

Methodology to assess the level of responsibility of hedge funds



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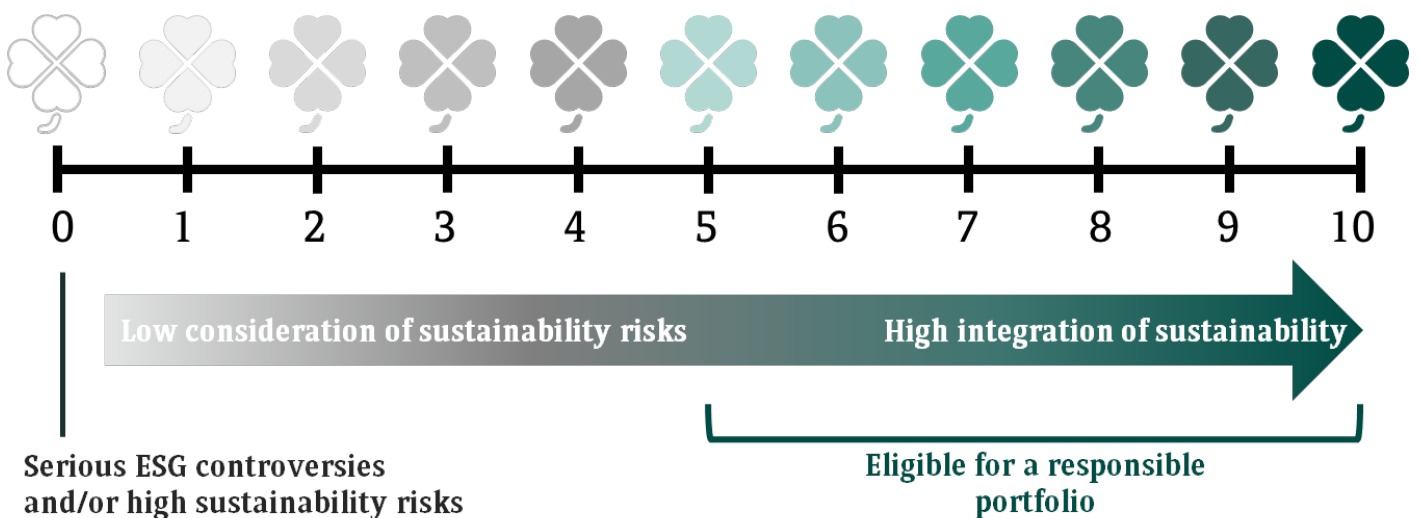
Compare the responsibility level of investment funds

The evaluation enables an objective comparison of the level of sustainability between hedge funds of different strategies and different asset management companies, not just single lines in the portfolio.

We assess the responsibility approach of each asset management company and the environmental and social impact achieved via the financial instruments of each fund.

We regard the additional techniques available to alternative managers such as shorting, as powerful extra levers to influence corporations towards more sustainability on E, S, and G factors, provided they are used for this purpose and effectively applied.

A scale of 0 to 10 clovers



More than 140 criteria assessed, categorized in 6 areas

- Responsibility of the asset management company
- ESG practices & Exclusions
- Voting & Engagement Policies
- Transparency
- Sustainable thematics
- Impact

These criteria enable the assessment of the level of responsibility of:

1. **The asset management company;**
2. **The funds,** depending on the specific characteristics of their category.

5 fund categories are identified according to:

