RULES OF EVERGENT INVESTMENTS S.A. – closed-end alternative investments fund for retail investors, setup as investment company

Drive for performance

RULES of EVERGENT Investments SA - Closed-end alternative investment fund for retail investors, setup as investment company.

The present Rules of EVERGENT INVESTMENTS S.A., closed-end alternative investments fund for retail investors, setup as an investment company, hereinafter referred to as **Rules** were prepared by the alternative investment fund manager, abiding by the special provisions foreseen by Law no. 243/2019 on the alternative investment funds, amending and supplementing certain normative acts (AIF Law) and FSA Regulation no. 7/2020 on the authorization and functioning of alternative investment funds.
The Rules are available along the current and regular reports, and other legal documents regulating the activity of EVERGENT INVESTMENTS SA on the internet page www.evergent.ro.

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CHAPTER 1
Information concerning A.I.F.M. and the relationship between A.I.F.M. and investors

Section 1.1.
Identification data of A.I.F.M. EVERGENT INVESTMENTS SA

EVERGENT INVESTMENTS SA (hereinafter referred to as **Company**) is a joint-stock company functioning as a closed-end financial investment company, defined by art. 1 line (3) Regulation (EU) no. 694/2014, listed on Bucharest Stock Exchange.
EVERGENT INVESTMENTS SA's shares do not have redemption option, and shareholders do not have the right to request the purchase of their shares by the Company.
EVERGENT INVESTMENTS SA is authorized as Alternative Investment Fund Manager (A.I.F.M) by the Financial Supervision Authority under no. 20/23.01.2018 and is registered in FSA Registry under: PJR071A.F.I.A.A/040002.
EVERGENT INVESTMENTS SA is classified, according to applicable regulations as significantly large A.I.F.M, defined by art. 7 line (3^1) of FSA Regulation no. 10/2015 on the management of alternative investment funds, as " those F.S.A. certified A.I.F.M.s that manage A.I.F. portfolios with an assets value of at least 200 million euro, lei equivalent, or that have had an average number of employees of at least 30 full time employees during the previous calendar year."
The Company is registered in the Trade Registry under no. J4/2400/1992 – EUID: ROONRC. J04/2400/1992

The headquarters and central office of the Company is located in Romania, Bacau municipality, Str. Pictor Aman, no. 94C, postal code 600164, phone/fax/e-mail: 0234576740/0234570062/ office@evergent.ro.

Section 1.2.
Management Object and Objective

EVERGENT INVESTMENTS SA is an A.I.F.M that is mainly positioned on Romanian market, with investments made mainly in shares, with an average degree of risk and temporary liquidity investments in fixed income instruments.

The purpose of management is the increase of managed assets value.

According to the Memorandum of Association, the main activity is NACE code 6499 - Other financial service activities n.e.c.. The Company's activity object consists in:

a) Portfolio management

b) Risk management

c) Other auxiliary and connected collective management activities allowed by the legislation in force.

Section 1.3.
List of commissions charged by A.I.F.M. to investors

EVERGENT INVESTMENTS SA, self-managed A.I.F. does not charge any commission to investors. Investments in EVERGENT INVESTMENTS SA's shares are made on BVB Stock Market.

Section 1.4.
A.I.F.M. expenses and their method of calculation

According to legal provisions applicable to a F.I.A.I.R. setup as a company, namely art. 48 of *FSA Regulation no.. 7/2020 on the authorization and functioning of alternative investment funds,* the obligations consist in:

a) expenses regarding the payment of commissions due to the depositary;
b) expenses with commissions due to brokers and other expenses directly or indirectly connected to trading and/or purchase/sale of F.A.I.R. assets or admission to trading, includes taxes and commissions due to relevant market operators;
c) expenses with turnover commissions and other bank services;
d) expenses with interest, in case F.A.I.R. contracts loans, according to the law;
e) expenses with commissions and fees due to F.S.A. or other competent authorities, as well as any taxes or other tax obligations imposed as a result of the activity of F.I.A.I.R.;
f) expenses for the issue of F.I.A.I.R. documents and any other reporting and transparency obligation related to F.I.A.I.R.;
g) expenses with the F.I.A.I.R. financial audit, as well as any other expenses with non-audit services that may be in carried out by the financial auditor, according to the law in force;
h) the value of amounts owned for loans contracted under the conditions imposed by the regulation;
i) expenses related to the relationship with investors and public relations, in F.I.A.I.R's interest.

