

IMT Asset Management AG
Austrasse 56, P.O. Box 452
9490 Vaduz, Liechtenstein
Tel.: +423 2381790
asset@imt.li · www.imt-asset.li



GREEN MOUNTAIN RESPONSIBILITY FUND

Sustainability-related Disclosure

April 6, 2022

Information in accordance with Article 10 relating to 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 with relevance for the

Green Mountain Responsibility Fund (the «AIF»).

Further details pertaining to the definitions applied in this document can be found in the constituent documents of AIF.

1. Summary

The AIF invests taking into account the criteria for a financial product in accordance with Article 8 of 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 in the respective valid version. The AIF reserves the right to reevaluate this classification at any time.

IMT Asset Management AG, Vaduz (IMTA) acts as portfolio manager and is responsible for the implementation of the investment strategy.

The AIF promotes ecological and social principles. In order to achieve this, the AIF primarily invests in active and passive investment products (for example collective investments) with good to excellent ratings in the areas of environment, social issues and corporate governance (hereafter ESG). The investment objective is to make a positive contribution to a sustainable future, taking ecological, social and economic factors equally into consideration.

The AIF ensures that the deployed financial products give attention to certain exclusion criteria (tobacco, gambling, pornography, controversial weapons etc.). Moreover, the major portion of the financial products deployed must meet strict ESG criteria. This is achieved by ensuring that the majority of the financial products have an above-average rating (e.g. at least 4 out of 5 globes) from recognized ESG rating agencies. In the process the IMT Responsibility Rating (1 to 5 points) is also applied. This is derived, whenever possible, from the average of several rating agencies.

2. Investment Objective

The AIF promotes ecological, social and governance principles. Regarding ecological objectives, the AIF specifically pursues the sustainable use and protection of water and marine resources, the transition to a circular economy, the as well as the prevention and reduction of environmental pollution.

The AIF does not, however, pursue an overarching sustainable investment goal in conformity with Article 9 of the EU disclosure regulation 2019/2088.

3. Investment Strategy

The AIF's investment strategy aims to make a positive contribution to a sustainable future, taking ecological, social and economic factors equally into consideration. The following aspects are considered:

Exclusion Criteria

The following exclusion criteria are considered:

- tobacco;
- gambling;
- pornography;
- civilian firearms, nuclear weapons and controversial weapons;
- systematic violations of the UN Global Compact;
- Strategic long positions in polluting commodities. (Exceptions are permitted if a raw material is used to a particular extent to implement environmental goals.)

Since investments in commodities are usually associated with a relatively high ecological footprint, the AIF refrains from strategic long positions in commodities that are harmful to the environment. However, the Investment Committee of the AIF can approve investments in selected commodities if these commodities are used to implement global environmental goals. A corresponding written justification is required for this. For example, the raw material copper plays a strategically important role in the implementation of the energy transition and the increased use of renewable energies and their storage.

ESG Ratings

The proportion of financial products that have a 4 or 5 point rating (out of a maximum of 5 points) should be as large as possible, but at least 70%. This includes impact investments in the order of 15-20% of the portfolio.

Impact Investments

In addition to a return target, impact investments also pursue specific sustainability goals. As a rule, these investments will correspond to the definition of the EU Disclosure Regulation 2019/2088, referred to as "sustainable investments". The proportion of these investments is initially 15-20%. It can be assumed that the offering in this area will increase significantly in the coming years. The AIF will possibly increase this quota at a later date.

The investments made by the AIF in this area will, in particular, but not exclusively, pursue the following environmental objectives:

- the sustainable use and protection of water and marine resources;
- the transition to a circular economy; and
- the prevention and reduction of environmental pollution.

Risk Management

The remaining portion of the portfolio is utilized to reduce investment risk by means of robust and widely diversified asset allocation. In this portion, derivative-based strategies may be applied, for instance, acting among other things as a risk-management tool.

4. Methodology, Data Sources and Processing

The portfolio manager can take several rating agencies into consideration and come up with his or her own composite rating. At present IMTA obtain their ESG ratings from the highly respected providers Morningstar Sustainability and Clarity AI. The IMT Responsibility Rating (1 to 5 points) is derived from the average of the external ESG ratings obtained. IMTA reserves the right to change their rating agencies at any time and/or to appropriately adapt their method of forming the composite rating.

If a potential investment shows a strategically desirable ESG focus but does not have an ESG rating from the selected ESG rating agencies, the Investment Committee can approve the investment. However, the prerequisite for doing so is that manager responsible for the investment pursues a convincing ESG concept. The Investment Committee can use the classification according to the SFDR, if available, as additional support for its decision. After close scrutiny, investments as described in SFDR Article 8 can be given a maximum IMT Responsibility Rating of four points. Investments in accordance with SFDR Article 9, however, can be given a rating of up to five points. In such cases a written justification is required.

5. The Limits of the Methods and Data

The AIF obtains ESG ratings from highly reputable ESG rating providers. In selecting the rating agencies, care is taken to ensure that they provide the broadest possible coverage of the investment universe, that their methods are completely state-of-the-art, and that they enjoy wide acceptance in the market.

The following points must nevertheless be borne in mind:

- The methodological fundamentals of ESG ratings are still relatively new and in a phase of vigorous development.
- The ESG assessment of certain technologies and business practices is the subject of controversy, and therefore they cannot be uniformly classified.
- The sustainability regulation is still evolving and further development of the regulatory requirements is to be expected.
- Some relevant data are not available, and some data are gathered according to inconsistent criteria.
- Not all companies/institutions are obligated to collect data.

6. Due Diligence

In the investment process, AIF Portfolio Management subjects each financial product to due diligence. In doing so they take into account the binding ESG requirements. On the basis of the due diligence documentation produced, the Investment Committee decides whether AIF may make the investment.

Furthermore, the ESG ratings are subject to ongoing surveillance. If the ESG rating of a financial product goes down to the extent that it no longer meets the minimum ESG criteria, then in conformity with the internal investment guidelines that product must be disposed of within a specified period of time.

7. Monitoring of ESG Characteristics

The ESG characteristics of the investments are closely observed during the whole life cycle as follows:

- **Pre-deal:** Screening of the financial products (funds, etc.) is done in accordance with the above-described ESG rating methodology. IMTA's Portfolio Management ensures that all new investments meet at least the minimum requirements (at least 4 IMT Responsibility Points out of a maximum of 5) or that they are in an exemption category.
- **Holding period:** ongoing scrutiny to determine whether the above-mentioned ratings for the financial products continue to be in line with at least the minimum criteria. Should the ESG rating of a financial product go down, the product must be disposed of within a specified period in accordance with the internal investment guidelines.

Surveillance of the written investment rules, including the ESG rules, is done through pre-deal and regular post-deal checks by the Portfolio Management and Compliance.

8. Good Corporate Governance Practices

Since the AIF invests primarily in collective investments and other financial products and thus indirectly, it is not possible to directly monitor that the portfolio companies are using good corporate governance procedures. However, the ESG rating providers selected by the AIF also assess the aspects of good corporate governance (governance) in their rating approach. The focus on financial products with 4 and 5 IMT Responsibility Points ensures that the portfolio companies demonstrate above-average good corporate governance principles.

9. Engagement Guidelines

Since AIF takes up mainly collective investments and other financial products, investment is indirect, and direct involvement of the fund manager is not possible. By focusing on financial products with 4- and 5-star ratings, AIF rather ensures that certain engagement standards are maintained in the management of the financial products concerned.

10. Reference Index for Ecological and Social Objectives

No reference index is drawn up to gauge achievement of the ecological or social objectives promoted through the financial product.