

SIDERA FUNDS – GLOBAL ESG OPPORTUNITIES (LEI: 5493002LW6FLGWJ4U062) (the “Sub-Fund”)

Capitalized terms should have the same meaning as ascribed to them in the prospectus of the Sub-Fund.

Summary

This Sub-Fund promotes environmental, social, and governance characteristics in accordance with Article 8 of Regulation (EU) 2019/2088.

The environmental and social characteristics promoted by the Sub-Fund consist in favoring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG.

The Investment Manager conducts an ESG analysis on the securities issued by the issuers by relying on a proprietary model. Through a proprietary model of the Investment Manager and based on data from the info provider MSCI, the Sub-Fund is assigned an ESG rating which shall be greater than or equal to the rating of its benchmark (50% ICE BofA Euro High Yield Duration-Matched ESG Tilt Index and 50% ICE BofA 1-5 Year BBB & Lower Sovereign External Debt Carbon Reduction Constrained Index Hedged).

The Sub-Fund's ESG rating is calculated as the asset-weighted average of the ESG scores of the issuers of the financial instruments in the portfolio. The ESG rating is obtained weighting the 'E' pillar at 50% and the 'S' and 'G' pillars each at 25%.

In its ESG evaluation, the Investment Manager takes into account the following environmental and social characteristics: climate change, resource depletion, waste and pollution, deforestation, worker conditions, gender policies, respect for Human Rights, health and safety, labor standards, corporate governance practices and control procedures behavior of top management in compliance with laws and professional ethics.

With this approach, the Investment Manager, in addition to integrating sustainability risks into investment decisions, aims to ensure that the Sub-Fund achieves and maintains a high sustainability profile.

At least 65% of the Sub-Fund's Net Asset Value will be invested in securities which are aligned with the environmental and social characteristics promoted by the Sub-Fund. The remaining maximum of 35% of the Net Asset Value will not be aligned with the E/S characteristics promoted, mainly for cash management purposes.

This financial product promotes environmental or social characteristics but does not have as its objective any sustainable investment. This financial product does not consider principal adverse impacts on sustainability factors.

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 are monitored throughout the life cycle of the financial product through first- and second-level controls.

For the operation of the Investment Manager's proprietary model, data provided by MSCI, a leading market provider specializing, inter alia, in the collection, processing, and sharing of sustainability data, are used. Specifically, the Investment Manager for its analysis utilizes the ESG rating on financial instruments and data on the involvement of issuers in disputes related to operations and/or its products.

Such data may be incomplete, inaccurate, or unavailable; the Investment Manager has appropriate internal safeguards and methodologies in place designed to ensure that any such limitations, if any, do not affect the satisfaction of the promoted environmental, social and governance characteristics of the financial product.

In order to exercise due diligence on the assets underlying the Sub-Fund's investments, the Investment Manager has developed a series of safeguards that assess all financial instruments from a sustainability perspective.

Active engagement of the Investment Manager with individual companies is not part of the ESG strategy of this Sub-Fund.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.

No sustainable investment objective

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

This financial product does not consider principal adverse impacts on sustainability factors.

Environmental or social characteristics of the financial product

The Sub-Fund promotes environmental, social, and governance characteristics in accordance with Article 8 of Regulation (EU) 2019/2088.

The environmental and social characteristics promoted by the Sub-Fund consist in favoring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG.

In the ESG evaluation, the Investment Manager considers the following environmental and social characteristics: climate change, resource depletion, waste and pollution, deforestation, worker conditions, gender policies, respect for human rights, health and safety, labor standards, corporate governance practices and control procedures, behavior of top management in compliance with laws and professional ethics.

Good governance practices are analyzed and scored, and they take into account corporate governance practices (ownership & control, pay, board, accounting) and corporate behavior

(business ethics, tax transparency).

Investment strategy

The Investment Manager aims to ensure that this Sub-Fund achieves and maintains a high sustainability profile.

The Investment Manager conducts an ESG analysis on the securities issued by the issuers by relying on its proprietary model. For that purpose, the Investment Manager selects securities that are part of the composite index: 50% ICE BofA Euro High Yield Duration-Matched ESG Tilt Index (Bloomberg HESD) and 50% ICE BofA 1-5 Year BBB & Lower Sovereign External Debt Carbon Reduction Constrained Index hedged (Bloomberg IVCR) (the 'ESG index'). The Sub-Fund aims at meeting eligibility criteria such as reaching at least AA rating at Sub-Fund level or having an ESG score in line or higher than the one of the ESG Index.

The binding criteria used to select the investments are the following:

- The overall ESG rating of the portfolio, as calculated based on the proprietary scoring model, must be higher than or equal to the ESG rating of its ESG Index;
- Penalization of the score of securities based on a flag on the presence or absence of ESG controversies;
- Penalization of the score of securities involved the following corporate sectors, Aerospace & Defense due to their involvement in the weapons industry and military contracting, Casinos & Gaming due to their socially harmful activities
- Application of two blacklists maintained by the Investment Manager which exclude:
 - Government bond issuing countries and corporate sectors that are deemed not eligible for investments, based on the assessment of their respect of social and civil rights or if subject to international sanctions.
 - Companies active in the non-conventional weapons production (landmines, cluster munitions, chemical weapons and biological weapons).

Proportion of investments

At least 65% of the Sub-Fund's Net Asset Value will be invested (directly or indirectly) in securities which are aligned with the environmental and social characteristics promoted by the Sub-Fund, subject to any security which the Investment Manager is in the process of selling because it no longer meets the ESG considerations applied by the Sub-Fund. The remaining maximum of 35% of the Net Asset Value will not be aligned with the E/S characteristics promoted mainly for cash management purposes. The allocation is subject to further development in both the composition of the Sub-Fund's investment universe and the availability of reporting data.