Expenses shall be calculated in accordance with the clauses of contracts with service suppliers entered by the Company, or those foreseen by letter e), according to regulations in force.

Expenses are registered monthly in the net asset value calculation.

Section 1.5.
A.I.F.M.'s responsibility in the asset management activity

EVERGENT INVESTMENTS SA is fully responsible while carrying out asset management activities.

EVERGENT INVESTMENTS SA has not assigned any task to third parties to carry out the activities foreseen concerning *portfolio management and risk management* – assignment is made provided that F.S.A. has previously authorized it, based on written agreement and in accordance with F.S.A regulations issued in the application of Law no. 74/2015.
EVERGENT INVESTMENTS SA , A.I.F.M. /self-managed A.I.F. is authorized by F.S.A. in accordance with art. 5 line (2) Law no. 74/2015:
"The main activities that an A.I.F.M. may carry out when managing an A.I.F. are the following:
a) portfolio management;
b) risk management ".

According to the Memorandum of Association of EVERGENT INVESTMENTS SA:
"The company's main field of activity is carrying out financial investments.
Its object of activity consists in:
a) portfolio management;
b) risk management;
c) other auxiliary and connected collective management activities allowed by the legislation in force."

CHAPTER 2
Information concerning the Depositary, relationship between A.I.F.M. and Depositary

Section 2.1.
Identification data of the Depositary

The Depositary of EVERGENT Investments SA is BRD-GROUPE SOCIÉTÉ GÉNÉRALE S.A., credit institution headquartered in Bucharest, B-dul Ion Mihalache nr. 1-7, 1st district, registered in the Trade Register Office under no. J40/608/1991, subscribed capital, paid in full 696.901.518 Lei, sole registration no. 361579, sole registration code RO 361579, authorized to act as custodian and depositary, according to FSA Resolution no. 4338/09.12.2003 and registered in FSA Registry under no. PJR10DEPR/400007, phone no. 021-2008372, fax 021-2008394, website www.brd.ro.

Section 2.2.
Object of the Depositary contract entered between A.I.F.M. and Depositary

According to regulations in force and A.I.F. documents, the Depositary:
a) delivers depositary services for A.I.F. assets, including the calculation and/or certification of A.I.F. asset value, on the terms set by regulations in force and A.I.F. documents;
b) safe keeps all assets held in custody, through its custody services;
c) delivers settlement services.

Section 2.3.
Duration of the contract entered between A.I.F. and Depositary

The depositary contract shall be entered for a period of 3(three) years from the date of its coming into force, with the possibility of it being tacitly extended, if neither of the Parties does not notify the other Party in writing about its intention to terminate the Contract, abiding by a notice period of 90 (ninety) calendar days.

The depositary contract comes into force on the date EVERGENT Investments is authorized by F.S.A as A.I.F.

Section 2.4.
Types of instructions received by the Depositary from A.I.F.M.

EVERGENT Investments SA submits the Depositary adequate instructions that set the operations that the Depositary is bound to follow regarding the activities it fulfills. These adequate instructions are either general instructions that authorize the carrying out of specific, routine or generally repeated activities, or special notifications for special situations based on which the Depositary carries out his obligations regarding the carrying out of depositary services for Fund assets, according to legal provisions.

Section 2.5.
Level of depositary commission

The depositary fee is calculated according to the grid set in the depositary contract of EVERGENT Investments and is 0,005%/year applied to the total net asset, commission that is calculated and paid on a monthly basis.

In addition to the depositary commission mentioned above, EVERGENT Investments SA owes the Depositary fees for other services:

I. For the custody activity for financial instruments – transactions settlement.
II. For the custody activity for financial instruments – safekeeping of financial instruments
III. Corporate Action fees.
IV. State titles fees.

These fees are subjected to legal provisions in force regarding value added tax.

The Depositary shall not transfer, mortgage, secure or dispose, in any way, of the financial instruments or money entrusted for safekeeping on behalf of AIF, except when (i) the Depositary / Custodian received adequate instructions from the self-managed AIF/ AIFM for this purpose and only in the benefit of shareholders, abiding by applicable legal provisions; or (ii) FSA orders special measures.

