The disclosures are pursuant to the 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 ("SFDR") have been prepared so as to comply with the SFDR to the best of our ability and knowledge at the time they were prepared.

Art. 3 Integration of sustainability risks in VFM S.A.'s investment decisions

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), financial market participants shall publish on their websites information about their policies on the integration of sustainability risks in their investment decision-making process.

VFM S.A. recognizes for each fund it manages that various sustainability risks can threaten the investments at individual asset level and portfolio level. These sustainability risks may include climate change transition and physical risks, natural resources depletion, waste intensity, labor retention, turnover and unrest, supply chain disruption, corruption and fraud and reputational concerns associated with human rights violations.

VFM S.A. is considering materially relevant sustainability risks into due diligence and research, valuation, asset selection, portfolio construction, and ongoing investment monitoring alongside with other material risk factors. The degree to which VFM S.A. will take into account sustainability risks may vary from one product to another and depends on the product scoping and concrete structuring of each individual product. Generally, VFM S.A. teams may leverage the following information and resources:

- Information disclosed by investee companies (which may include a company's quarterly financials, earnings calls, general company reporting and / or disclosures, including sustainability-related disclosures);
- Publicly available information (such as news reports or industry data); and
- Third-party research and data.

Additionally, as and where the product so requires, VFM S.A. will conduct top-down sustainability investment risk analysis of the portfolio. This may include, for example, exposure to sustainability risks (using third party ratings and data), controversial business exposures, compliance with UN Global Compact, and the potential impact of different climate change and transition risk scenarios. VFM S.A. may compile a risk dash-board that includes this sustainability-related information which is presented to VFM's Management Committee on a regular basis and to VFM' Investment Committee on an ad-hoc basis for each relevant product and transaction. Furthermore, as needed and requested, the VFM's Management Committee and VFM' Investment Committee may collaborate with the investment teams to conduct analyses on the sustainability risk on selected portfolio themes and companies.

When delegating the portfolio management function to a third-party or appointing an investment advisor, VFM S.A. will (i) prior to entering into a contractual relationship with such third party, apply appropriate due diligence measures to understand the approach of such third party to the integration of sustainability risk depending on the qualification of the relevant product and, as a consequences thereof, ensure such portfolio manager or investment advisor has the required expertise and the procedures in place to integrate sustainability risks in its investment decision or investment advice respectively if and as required by the relevant product, and (ii) contractually ensure compliance by the portfolio manager or the investment advisor with such relevant requirements.

Art 4 : "**No consideration of sustainability adverse impacts**"

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), financial market participants shall publish on their websites information about whether or not consider principal adverse impacts of investment decisions on sustainability factors.

At this stage VFM S.A. does not consider the adverse impacts of its investment decisions on sustainability factors, (i) because its business as third-party AIFM may include the servicing of various investment funds with diverging ESG profiles and (ii) because the technical standards required in relation to adverse impact assessment are not yet available in final form.

VFM S.A. continues to review and consider its obligations with respect to whether it considers principal adverse impacts of investment decisions on sustainability factors. In particular, VFM S.A. awaits the further consultation and/or guidance on the Level 2 regulatory technical standards (the "RTS"), and the finalisation of the RTS, which are expected to enter into force during 2022. The decisions and disclosures in relation to the RTS will be made taking into account the deadlines of the SFDR, as required.

Art 5. Transparency of VFM S.A.'s remuneration policy in relation to the integration of sustainability risks

Pursuant to EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"), financial market participants are required to disclose on their websites how their remuneration policy is consistent with the integration of sustainability risks.

Some of VFM S.A.'s staff is eligible for bonuses, which are granted on a discretionary basis. VFM S.A. ensures that where applicable, the allocation of the variable remuneration does not encourage an excessive assumption of risks, including risks related to sustainability.

With regard to fund's whose portfolios are managed by third parties, and to whom VFM S.A. has delegated such activities, the latter will enquire before entering into any contractual relationship whether the remuneration policy of such third parties are consistent with the integration of sustainability risks within the meaning of SFDR. This requirement shall apply *mutatis mutandis* to the appointment of an investment advisor by VFM S.A.