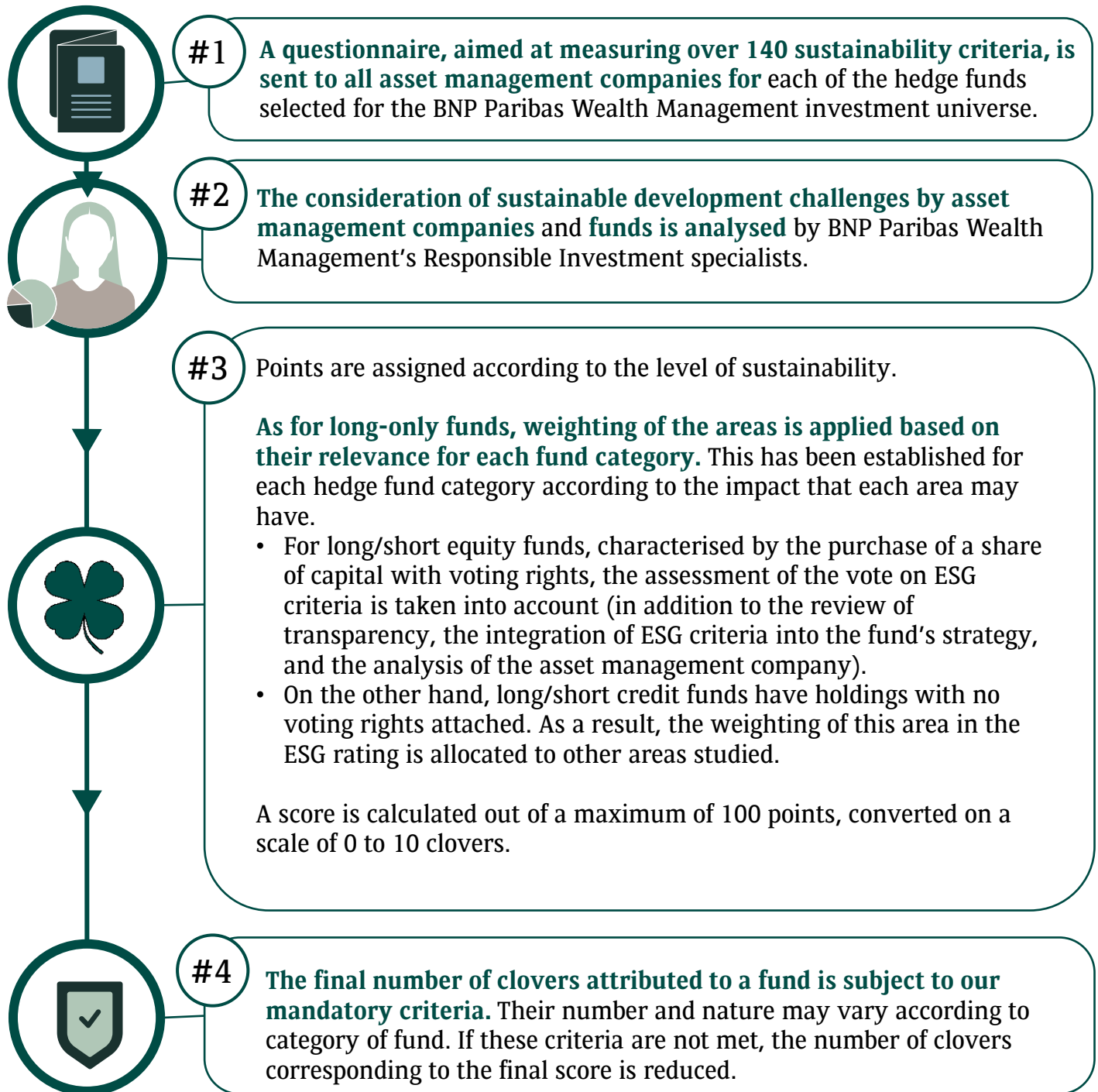
- **Their strategy:** Long/short equity, Long/short credit, Event-driven, Global macro, CTA;
- **The nature of the securities invested:** equities or corporates bonds

Alternative specific features:

- ESG intentionality and effectiveness of the Short selling strategy;
- Governance / alignment of interest with investors

A 4-step methodology

The aim is to assess all alternative funds, whether sustainable or not.



Key points

- This methodology measures the sustainability level of all recommended alternative funds, whether responsible or not. It is a proprietary and exclusive methodology.
- It rates and compares, in an objective way, the sustainability level of alternative funds of different asset managers.

GLOSSARY

ESG

In the financial community, these initials refer to the Environmental, Social and Governance (ESG) criteria, which are used to complete the traditional financial analysis of issuers. ESG criteria assess the extent to which issuers are responsible for the environment and their stakeholders (employees, customers, suppliers, subcontractors, partners, local community, etc.).

Short selling

In finance, being short in an asset means investing in such a way that the investor will profit if the value of the asset falls. This is the opposite of a more conventional "long" position, where the investor will profit if the value of the asset rises.

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