Section 2.6.
Responsibilities of the Depositary

The Depositary is liable before EVERGENT Investments SA and before EVERGENT Investments SA's shareholders for any loss incurred by them, following the improper fulfillment or failure to fulfill its obligations.

(1) The Depositary/Custodian is responsible:

a) Before AIF or AIF investors for the loss of a financial asset in custody. A financial instrument held in custody shall not be considered lost if the Custodian returns without delay an identical financial instrument or one with a corresponding value to the self-managed AIF/AIFM.

b) Before AIF investors for losses incurred by them failure following the intentional or culpable infringement of the obligations assigned to it as depositary/ custodian of AIF assets, in accordance with regulations in force.

c) Before self-managed AIF/AIFM for the direct damages caused following the intentional or culpable failure to fulfill the obligations taken on, as set through a court resolution that remained final.

(2) The responsibility of the Depositary is not incurred for any loss or non-fulfillment / delay that occurred as a result of:

a. An external event, outside the control, whose consequences were inevitable despite all reasonable efforts to oppose it, in accordance with the provisions of art. 101 and 102 *EU Regulation no.231/2013 of the Committee supplementing Directive 2011/61/EU of the*

European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, as well as other corresponding regulations ,with its later amendments and additions, or following other liability exoneration causes in accordance with applicable law, including following the fall/ limitation of access in a trading or post-trading system, suspension of the activity/ closing of a trading venue, interruption of the communication network, faulty functioning of the internet or mobile phone services following the effects of acts and regulations of any government or international authority/body, market authority, supervision or regulation authority;

b. Receipt from AIFM / self-managed AIF of wrong instructions, instructions erroneously transmitted, received late or that cannot be considered proper or are refused by the Custodian/Depositary;
c. The infringement by A.I..F.M/ self-managed A.I.F of its own obligations stemming from contracts or regulations in force;
d. Failure of other entities/third-parties to fulfill their obligations.

Section 2.7. **Termination of the Depositary Contract**

The contract rightfully ceases, without the need of an intervention of the court or arbitrage, and without any additional formality, under the following conditions:

a) Through one-sided cancellation of Contract by any of the Parties, provided that a written cease notification is sent to the other Party according to the notice period foreseen in the contract. This term shall start to pass on the date the Contract termination notification is notified to FSA by the party requesting the one-sided termination of Contract;
b) In case of the withdrawal of the functioning authorization/endorsement for any of the Parties by F.S.A and/or BNR for the Depositary;
c) In case of the initiation of supervision or special management procedures by BRN for the Bank; the A.I.F.M / self-managed A.I.F shall proceed to one-sidedly terminate the contract;
d) in case of the initiation of dissolution/liquidation procedure or any other procedures for the AIFM /self-managed AIF;
e) in case the bankruptcy procedure is opened for any of the parties, A.I.F.M / self-managed A.I.F. shall proceed to one-sidedly terminate the contract abiding by the cumulative conditions of issuing a written notification and abiding by the notice period;
f) through the agreement of the parties and by concluding an addendum for this purpose;
g) through the termination of contract in case any of the parties culpably infringe their obligations.

The contract is considered rightfully terminated, without the need of the intervention of a court or arbitrage court, without delay and without any additional formality if the other Party does not fulfill, improperly fulfills or delays the fulfillment of any of the obligations foreseen in or deriving from the contract and does not remedy this non-performance within the deadline stated by the affected Party in the notification sent for this purpose, deadline that shall not be over 5 (five) work days.

Section 2.8. **Act of God in case of the Depositary Contract**

The commitments taken on by AIFM/ self-managed AIF in the Contract shall not be extinguished or suspended (or otherwise adversely affected) by any event of Act of God, fortuitous event or any other delay or infringement of a third party. In order to avoid any doubt, payment obligations enforceable in cash or other interchangeable goods (for example, financial instruments) will not invoke the effect of Act of God, fortuitous event or other any similar events.

CHAPTER 3
Information on EVERGENT INVESTMENTS SA – closed-end alternative investments fund for retail investors

Section 3.1.
Identification data of A.I.F. - EVERGENT INVESTMENTS SA

EVERGENT INVESTMENTS SA is a closed-end alternative investments fund (A.I.F), destined for retail investors, diversified, setup as a self-managed investment company, authorized by F.S.A. as alternative investment fund manager (A.I.F.M.).