The Sub-Fund promotes environmental and social characteristics but does not currently commit to making any sustainable investments within the meaning of the SFDR or the Taxonomy Regulation.

Monitoring of environmental or social characteristics

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 are monitored throughout the life cycle of the financial product through first- and second-

level controls.

The Investment Manager has identified a competent structure to which are entrusted the line controls related to the collection and processing of information useful for the determination of ESG ratings, as well as to identify the financial instruments/issuers excluded from investment (so-called blacklist). On the other hand, the Investment Manager Compliance Department is in charge of finding compliance with the ratings and criteria set forth in the Investment Manager's ESG Policy and assessing the need to update the blacklist, requesting the involvement of the appropriate internal committee. The results of the checks carried out are promptly represented to the structures involved and reported to the Board of Directors.

Compliance with the Fund's ESG principles is also carried out automatically through specific algorithms present in Investment Manager's control systems.

Methodologies for environmental or social characteristics

The Investment Manager has developed a proprietary model that, based on data from the MSCI info provider, allows an ESG rating to be assigned to the financial instruments in the portfolio (with the exception of non-hedged instruments, instruments attributable to liquidity management, derivatives for hedging purposes, etc...).

The ratings provided by the model are between CCC and AAA with a gradation that assumes the same granularity as that provided for credit ratings (e.g., the A rating is divided into A-, A and A+). In order to verify compliance with the environmental or social characteristics promoted by the Sub-Fund, the Investment Manager adopts an approach whereby the Sub-Fund's ESG rating must be greater than or equal to the rating of the relevant benchmark (50% ICE BofA Euro High Yield Duration-Matched ESG Tilt Index (Bloomberg HESD) and 50% ICE BofA 1-5 Year BBB & Lower Sovereign External Debt Carbon Reduction Constrained Index hedged (Bloomberg IVCR)).

The methodology allows the Investment Manager to have the following indicators:

- aggregate scores and ratings of each Sub-Fund, portfolio or index based on the three pillars according to the following weights: 50%E + 25%S + 25%G;
- score and rating of each Sub-Fund, portfolio or index for each individual Pillar (E/S/G);
- for funds or portfolios, percentage of assets that has score greater than or equal to the score of the reference asset class.

Based on this score for single securities, the Sub-Fund's score and rating are obtained. The Sub-Fund's portfolio must have an overall rating higher than or equal to that of the ESG Index.

This methodology is accompanied by close monitoring of the Sub-Fund's investments and the application of possible restrictions on the purchase of securities of issuers active in sectors considered controversial because they are not in line with environmental, social and governance sustainability issues.

Data Sources and processing

For the operation of the Investment Manager's proprietary model, data provided by MSCI, a leading

market provider specializing, inter alia, in the collection, processing, and sharing of sustainability data, are used.

Specifically, the Investment Manager uses the following data for its analyses:

- ESG rating, assigned by the info provider to almost all of the financial instruments being invested in. In addition to the ESG aggregate, ratings are also available for the three "pillars" E (environmental), S (social) and G (governance);
- involvement of issuers in disputes related to operations and/or its products.

Specifically, the ratings under the model are between CCC and AAA with a gradation that assumes the same granularity as for credit ratings (e.g., the A rating is divided into A-, A, and A+).

Equity and Bond instruments, both Corporate and Government, are given a rating on the basis of data provided by MSCI and supplemented also by proprietary data, processed on the basis of questionnaires produced by the Investment Manager (mainly for small and medium-sized companies in the Italian market). Compound financial instruments (futures, UCITS units, etc...) are given a score based on their respective compositions.

Each instrument is also associated with a flag provided by MSCI that indicates whether the issuer is involved in a dispute related to its operations and/or products. Depending on the severity of any dispute, the score assigned to the instrument is reduced to levels consistent with a rating of BB. Issuers belonging to specific sub-sectors (Aerospace & Defense, Casino & Gaming) are also penalized with an algorithm that assigns these issuers a minimum score.

The proportion of data that are estimated is very low and continuously monitored so as to never hinder the validity of the overall model.

Controls on data quality are performed automatically to ensure the correct functioning of the rating model, as well as ex-post controls are performed routinely by compliance and auditing functions and adequately reported.

Limitations of methodologies and data

The assessment of qualitative ESG risks is based on data provided by the info provider MSCI and other public and private sources. Such data may be incomplete, inaccurate, or unavailable; as a result, there is a risk of rating a financial instrument or issuer inaccurately.

Therefore, neither the Sub-Funds, the Management Company, nor the Investment Manager make any representation or warranty, express or implied, as to the fairness, accuracy, reasonableness, or completeness of such ESG assessment.

The Investment Manager has appropriate internal safeguards and methodologies in place designed to ensure that any such limitations, if any, do not affect the satisfaction of the promoted environmental, social and governance characteristics of the financial product.

Due diligence

The Investment Manager has an Internal Policy that defines the safeguards and rationale adopted to integrate the strategy, organizational structure and business processes, as well as to ensure the compliance of the managed portfolios with applicable ESG investment regulations.

In order to exercise due diligence on the assets underlying the Sub-Fund's investments, the Investment Manager has developed a series of safeguards that, based on internal and external data, assess all financial instruments from a sustainability perspective; in particular, specific eligibility criteria have been defined and aimed at identifying the investable universe of the Sub-Fund.

In addition to the above, post-trade controls are carried out on the investments of the Sub-Fund by other service providers of the Fund as part of their regulatory functions.

Engagement policies

Active engagement of the Investment Manager with individual companies is not part of the ESG strategy of this Sub-Fund.

Designated reference benchmark

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted

