially reduce greenhouse gas emissions.*

The Investment Manager applies basic exclusion criteria so that instruments excluded by at least one of these criteria are not considered when assessing investment opportunities.

According to the social criteria promoted by the sub-fund, the Investment Manager excludes corporate bonds:

- suspected of accounting fraud and corruption;
- not taking into account international standards on labour rights, including child labour, such as the fundamental conventions of the ILO (International Labour Organization);
- very severe controversy on human rights;
- exposed to sanctions (OFAC list);
- exposed to controversies that violate the UN Global Compact.

In addition, the Investment Manager excludes bonds from companies with too high a level of income in controversial activities (tobacco, gambling, etc.).

Concerning the environment, the Investment Manager selects issuers that do not exceed a maximum threshold of GHG (scope 1 and 2) emissions per million of sales in USD.

For further details, including applicable thresholds for income-based exclusions arising from controversial activities, please refer to RAM-AI's ESG Exclusion Policy at <https://www.ramai.com/en/regulatory-information>

The Investment Manager also systematically excludes government bonds:

- presenting insufficient control of corruption;
- presenting excessive political instability

What is the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

For Public Companies

- Good governance practices are assessed using a multi-stage quantitative framework that includes seven parameters, divided into four categories:
- Employee relations: controversies on labour relations.
- Sound management structure: corruption and business ethics, governance incidents, board oversight of management operations.
- Tax compliance: accounting investigation, tax behaviour.
- Remuneration: issues relating to the consistency of remuneration.

In the event that some companies do not have sufficient data, we apply the following corrective measures:

- An overall governance score (third party or internal) is used by default.
- The investment team periodically assesses potential additional data sources to improve coverage.
- Current data providers will be contacted periodically to increase data coverage if necessary.

For Private Companies:

Good governance practices are assessed using the financial and non-financial reports of the companies focusing on the management structure, employee relations, compliance to tax accounting rules and the remuneration policy of staff.

In the event that some companies do not have sufficient data, the following corrective measures are applied where possible:

- An overall governance score (third party or internal) is used by default.
- Additional data sources are periodically assessed to improve coverage.

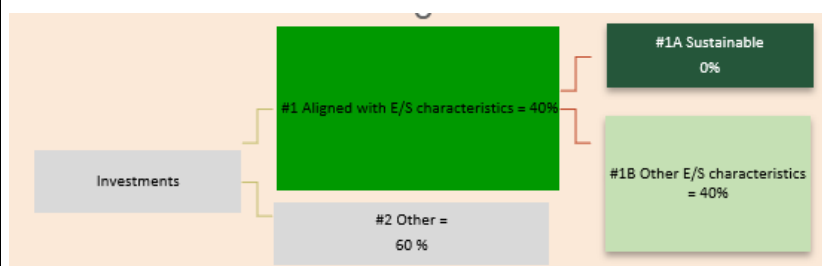
Where corrective measures are unable to be applied, the company will not be covered by ESG analysis and will be considered in the category named “Other” which means not aligned with E/S characteristics.

(e) Proportion of investments

Minimum Sustainable Investment : 0%

The sub-fund commits to have at least 40% in investments promoting environmental and/or social characteristics.

The promotion of greenhouse gas (GHG) reduction and the social characteristics is performed through the investment in bonds. The other asset classes within the portfolio (which may also include also some bonds) do not promote ESG characteristics (cash, derivatives, structured products, ABS) (60%).



(f) Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?

Different social indicators are used to measure the attainment of the environmental and social characteristics promoted by the sub-fund:

Environmental indicators:

- GHG intensity, sum of Scope 1 & Scope 2
- Fossil fuel activities with a significant impact on global warming (for more details on the activities covered by the indicator, please refer to the RAM-AI ESG exclusion policy at <https://www.ram-ai.com/en/regulatory-information>)

Social indicators:

- % of the portfolio in violation of the UN Global Compact, the Universal Declaration of Human Rights, and the OECD Guidelines for Multinational Enterprises.
- Exposure to Controversial & Nuclear Weapons.

Control mechanisms:

The Responsible Investment Committee (“RI Committee”) at RAM corporate level regularly meets to cover all ESG aspects from a compliance, commercial and operational standpoint. Key ESG decisions are reviewed and validated by the RI Committee before approval of the Board of Directors.

After approval from the RI Committee, all exclusions are incorporated in the form of a SQL table, and used by both investment and risk managers: 1. First level: exclusion as part of the investment process: The portfolio managers have developed automated tools to retrieve information from the SQL table, allowing them to dynamically exclude relevant instruments from their investable universe. 2. Second level: exclusion verification managed by the risk team: The pre-trade risk module identifies any trades whose names are on the exclusion list and alerts the relevant teams for further investigation

(g) Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

Several indicators are used to measure whether the promotion of the social and environmental characteristics are met. Please refer to the previous section **f)**

The exposure to the above-mentioned indicators is measured to assess whether there have been an actual promotion of the environmental and social characteristics. The relevant data to calculate the exposure is obtained from different data vendors and/or from the non-financial report of the relevant company.

