BELLATRIX
ASSET MANAGEMENT

Bellatrix Asset Management S.A.

Statement on principal adverse impacts of investment decisions on sustainability factors

Disclosure on the implementation of the requirements of Article 4 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector regarding the transparency of adverse sustainability impacts at entity level

Contents

Document version	Date	Review cycle
Version 1.1: Update	January 2023	Next periodic review to be completed by 31 December 2023

1. Introduction

Bellatrix Asset Management S.A. (the "**Management Company**") is a Luxembourg public limited liability company (*société anonyme*), subject to the 1915 Law of the Grand-Duchy of Luxembourg, registered with the *Registre de Commerce et des Sociétés de Luxembourg* (the "**RCSL**") under number B126537, with its registered office 31, Boulevard Prince Henri, L-1724 Luxembourg.

The Management Company is authorized by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as management company under the Chapter 15 of the UCI Law, registered under number S00000732.

It is intended that the Management Company in addition to the activity of collective management according to Article 101(2), will provide on an ancillary basis also one or several services provided for by Article 101(3) of the law of 17 December 2010 relating to UCIs.

The Management Company is managed by the Board of Directors, appointed from time to time by the shareholders of Bellatrix Asset Management S.A.

Furthermore, the Board of Directors has appointed three Conducting Officers in charge of the conduct of the business of the Management Company.

The three Conducting Officers form a committee (the "**Management Committee**") which is responsible for the execution of decisions taken by the Board and the effective management of the Management Company.

The Board of Directors is ultimately responsible for the firm's policies and procedures in respect of sustainability risks. The directors have approved this statement and the related procedures, including the Management Company's sustainability risk appetite, and the integration of sustainability risks into investment decision making.

The Management Committee have been empowered by the Board for defining the Management Company's sustainability approach, including company-wide values, policies, initiatives and actions, also in the area of climate change.

It has the authority to approve policies and set practical guidelines for the implementation of the Management Company's sustainable investing strategy, that includes the approach to Principal Adverse Impact.

The Management Company is managing the following two SICAVs that are umbrella funds containing various sub-funds:

- **Archea Fund**
- **Harvest Investment Fund**

<u>Legal framework</u>

On 27 November 2019, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter "**SFDR**") was published.

The SFDR entered into force on 10 March 2021.

The main objective of the SFDR is to establish harmonized rules for sustainability-related disclosures, aiming among else to enhance transparency on:

- how sustainability risks are considered in the management of the SICAVs; and
- if principal adverse impacts of investment decisions on sustainability factors are considered in the management of the SICAVs and how they are considered at the level of the Management Company.

These transparency requirements apply to both the Management Company and the managed SICAVs.

On 1 January 2023 Commission Delegated Regulation (EU) 2022/1288 supplementing the SFDR with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of `do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre- contractual documents, on websites and in periodic reports ("**SFDR Level 2**") entered into force.

2. Principal Adverse Impacts - Definitions

Context of the SFDR

Principal Adverse Impacts (hereafter "**PAIs**") are to be understood as those impacts of investment decisions that result in negative effects on sustainability factors (recital 20 of the SFDR). The SFDR is requiring both the Management Company as well as the managed SICAVs, in article 4 (1) respectively, 7 of the SFDR to state if PAIs are being considered.

SFDR Level 2 is detailing further requirements at the level of the Management Company in case PAIs are considered for the managed funds in articles 4 - 10 of SFDR Level 2.

Article 4 (1) SFDR Level 2 requires the Management Company, by 30 June each year to publish on their website, in a separate section titled: `Statement on principal adverse impacts of investment decisions on sustainability factors', the information referred to in Article 4(1), point (a), in Article 4(2), (3) and (4) of the SFDR, and in Articles 4 to 10 of SFDR Level 2.

That information shall cover the period of 1 January until 31 December of the respective preceding year, and the Management Company shall publish the `Statement on principal adverse impacts of investment decisions on sustainability factors' in the format of the template set out in Table 1 of Annex I SFDR Level 2.

