

The Sustainable Finance Disclosure Regulation

(SFDR Article 10)

Website disclosure for an Article 8 fund

Product name: PrivilEdge – Amber Event Europe (the “Sub-Fund”)

Legal entity identifier:549300EGTRPZZVU5JH04

a) Summary

Amber Capital UK LLP (the “Investment Manager”) has developed quantitative and qualitative ESG research processes which are deployed in order to attain the environmental and social characteristics promoted by the Sub-Fund. In addition, the Sub-Fund employs exclusionary screening and a rigorous assessment process for good governance. The Sub-Fund does not commit to a proportion of assets that are sustainable or taxonomy aligned, but does consider principle adverse impacts of its investments.

The Sub-Fund does not use a benchmark to assess environmental or social characteristics, and does not have a sustainable investment objective.

b) Investment strategy

The Sub-Fund is an event-driven long/short equity UCITS-compliant fund investing across European markets. Its investment objective is to achieve consistent long term returns by investing primarily in equities and equity-related securities of European companies. The Sub-Fund focuses on corporate event-driven opportunities and special situations by seeking to identify companies where a defined corporate event (a ‘catalyst’) can unlock value or create a pricing inefficiency taking into account, amongst other considerations, the likelihood that an anticipated event or transaction will occur, the amount of time the process will take and the perceived ratio of return to risk.

The Investment Manager has a dedicated Head of ESG who analyses the governance practices of the Sub-Fund’s holdings in the framework of the overall assessment of the ESG practices. The in-depth analysis is based upon publicly available information, reports obtained by research providers, proxy advisors and dedicated service providers as well as on additional granular research on specific issues (such as the independence of Board members, shareholders rights and anti-takeover provisions).

A wide range of governance factors are assessed, including but not limited to the following:

- Corporate structure (deviation from the one share-one vote-one dividend principle) and management practices (adoption of policies and sound procedures, Board oversight and accountability)
- Rights granted to (minority) shareholders; % of share capital requested to submit proposals; possibility to propose and elect representatives in the corporate bodies; anti-takeover provisions adopted by the company, if any)
- Composition of the Board of directors (election mechanism, average tenure, % of independents), with focus on independent directors (formal vs. substance, based on additional research including relationship with management and relevant shareholders)
- Related parties transactions (policy adopted, treatment of conflict of interests situations, past concrete transactions if any)
- Remuneration policy (disclosure, accountability, avoidance of the pay for failure – alignment between management compensation and value creation for all shareholders - adoption of claw-back clauses)
- Level of disclosure in general (high transparency, limited to mandatory transparency, below minimum standard of transparency)
- Adoption and implementation of Code of Ethics (Code of Conduct), Anti-Corruption and Anti-Bribery (codes and procedures), as well as commitment to (and monitoring of) tax compliance

c) Proportion of investments

The Investment Manager aims to invest at least 50% of the long side of Sub-Fund’s assets in investments aligned with E/S characteristics (#1).

The portion of the assets allocated to investments aligned with E/S characteristics may vary depending on specific market opportunities and asset allocation decisions taken by the Investment Manager.

The Investment Manager does not have a formal asset allocation plan relating to sustainable investments.

The Sub-Fund does not commit to making a minimum proportion of sustainable investments, and hence the Sub-Fund's investments may currently not qualify as aligned with an environmental objective within the meaning of the EU Taxonomy.

The focus of the Sub-Fund is on corporate-event driven opportunities, and it may implement strategies including, but not limited to, directional long or short positions with a catalyst, long/short equity pairs with a catalyst, capital structure arbitrage, risk arbitrage, share class arbitrage and company holding discounts. Up to 20% of the net assets may also be invested in corporate bonds and a portion of the assets may be invested in risk arbitrage positions. Moreover, the Sub-Fund may invest up to 10% of its net assets in UCIs. A portion of the Sub-Fund's assets may also be held in Cash or Cash-Equivalent instruments.

ESG analysis is performed also for risk arbitrage positions. The Sub-Fund typically will not invest (take long positions) in companies with an ESG Risk Rating (based on the proprietary research model developed by the Investment Manager) higher than 3. In this case, based on the ESG assessment performed by the Investment Manager, the risk associated with specific characteristics (related to environmental, social or governance factors) are evaluated as too high to be mitigated through shareholder engagement and would therefore lead to a non-investment or divestment decision.

d) Methodologies

The Investment Manager has developed a range of methodologies to assess and measure how environmental and social characteristics promoted by the Sub-Fund are met, including a quantitative ESG assessment process, qualitative ESG research process, exclusions and engagement. The Investment Manager reviews certain characteristics for all investments and engages with companies as and when deemed necessary.