(h) Data sources and processing

• How are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

• What measures are taken to ensure data quality?

• How is data processed?

• What is the proportion of data that are estimated?

The investment manager is aiming to obtain data only from cash bonds (corporate and financials). Other types of instruments in the portfolio are not targeted.

For those bonds with data coverage (MSCI, S&P Trucost etc.)

A waterfall approach is applied in which the investment manager maps the bond ISIN with the equity ticker to obtain more data.

For those bonds without data coverage, the investment manager applies a discretionary methodology aimed at finding an alternative to the missing data.

The discretionary approach is based on other information that may be obtained from different sources (public information, data from the Company's non-financial report etc.) concerning the company's activities, governance and scope1/scope 2.

(i) Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?

Although RAM has adopted processes and procedures suitable for implementing the ESG characteristics described, compliance with the defined criteria depends largely on third-party data providers and their methodologies. One potential issue with our methodology is the lack of concrete, measurable quantities for each metric. Since we are evaluating broad themes such as environmental factors, we are required to rely on estimates provided by data vendors for our metrics. To mitigate this risk, we cross-reference information from multiple data vendors as much as possible to arrive at a reliable consensus for each entity the fund may invest in. Another risk is the lack of data for a particular entity. To address this, we also seek out multiple data vendors for each theme and prioritize the use of metrics with the highest coverage and relevance, in order to ensure a comprehensive understanding of each entity's performance in terms of the social aspects we promote. Investors should note that exclusions and restrictions of investments according to ESG criteria may not directly reflect their own subjective ethical views.

(j) Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

The Investment Manager applies basic exclusion criteria so that instruments excluded by at least one of these criteria are not considered when assessing investment opportunities.

According to the social criteria promoted by the sub-fund, the Investment Manager excludes corporate bonds:

- suspected of accounting fraud and corruption;
- not taking into account international standards on labour rights, including child labour, such as the fundamental conventions of the ILO (International Labour Organization);
- very severe controversy on human rights;
- exposed to sanctions (OFAC list);
- exposed to controversies that violate the UN Global Compact.

In addition, the Investment Manager excludes bonds from companies with too high a level of income in controversial activities (tobacco, gambling, etc.).

Concerning the environment, the Investment Manager issues that do not exceed a maximum threshold of GHG (scope 1 and 2) emissions per million of sales in USD.

For further details, including applicable thresholds for income-based exclusions arising from controversial activities, please refer to RAM-AI's ESG Exclusion Policy at <https://www.ramai.com/en/regulatory-information>

The Investment Manager also systematically excludes government bonds:

- presenting insufficient control of corruption;
- presenting excessive political instability.

The above-mentioned mapping to FactSet IDs/ISINs (section **"(h)"**) allows the pre-trade controls at the level of the Investment Manager to verify the ticker against all applicable datapoints from the exclusion list. It consists of exclusions due to sanctions, exclusions due to revenue generation from activities deemed not to be aligned with ESG criteria detailed in the Sustainability Policy, and any intra-company exclusions specified by Mediobanca SpA.

Post-trade controls are conducted at multiple levels by the Risk Management function. The daily generation of aggregated fund GHG exposures allows for monitoring versus both relevant benchmarks or underlying exposure limits. A daily script is also run, which further allows for the identification of instruments whose underlying metrics no longer comply with the funds ESG limits and must therefore be subsequently removed from the portfolio. Lastly, monthly reporting allows for further checks at both the individual fund, and firmwide level.

(k) Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

RAM's engagement focuses on companies that severely and structurally breach principles of the United Nations Global Compact or of other international conventions in the areas of human rights, labour, environment and anti-corruption. RAM believes that a constructive dialogue with the companies in which the Funds invest is more effective than excluding companies from our investment universe. If the engagement does not lead to the desired change, RAM can decide to exclude a company from the investment universe. Recognizing the value of different forms of engagement:

- independently carried out individual engagements following the identification of potential controversies.
- collaborative engagements with other investors or institutions, through active membership in collaborative platforms such as The Institutional Investors Group on Climate Change (IIGCC), United Nations Principles for Responsible Investment (UN PRI), and Carbon Disclosure Project (CDP), Access to Medicine Foundation, Climate Action 100+.

<https://www.ram-ai.com/en/regulatory-information>

(l) Designated reference benchmark

Has an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

No benchmark has been designated for the financial product.