

# Article 10 (SFDR) disclosure

Lumyna – Ramius Merger Arbitrage UCITS Fund –  
(the “Sub-Fund”)

Date: March 04 2022

<b>Summary</b>	<p>The Investment Manager excludes issuers involved in activities that cause negative environmental, social or governance impacts.</p> <p>Where issuers are considered eligible, the investment manager will conduct fundamental analysis on the issuer and assess for good governance as well as other environmental or social indicators that could be material to the investment performance.</p>
<b>Category of Product</b>	<p>Article 8 per EU 2019/2088 (SFDR)</p>
<b>Sustainable Investment Objective</b>	<p>This Sub-Fund promotes environmental or social characteristics but does not have sustainable investment as its objective</p>
<b>Environmental or social characteristics promoted</b>	<p>Environmental, social and governance factors contribute to, but are not a determining factor in, the Sub-Fund’s investment process.</p> <p>The Sub-Fund’s investment strategy seeks to exclude issuers involved in specific activities considered to cause negative environmental and/or social impact, as set out in the Sub-Fund’s Sustainability Exclusion List.</p> <p><b>Sustainability Exclusion List</b> — Involvement by the issuer in the activities included in the Sustainability Exclusion List would result in the investment being ineligible. The exclusions are applied on a best-efforts basis drawing on information from independent ESG rating providers and recognised third party sources.</p> <p>From an environmental perspective, the exclusion list aims to remove issuers with large turnovers generated from Thermal Coal.</p> <p>From a social perspective, the list aims to exclude issuers with ties to controversial weapons (e.g., cluster munitions) and revenues generated from the sale of tobacco products.</p> <p>A further overlay using the UN Global Compact compliance measures also aims to remove issuers from the eligible investible universe that have significant negative exposures in the E, S and G spaces.</p> <p><b>ESG Research &amp; Integration</b> — Following the initial negative screening process using the Sustainability Exclusion List, the Investment Manager will focus on companies presenting opportunities and take into consideration material environmental, social and governance factors integrated into the traditional financial analysis of these companies. Stock level analysis (pre and post investment) combines input from ESG data providers and qualitative ESG analysis where appropriate.</p>
<b>Investment Strategy</b>	<p>The Sub-Fund’s investment objective is to achieve consistent absolute returns while emphasizing the preservation of investor capital. The Investment Manager seeks to achieve these objectives by taking a fundamental, research-driven approach to investing, primarily in the securities of issuers engaged in, or subject to, announced extraordinary corporate transactions, which may include, but are not limited to, mergers, acquisitions, leveraged buyouts, tender offers, hostile takeover bids, sale processes, exchange offers, and recapitalizations.</p> <p>The investment due diligence process includes an assessment of corporate governance practices by the relevant companies. The corporate governance practices evaluated will vary depending on the type/circumstances of the corporate transaction and may include (but are not limited to): corporate policies on proxy contests; filling board vacancies/removal of directors including staggering of director tenure; corporate domicile in a jurisdiction less friendly to shareholder rights; shareholder rights and defences including minority shareholder rights; corporate transaction structuring to avoid shareholder votes; and board voting results (unanimous or otherwise) in regard to a corporate transaction.</p> <p>The Investment Manager uses a number of resources when assessing the corporate governance practices of a potential portfolio company including (but not limited to) corporate SEC filings, research provided by Institutional Shareholder Services (ISS), a proxy advisor firm and globally recognized provider of research and recommendations in support of shareholder friendly governance decisions, research consultants, as well as Bloomberg’s sustainable finance toolset, which scores all public company environmental, social and governance performance.</p>
<b>Proportion of Investments</b>	<p>The Investment Manager seeks to exclude all issuers from the strategy’s investible universe that do not comply with the exclusion criteria as set out above.</p>

This document should be read in conjunction with the Sub-Fund’s Supplement as included in the last version of the Lumyna Funds Prospectus available on the Principal Investment Manager’s website. All defined terms used therein which are not defined otherwise shall have the meaning ascribed to them in the Lumyna Funds Prospectus. This document represents the current understanding of the legislation as at the date of its publication, which is subject to interpretation and change pending further clarification of the applicable rules and requirements applicable to website disclosures for Article 8 financial products under SFDR and the RTS.