It is a closed-end A.I.F. defined by art. 1 line (3) of Regulation (EU) no. 694/2014, listed. The shares of EVERGENT INVESTMENTS SA do not have a redemption option, and shareholders may not request the Company to purchase their shares.

EVERGENT INVESTMENTS SA has a subscribed and paid-up capital of 98.947.917,60 lei; number of issued shares:989.479.176; nominal share value: 0,1 lei/share

Shareholding structure: 100% private; Free float: 100%.

EVERGENT INVESTMENTS SA's shares are traded on the regulated market of Bucharest Stock Exchange, Premium category. The company was admitted to trading on 01.11.1999.

International identifiers: Bucharest Stock Exchange: SIF2; ISIN: ROSIFBACNOR0; Bloomberg: BBGID BG000BMN5F5; Reuters: SIF2.BX.

The currency used for denomination is RON.

Section 3.2
Description of the objectives of A.I.F. - EVERGENT INVESTMENTS SA

a) Financial objectives

The key elements of EVERGENT Investments' investment strategy and policy are based on an assignment of shares that ensures the sustainable development of EVERGENT Investments's activity, and the satisfaction of shareholders' interests both on the short and long term. The solid and sustainable investment policy is based on the *long-term increase of managed assets value,* a fundamental element for the consolidation of investors' trust.

A key element of the investment policy is the *Shareholders' remuneration policy of* EVERGENT Investments, which foresees:

- In the context of the capital market volatility, the Board of Directors aims to find a balance between the need to ensure the resources to support the investment programs that are to be developed, shareholders' expectation on the short term, respectively the distribution of dividends and long-term expectations of shareholders namely increase of managed assets value (NAV) and implicitly price increase.
- The Board of Directors intends to remunerate shareholder both through the allotment of cash dividends and running of redemption programs through public offerings (PO). The mixture of policies that includes the allotment of dividends and the possibility to subscribe within a PO, is

considered to offer a higher return than that offered by classical dividend allotment, remunerating investing capital at a higher level than that offered by money investments.

b) Geographic or sectorial distribution of assets

EVERGENT Investments is predominantly exposed on the Romanian capital market, mainly in the banking and energy sector.

Strategic exposure on the two key sectors, energy and utilities, allows possible adjustments/issuer, in total or in part, depending on the results of certain techniques for the optimization of performance and return/risk analysis.
Although we expect that the energy and bank sectors be affected by the COVID-19 pandemic in 2020, we consider that these sectors still remain the ones with the highest dividend potential on the average and long term, the main profit and revenue source for EVERGENT Investments.
Exposure on the issuers in the energy and utilities sectors considers their ability to constantly and predictably allot dividends.

EVERGENT Investments has a mixed strategy for resource assignment on the capital market, in parallel with the implementation of private equity-type projects that offer added return on the long term.

c) EVERGENT Investments S.A.'s investments

EVERGENT Investments will exclusively invest in the following assets categories:

a) Securities and monetary market instruments registered or traded within a trading venue in Romania or another member state;

b) Securities and monetary market instruments admitted at the official rate of a stock exchange in a third state, operating regularly and is recognized by and open to the public, provided that the selection of the stock market is approved by F.S.A in accordance with the eligibility requirements foreseen by art. 42, FSA Regulation no. 7/2020 and be foreseen in the Rules of the Fund or Memorandum of Association of the investment company, approved by F.S.A..;

c) Newly-issued securities, that are the object of a public offering for admission to trading, cu cumulatively abiding by the following conditions:

(1) the issue documents should include a firm commitment, according to which the admission to trading will be requested on a trading venue, or trading on a third-country stock exchange that operates regularly and is recognized and open to the public, provided that the choice of trading venue or stock exchange be approved by FSA, or be provided in the Fund Rules or the Memorandum of Association of the investment company, approved by F.S.A

(2) the admission be insured within a term of maximum one year from issue;

d) Shareholdings in U.C.I.T.S. or A.I.F. located or not in other member states, with the cumulative fulfillment of the following conditions:

(1) A.I.F.s are authorized or registered;

(2) A.I.F. activities are object of regular reports that allow an evaluation of assets and liabilities, income and operations in the reporting period, consistent with the redemption frequency offered to investors, depending on the case;

(3) A.I.F profile abides by the AIF liquidity profile set by A.I.F..M. in accordance with art. 4 (11) Law no. 243/2019

