

## Sustainability related disclosures

### TIND Discovery Fund (Article 8 fund)

TIND Asset Management ("TIND") is the alternative investment fund manager ("AIFM") for TIND Discovery Fund ("The Fund"). The Fund promotes, among other characteristic, environmental and social characteristics but does not have sustainable investments as its objective.

The fund is covered by article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the "SFDR"). This disclosure is in accordance with the SFDR and Commission Delegated Regulation (EU) 2022/1288 on Regulatory Technical Standards (the "RTS").

### Summary

The fund will seek to achieve attractive long-term investment returns through generally employing a research-driven, bottom-up fundamental analysis approach based on analysis of industries and companies. While the Fund does not have sustainable investment as its objective, it promotes environmental and social characteristics.

The Fund promotes environmental and social characteristics by seeking to avoid taking long positions in companies or industries which TIND deems not to be socially or environmentally beneficial.

The Fund also promotes environmental characteristics through seeking to take long positions in companies who demonstrate a commitment to transitioning to a lower-carbon economy by aligning with the goals of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change requirements (the "Paris Agreement").

Finally, TIND considers sustainability risks when making investment decisions and avoids investments in which sustainability risks are likely to cause an actual or potential material negative impact on the value of an investment.

The Fund will in general have a long bias and will generally seek to have a concentrated portfolio of assets. However, TIND may seek to take advantage of scenarios where it has identified a company as being overvalued and take short positions accordingly.

No reference benchmark has been designated for the purposes of attaining the environmental or social characteristics promoted by the Fund.

TIND does not report on Principal Adverse Impacts (PAI).

### No Sustainable Investment Objective

The Fund promotes certain environmental and social characteristics but does not have as its objective sustainable investment.

### Environmental or social characteristics of the financial product

The Fund promotes environmental and social characteristics by seeking to avoid taking long positions in companies or industries which TIND deems not to be socially or environmentally beneficial. TIND screens every long investment against the exclusions list maintained by Norges Bank in the context of its management of the Norwegian Government Pension Fund Global (the "Exclusion List"). The exclusion list used by the AIFM may deviate on a case-by-case basis from that list maintained by Norges Bank. However, TIND will always ensure that at least 90% of the Fund's long investments will comply with the exclusion list maintained by Norges Bank.

Criteria for exclusion of companies is based on the "Guidelines for Observation and Exclusion of companies from the Government Pension Fund Global (GPGF)".

In summary, the guidelines may exclude companies that are involved with:

- a) serious or systematic human rights violations
- b) severe environmental damage
- c) unacceptable greenhouse gas emissions
- d) development or production of weapons or key components of weapons that violate fundamental humanitarian principles through their normal use
- e) production of tobacco or tobacco-products
- f) production of cannabis for recreational use
- g) serious violations of fundamental ethical norms

The Fund also promotes environmental characteristics through seeking to take long positions in companies who demonstrate a commitment to transitioning to a lower-carbon economy by aligning with the goals of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change requirements (the "Paris Agreement"). As part of this process, TIND will seek to take an active ownership approach to its long investments and will proactively engage with companies in which the Fund is invested to promote strategies aligned with transitioning to a lower-carbon economy. TIND's goal over time is that a majority of long positions will target net zero emissions by 2050.

Finally, TIND considers sustainability risks when making investment decisions and avoids investments in which sustainability risks are likely to cause an actual or potential material negative impact on the value of an investment.

## **Investment Strategy**

TIND will deploy a long/short equity strategy, where the long positions in Nordic companies are expected to be the dominant part of the strategy over time. The short book, consisting of single name short positions, will mainly be achieved using derivatives, will vary as proportion of the portfolio depending on market opportunities and, for the avoidance of doubt, will not be used to achieve the environmental and social characteristics promoted by the Fund.

TIND aims to identify broader market factors that might affect valuation. On a single stock level this may involve estimating a company's future revenue and margin potential, current and future value of pipeline assets, in addition to the value of the company's intellectual property. TIND may also focus on other factors that might affect the price of equities. Such factors may be, but are not limited to, broader market factors, such as macro environment or sentiment, factors that are more thematic in nature, or company specific factors such as earnings momentum and liquidity or susceptibility to sustainability risk.

TIND aims to cultivate investment ideas through both independent research and collaborative efforts. In the process of identifying potential investments.

Additionally, TIND may also seek to understand key trends in the companies' strategy and whether these trends fit with how the relevant markets are developing.

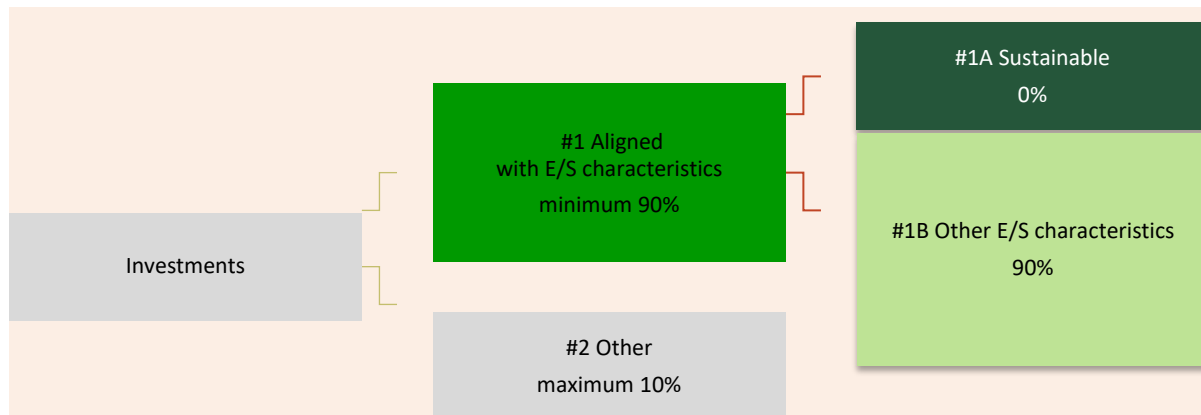
In the process of identifying companies to invest in, TIND will strive to understand the potential downside risks and will look to determine the true value of the target company independent of the current share price and sell-side views.

The Fund will in general have a long bias and will generally seek to have a concentrated portfolio of assets. However, TIND may seek to take advantage of scenarios where it has identified a company as being overvalued and take short positions accordingly.

TIND actively engages with companies and other stakeholders during the research phase, and throughout the life of the investment, to conduct a proper assessment of governance and will not invest long positions in companies that violate, or that have insufficient mechanisms for monitoring and complying with international norms and conventions regarding sound management structures, tax, workers' rights, compensation, and ownership structure, as well as corruption and bribery.

For more information about the investment strategy, please refer to the prospectus and supplement.

## Proportion of Investments



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

TIND commits to ensuring that at least 90% of the Fund's long investments comply with the Exclusion List and are therefore aligned with the binding environmental and social characteristic promoted by the Fund.

The investments included under "#2 Other" are liquid assets (such as fixed income securities (which may be government or corporate, fixed or floating and/or rated or unrated) and/or cash and cash equivalents (including money market funds, passive, index tracking ETFs, and cash deposits and near cash instruments, such as bank certificates of deposit or bank deposits with credit institutions) and/or derivatives which are not subject to environmental and/or social screening or any minimum environmental or social safeguards.

## Monitoring of environmental or social characteristics

To ensure that environmental and social characteristics are met throughout the lifecycle of the fund, the below methodologies are applied and monitored on an ongoing basis with at least yearly.

For all new and existing investments in the current long portfolio, TIND performs regular checks against the Exclusion List to ensure that companies failing to comply with the Exclusion List are not included as long positions in the Fund. This ensures that financial products not meeting the requirements anymore will be held for a maximum period of 12 months after not meeting the requirement.

TIND will survey the proportion of portfolio companies with and without targets for net zero emissions once a year after the 1<sup>st</sup> half of the year.

### **Methodologies for environmental or social characteristics**

As part of the investment process, TIND considers different sustainability indicators to measure environmental and/or social characteristics promoted by the Fund. In advance of making a long investment, TIND will perform a check against the Exclusion List to ensure companies which do not comply with the Exclusion List are not invested in as long positions in the Fund.

TIND will survey the proportion of portfolio companies with and without targets for net zero emissions once a year after the 1<sup>st</sup> half of the year. Through active ownership, TIND will encourage all companies that have not set a goal of net zero emissions by 2050 to prepare and publish a zero emissions goal with an associated strategy.

The process of engaging in dialogues with management is an integral part of the investment methodology as it allows the Fund to obtain insights into environmental and/or social aspects of the companies in which TIND plans to invest in. Given the Fund's limited holdings and concentrated portfolio, this aspect remains manageable.

TIND does not report on Principal Adverse Impacts.

### **Data sources and processing**

In the data collection process, TIND conducts thorough research by directly accessing companies' reports and may engage in communication with company management through questionnaires or dialogues, as needed. Additionally, TIND may supplement its research by including third-party research on companies' environmental and social attributes. These third-party sources may include Bloomberg, Sustainalytics and ISS.

TIND process data by screening internal research, third-party data, and the Exclusion List. Other data sources are internal research done through engagement and public voting information.

### **Limitations to methodologies and data**

The methodologies and data sources outlined may have limitations that could affect conclusions drawn regarding potential investments due to constraints in disclosure levels and data quality. There may be lack of corporate disclosure and coverage or frequency of update of data. Third-party data sources may apply different models and may contain inaccurate or incomplete data. In case of insufficient data, external data providers may rely on estimations based on internal subjective metrics. These methodologies may differ across providers. As TIND may rely on external data when making investment decisions, it might have a negative impact on the performance of the Fund. However, engaging with investee companies could mitigate these challenges. TIND does not expect that these constraints will hinder the Fund's ability to attain its environmental or social characteristics.

### **Due Diligence**

TIND conducts financial and ESG due diligence to assess the sustainability of the target business by deploying a fundamental research-intensive approach to investing. Engagement is in itself a form of additional due diligence, and TIND often engages in discussions with the management of companies both within and outside of the Fund's portfolio of assets and may seek to conduct meetings with market participants, customers, and other investors to gain a broader understanding of relevant industries and sectors in which the target companies operate. The Exclusion List is regularly uploaded to TIND's Portfolio Management System and Order Management System. This process is designed to prevent investments in industries or companies that are not permitted according to the Exclusion List.

## **Engagement Policies**

TIND has a sustainability policy. TIND Asset Management also has a process of actively engaging with companies to fully understand the business and the risk associated with their operations. TIND's aim is that every year it engages with long positions without a net-zero target to promote the goal that over time, a majority of long positions will target net zero emissions by 2050.

## **Designated Reference Benchmark**

No reference benchmark has been designated for the purposes of attaining the environmental or social characteristics promoted by the Fund.

Oslo 31.10.2023