As per the following web link:

https://ec.europa.eu/finance/docs/level-2-measures/C_2022_1931_1_EN_annexe_acte_autonome_part1_v6.pdf

Link with sustainability factors and sustainability indicators

According to article 2 (24) SFDR sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. For each sustainability factor different underlying sustainability indicators can in principle be identified (e.g., carbon footprint, wage equality, compliance with the requirements of the General Data Protection Regulation, Regulation (EU) 2016/679).

SFDR Level 2 is defining sustainability indicators that are considered as principal adverse impacts in Annex I, Tables 1 - 3 of SFDR Level 2. A differentiation is made for the PAI indicators that are relevant to:

- investee companies;
- sovereigns and supranationals; and
- real estate assets.

Link with sustainability risks:

SFDR establishes a link between the requirement to consider sustainability risks in the investment decision-making process (article 3 SFDR) and the consideration of PAIs of investment decisions on sustainability factors (article 4 SFDR). Both concepts share the same core foundation, i.e., they commence with the identification and consideration of relevant sustainability indicators.

In general, the identification and consideration of relevant sustainability indicators are inter alia dependent on the investment strategy as well as the geographical and sectorial focus of the managed sub-funds. The monitoring of relevant sustainability indicators allows to establish a better and more informed understanding with reference to the identification of (potential) sustainability risks. Moreover, the assessment of certain sustainability indicators may be prioritised within the investment decision-making process to eliminate or at least mitigate sustainability risks.

3. Principal Adverse Impacts — Transparency requirements

SFDR imposes as of 10 March 2021 transparency requirements only on the Management Company concerning the consideration of PAIs, according to which the Management Company is required to explain how PAIs are considered at the Management Company level.

In case the Management Company complies with article 4 (1) of the SFDR no further disclosure for the managed SICAVs with respect to article 7 (2) SFDR is required.

The Management Company is disclosing in the prospectus of the managed SICAVs if and how PAIs are considered.

	Summary of requirements	Level	Implementation
Art. 4 (1)(a)	Publication on the website where the Management Company considers principal adverse impacts of investment decisions on sustainability factors and a statement on due diligence policies with respect to those impacts, taking due account of the Management Company's size, the nature and scale of the Management Company's activities	Management Company	See details in section 5

	and the types of financial products the Management Company make available.		
Art. 4 (2) SFDR	In the publication made in accordance with article 4 (1) (a) SFDR the Management Company shall include at least the following: a) information about the policies on the identification and prioritisation of principal adverse sustainability impacts and indicators; b) a description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned; c) brief summary of the engagement policy in accordance with Article 3g of the Shareholder Rights Directive II (Directive 2007/36/EC), where applicable; d) a reference to the adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting and, where relevant, the degree of the alignment with the objectives of the Paris Agreement.	Management Company	See details in section 6

4. Principle Adverse Sustainability Impacts Statement

As of today, the Management Company does not engage with investee companies on sustainability-related matters.

In relation to the requirements of article 4 (1) SFDR regarding the consideration of PAIs of investment decisions on sustainability factors, the Management Company has decided not to comply with that SFDR regime.

Further information have been published the Management Company at the following link:

https://www.bellatrix.lu/app/uploads/2021/03/SFDR-BAM-Principle-Adverse-Impact-Regime-Website-disclosure.pdf

The Management Company will continuously reassess the evolution of the regulatory framework together with the extent and the applicable set of indicators to be used for the determination of PAIs, with the aim to expand and enhance, on an ongoing basis, the consideration of principal adverse impacts taking into consideration the investment strategy and focus of the managed SICAV-sub-funds.

With regards to all discretionary management products, the Management Company due-diligence procedures are part of a broader investment process which considers environmental, social and governance ("ESG") risk management along with any positive impact of ESG decisions. Depending on the investment strategy, we may choose to priorities certain PAIs.

5. Document review

This document will be reviewed and updated at least annually by 31 December, each year, and on an ad hoc basis in case of relevant changes to the organizational structure of the Management Company, in case of amendments to the regulatory framework governing this document or if otherwise deemed necessary.