	<p>Following the removal of excluded issuers, the Investment Manager would expect the remaining portfolio to be split into two of the SFDR mandated categories:</p> <ul style="list-style-type: none"> <li>- The majority of the portfolio will be invested into issuers that have passed the screening list and would be categorised as Investments that promote E/S characteristics but are not classified as sustainable investments under the SFDR rules.</li> <li>- The remaining portion of portfolio will consist of cash management positions, which would be part of the “Other” category as mandated by SFDR.</li> </ul>
<p><b>Monitoring of environmental or social characteristics</b></p>	<p>As described above, the Investment Manager performs a qualitative assessment of each prospective investment, which includes an evaluation of ESG factors, if any.</p> <p>The Investment Manager continues to assess existing portfolio investments, including any relevant environmental or social characteristics. Resources utilized by the Investment Manager include, (but are not limited to) corporate SEC filings, research and recommendations provided by ISS and other research consultants as well as Bloomberg to monitor portfolio holdings, news flow and ESG scores (available via Bloomberg’s sustainable finance toolset).</p> <p>Please refer to the <i>“Environmental or social characteristics of the financial product”</i> section for further details</p>
<p><b>Methodologies</b></p>	<p>The Investment Manager utilises a <b>Sustainability Exclusion List</b> to remove controversial issuers from the Sub–Fund’s investment universe. Following the removal of excluded issuers, the Investment Manager will analyse remaining investment opportunities using traditional fundamental analysis taking into account environmental, social and governance issues (if any) as part of the analysis.</p> <p>Please refer to the <i>“Environmental or social characteristics of the financial product”</i> section for further details.</p>
<p><b>Data Sources and processing</b></p>	<p>As noted above, the Investment Manager utilizes various resources when evaluating an issuer from an ESG perspective, including proprietary analysis of relevant corporate SEC filings and other publicly available information, publications and market news resources, research and recommendations provided by ISS and other research consultants, as well as ESG specific data provided by Bloomberg’s sustainable finance toolset.</p> <p>Given the Sub–Fund’s merger arbitrage strategy, the Investment Manager is regularly called upon to vote on significant corporate actions as well as periodic contested proxy situations, which requires it to make governance assessments of most companies in which it invests including voting on ESG relevant proposals such as board diversity matters, facility and workplace safety, and reporting on potential environmental damage as a result of a company’s operations.</p>
<p><b>Limitations to methodologies and data</b></p>	<p>The main methodological limits are:</p> <ul style="list-style-type: none"> <li>● the availability of data to conduct ESG analysis;</li> <li>● the quality of the data used in the assessment of ESG quality and impact as there are no universal standards related to ESG information and third–party verification is not systematic;</li> <li>● the comparability of data, as not all companies publish the same indicators; and</li> <li>● the use of proprietary methodologies, which rely on the experience and skills of the Investment Manager.</li> </ul>
<p><b>Due Diligence</b></p>	<p>A Sustainability Exclusion List is incorporated into the investment process and any issuers failing this screen will not be considered for investment.</p> <p>In the event the Sustainability Exclusion List is subsequently updated with issuers already owned by the Sub–Fund, the Investment Manager will determine how best to remediate the situation on a case–by–case basis.</p>
<p><b>Engagement policies</b></p>	<p>The Sub–Fund’s strategy does not generally include direct engagement with portfolio company management due to the size of positions taken.</p> <p>However, as mentioned above – the Investment Manager does seek to engage indirectly by voting in support of shareholder friendly governance decisions. By sourcing recommendations from ISS and other research consultants, the Investment Manager assesses how its voting strategy impacts the overall success of a corporate transaction and/or the long–term sustainability of post–merger combined companies.</p>
<p><b>Designated reference benchmark</b></p>	<p>The Sub–Fund does not utilise a reference benchmark.</p>