The Investment Manager's assessment includes (but is not limited to) the following sustainability metrics and indicators:

- Scope 1, Scope 2 emissions
- Climate Change Policy; Net Zero Emissions target; Emissions reduction initiatives
- Board level oversight on Climate related issues; disclosure on Committee responsible for Climate Change
- Non Renewable energy Consumption & Production
- Biodiversity Policy
- Water management policy; Emissions to water
- Number of cases pending on environmental issues
- Ratio of Women on Board; Unadjusted gender pay gap
- Human rights policy; Supplier Code of conduct
- Rate of accidents
- Data Privacy Policy
- Number of cases pending on social issues

For each indicator, the Investment Manager has defined the desired attributes which are considered consistently across the investment team, as well as a materiality determination and scoring framework. For the most relevant and material positions, additional in depth qualitative due diligence is then conducted.

The Investment Manager has adopted a binding exclusion list for the Sub-Fund by implementing a maximum threshold of 10% revenue at issuer level as derived from the following activities:

- Private prisons
- Cluster munitions (0% revenue)/other mass destruction weapons
- Predatory lending
- Tobacco production

- Pornography
- Cannabis for recreational use.

e) Data sources and processing

Data sources used by the Investment Manager to ensure attainment of the environmental and social characteristics include a combination of research, news, information gathered through direct engagement with a company, and third-party ESG ratings and research.

The Investment Manager has engaged ISS to provide principle adverse impact indicator data, as well as certain ESG research reports and ratings. In addition, data is fed into ESG assessment reports from Bloomberg to fulfil certain assessment points, and some data is collected from companies directly. Quantitative data from ISS, Bloomberg and other sources is reviewed by the investment team in line with the guidance in the ESG assessment template and the firm's ESG Policy. The Investment Manager calculates that between 70 and 90 per cent of data received from ISS is reported with the remainder estimated.

Prior to selecting ISS as a data and research provider, the Investment Manager conducted an in-depth assessment process reviewing the methodology and approach of several comparable providers in the market. The Investment Manager does not rely exclusively on ISS or Bloomberg for ESG data and research. Instead this data forms one part of a broader analysis process for any company.

f) Limitations to methodologies and data

There may be instances where third party data is not available for certain data points or certain companies. In these cases, the investment team may engage with a company directly to collect relevant information in order to be able to complete an assessment and meet the environmental and social characteristics promoted by the product.

The analysis of ESG factors is known to involve a certain element of subjectivity and the Investment Manager has taken steps to minimize this by establishing structured assessment guidance and scoring logic for each assessed metric in the analysis process.

In addition, data provided by third parties may be incorrect, incomplete, out of date or lagged, or may rely on estimates and approximations. The Investment Manager seeks to use the latest available data where possible in its assessments and to double check – where possible – that the third parties' data are consistent with the data made publicly available by the companies.

g) Due diligence

In the first instance the investment team completes an ESG metric assessment, reviewing metrics provided by Bloomberg, ISS, ESG and sustainability reports provided by portfolio companies, as well as publicly available information. Amber has identified in excess of 60 specific ESG indicators covering a range of ESG focus areas. For each metric, the Investment Manager has defined the desired attributes which are considered consistently across the investment team, as well as a materiality determination and scoring framework. Completed ESG metrics assessments are included in the investment case for review by the investment committee during the investment decision making process. For the most relevant and material positions, additional in depth qualitative due diligence is then conducted.

The Investment Manager uses ESG research conducted to assign an internal ESG risk score to each company. The primary purpose of assigning the ESG risk score is to identify scenarios where further action and/or ESG Committee oversight may be required. In addition to positions escalated to the ESG Committee as a part of the ESG research process, at quarterly ESG Committee meetings, the ESG Committee will analyze the ESG Company Reviews for any new Core positions and any position where there has been a material change to an ESG risk assessment to maintain oversight of ESG risks in the portfolio.

h) Engagement policies

Amber Capital believes integration of shareholder engagement activities into its investment strategies can contribute to achieving sustainable long-term returns by mitigating ESG risks and/or supporting the invested companies in identifying relevant ESG-related opportunities. Engagement is an integral part of the investment process. Additional information can be found in the SRD II disclosures (<https://www.ambercapital.com/disclosures>).

i) No sustainable investment objective

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

j) Environmental or social characteristics of the financial product

The Sub-Fund does not target specific environmental or social characteristics but the investment process adopted by the Investment Manager for the Sub-Fund involves an analysis and assessment of a broad spectrum of environmental and social characteristics as further described below, depending on the specific company and sector.

In particular, the Investment Manager seeks to identify and evaluate the following factors:

- A company's overall ESG approach.
- Environmental Factors: issues relating to the quality and functioning of the natural environment and natural systems.
- Social Factors: issues relating to the rights, well-being and interests of people and communities.

k) Designated reference benchmark

No benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

l) Monitoring of environmental or social characteristics

Sustainability indicators relevant to each characteristic have been identified in order to measure the attainment of the environmental and social characteristics described above.

These indicators are collected during the investment due diligence process and monitored on an ongoing basis to ensure the investment continues to meet the characteristics. Completed ESG metrics assessments are included in the investment case for review by the investment committee during the investment decision making process.

On an ongoing basis, the Investment Manager, as applicable, monitors and updates ESG research for each position, updating the ESG assessment and / or the investment case as applicable.

The ESG Committee maintains oversight of ESG research on a quarterly basis.