



Pre-contractual disclosure for financial products referred to in Article 8(1) of Regulation (EU) 2019/2088

This disclosure provides insights into the environmental and/or social characteristics of the fund. This is not marketing material. This disclosure is required by law and is intended give an overview of what environmental and/or social characteristics are promoted by the fund, how the fund measures if the environmental of social characteristics are attained and what sustainable investment strategy the fund follows.

<p>Aescap Life Sciences Investor Class (ISIN: NL0012343958) This fund is managed by Privium Fund Management B.V.</p>
<p>This product promotes environmental or social characteristics but does not have as its objective a sustainable investment. It may invest partially in sustainable investments. Sustainable investments are defined as an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investments follow good governance practices. A reference benchmark has not been designated for the purpose of attaining the sustainable investment objective of the financial product.</p>
<p>What environmental and/or social characteristics are promoted by this financial product?</p> <p>In addition to its financial aim to gain value by investing in publicly traded shares of biopharmaceutical companies and potentially also diagnostics and/or medical device companies, Aescap Life Sciences (the Fund) promotes a social characteristic. The investments of the Fund are responsible for the development, manufacturing and distribution of medicines worldwide. Nearly every person will encounter medicine at some point in their life to heal or prevent them from sickness and discomfort. Medicines improve quality of life and help people continue or go back to their day to day activities as much as possible whereas without medicines this would be severely attenuated or even impossible. By focusing its investment on the development of innovative treatments, rare diseases without any known treatment, complex diseases with a high unmet medical need, and championing best practices in the sector through engagement, Aescap Life Sciences aims to promote healthy lives and well-being.</p> <p>By measuring and monitoring the alignment of the portfolio and Fund activities to the focus points above, Aescap Life Sciences provides insight into how its social characteristic is achieved. The Fund reports annually on the following:</p> <ol style="list-style-type: none"> 1. Percentage of investee companies researching, developing or producing treatment for diseases with a high unmet medical need. Developing treatments for diseases with a high unmet medical need is one of the focus points of the Fund. These types of diseases and conditions, for example Alzheimer, Arthrosis, Diabetes, MS, Obesity, Oncology, Parkinson are characterized by: (inadequacy of) available treatments, severity of impact on the patient and severity of impact on the health care system. 2. Percentage of investee companies researching, developing or producing treatment for rare diseases. A rare disease is any disease that affects a small percentage of the population. Therefore, these types of diseases are often under researched. There are approximately 6,000 rare diseases for which there is currently no treatment at all. 3. Progress on ESG best-practice engagement The companies Aescap Life Sciences invests in should not only have strong financials, good management and comply with the exclusion criteria below, but they should also continue to improve their Environmental, Social and Governances (ESG) performance wherever possible. The Fund has a long history with investing in- and engaging with biotech companies. Engagement with small-cap companies can be very effective and can have a concrete and direct impact on their policies and practices. This not only benefits the company, but all stakeholders and ultimately society at large.
<p>What responsible investment strategy does this financial product follow?</p> <p>Aescap Life Sciences leverages its highly specialized team of analysts and its position as a long-standing and concentrated investor in the biotechnology sector to deeply understand its potential investee companies from both a financial and an ESG perspective. Considering its impact on society, the successful selection of any new investment in the biotechnology sector needs to be a combination of financial and ESG analysis. The Fund’s social characteristics indicate a screening of the investable universe on a combination of unwanted activities, desired activities and the need and potential for engagement from an ESG perspective as outlined below. The Fund’s sustainable investing policy and the considerations that lead to its formulation are set out in more detail in its Responsible Investment Charter which can be found on the Fund’s website.</p>

Alignment with social characteristics



Exclusions

Inclinations of

- * Not complying with EEA or EPA regulations on waste management
- * Weak business ethics and competitive behavior
- * Excessive price setting
- * Poor disclosure and mislabeling
- * Unnecessary animal testing



Inclusions

Strong policies on

- * Patient health and safety
- * Product quality and safety
- * Affordable access to medicine
- * Stakeholder engagement
- * Employee engagement and diversity
- * Marketing and ethical advertising



Engagement

Maximum three year

engagement with companies where the sustainability risk analysis or good governance screening indicates a below average preparedness.

Environmental and Social Risk screening and engagement

Aescap Life Sciences investigates the processes and policies of any potential investment on common environmental and social risks in the biotechnology sector as defined by the Sustainability Accounting Standards Board (SASB). Which risks are material to the Fund and its investments is outlined in detail in the Fund’s annual report. If an intended investment is found to have a below average preparedness on any of the material environmental and social risks investigated, the Fund may include the investment in its portfolio and start an engagement project provided that: the investment is otherwise aligned with the social characteristics of the Fund and the investment’s management is willing to participate. If, after three years, no significant improvement is achieved from the engagement project. The investment will be exited.

Governance Risk screening and engagement

The intended investment’s preparedness to deal with material governance risks is also investigated. Which governance risks are material to the Fund and its investments is outlined in detail in its annual report. If an intended investment is found to have a low average preparedness on any of the material governance risks investigated, the Fund may include the investment in its portfolio and start an engagement project to improve its preparedness provided that: the investment is otherwise aligned with the social characteristics of the Fund and the investment’s board or management has indicated their willingness to participate in the engagement process. If, after three years, no significant improvement is achieved from the engagement project, the investment will be exited.

What is the targeted responsible investment asset allocation of the product?

While Aescap Life Sciences aims to select as much of its portfolio as possible to be aligned with its social characteristics, this is not always possible. Fund assets that are not aligned with its social characteristics are grouped in the category ‘other’. Although the targeted allocation of assets classified as ‘Aligned with social characteristics of the Fund’ or ‘Other’ as mentioned here is not binding, as per the date of this disclosure an investor may reasonably expect a sustainable asset allocation in this range. An asset may be marked as ‘other’ for the following reasons:

- Cash: the Fund may hold cash freely available for investment or cash for portfolio management purposes.
- Foreign currency hedging: the Fund may hedge its foreign currency exposure for portfolio management purposes.
- Borrowings: the Fund may temporarily borrow up to 10% of its Net Asset Value (NAV) for portfolio management purposes or to benefit from an investment opportunity.
- Non-aligned assets: 1) holdings whose activities do not contribute to the social objective of the fund or 2) holdings marked for divestment when they are no longer be aligned with the Fund’s investment strategy, or when the engagement with a company is unsuccessful.

Aligned with social characteristics of the Fund	60-100%
Other	0-40%

Does this product take into account principal adverse impacts on sustainability factors?

When making investment decisions, Aescap Life Sciences is working towards including the possible negative impacts of investments on sustainability factors. There is however currently insufficient reliable data available to adequately analyze these negative impacts and integrate them fully into the investment process. The completeness of the Fund’s analysis will depend greatly on the reporting of its underlying investments.

Product specific information

More product-specific information can be found on the website of the [Fund](#) or the [Fund Manager](#), including the Responsible Investment Charter, monthly newsletters, and annual reports (from year-end 2021 onwards) where the Fund reports on the alignment of its portfolio to its social characteristics.

This disclosure is current per 15-03-2022