The company invests exclusively in U.C.I.T.S. and A.I.F. that insure, through their setup documents or other relevant documents the individual segregation of assets held, or their segregation in omnibus accounts, which are reconciled by the depositary of U.C.I.T.S. and

A.I.F. for a period at least equal to the subscription frequency or redemption offered to investors of these U.C.I.T.S. / A.I.F. An omnibus account that can include assets of several clients of UC.I.T.S. /A.I.F. depositories cannot include treasury shares of U.C.I.T.S./ A.I.F depository or those of authorized third entity.

e) Deposits lodged at credit institutions, that are repayable by request or offer withdrawal right, with a maturity less than 12 months, provided that the headquarters of the credit institution be located in Romania or a member state. In case the headquarters is located in a third country, the credit institution must be subjected to prudential rules equivalent to those issued by the European Union;

f) Derivatives from Romania, a member state or a third state with final settlement in cash or the underlying asset of the instrument, traded on a trading venue in Romania, or on a stock exchange of a member state or third state, as per letters a) and b) above, and/or derivatives, negotiated outside regulated markets, provided that the following conditions are met cumulatively:

(1) the underlying asset can be a share, basket of shares or any financial instrument in which the Company may invest, in compliance with its investment objectives as well as financial indexes, interest rate, precious metals, energy products and exchange rate;

(2) the counterparties in negotiations run outside regulated markets, are entities subjected to prudential supervision that fall under the categories approved by F.S.A;

(3) derivatives negotiated outside regulated markets that are the object of a daily and verifiable evaluation and can be sold, liquidated or the position can be closed daily, at fair value, through a transaction of contrary sign;

g) Money market instruments, other than those traded on a trading venue, that are liquid and have a value that can be accurately determined at any time, with the exception of commercial papers, provided that the issue or issuer be subjected to regulations regarding the protection of investors and their savings, and the instruments:

(1) should be issued or guaranteed by an administrative, central, local and regional authority, a central bank of a member state, an European Central Bank, the European Union or European Investment Bank, by a third country, or, in case of federal states, by one of the members of the federation or an international public body to which one or several member states belong; or:

(2) should be issued by a body whose titles are negotiated on the regulated markets, mentioned under item (1) or

(3) should be issued or guaranteed by an entity, subject to prudential supervision, according to the criteria defined by European legislation, or by an entity that is subject to and complies with prudential rules, rules validated by F.S.A. as equivalent to those foreseen by European law; or

(4) should be issued by other entities that belong to the categories approved by F.S.A, provided that investments in such instruments be subject to a protection of investors equivalent to that foreseen under item (1), (2) and (3) and that the issuer be a company whose capital and reserves be at least the lei equivalent of 10.000.000 euro, that presents and publishes its financial statements annually, according to applicable European law, or an entity that, within a company group including one or more listed companies, has the role of financing the group, or is an entity dedicated to the financing of secured vehicles that have a line of credit.

h) Shares of limited liability companies, regulated by Law no. 31/1990, republished, with its later amendments and additions, whose annual financial statements are audited according to the law;

i) Securities:

a) Shares and other share-equivalent values;

b) Bonds and other debt securities;

c) Any other type of negotiable titles that grant the right to purchase those securities through subscription or exchange

that are not admitted to trading in a trading venue or are not traded on the stock exchange of a third country;

(1) The Company invests in corporate bonds not admitted to trading on a regulated market or an alternative trading system, abiding by at least the following conditions:

a) the corporate bonds issuer should have at least 2 years of activity at the time the investment in corporate bonds issue is made. In case the corporate bonds issuer has under 2 years of activity, EVERGENT INVESTMENTS invests only in corporate bonds issues guaranteed by a credit institution authorized by B.N.R or by a subsidiary from Romania of a credit institution authorized in another member state with other liquid/eligible guarantees representing at least 100% of the corporate bonds issue value;

b) the annual financial statements of the corporate bonds issue should be audited according to the law and not state significant risks such as creditworthiness, liquidity or solvability risk regarding its financial position, that could cause the failure to abide by the payment obligations for coupons and the principal corresponding to the issue of corporate bonds;

c) the issuer of corporate bonds should not be entered on the list of taxpayers with tax restrictions imposed, published on the website of the National Authority for Tax Administration;

d) the issuer of corporate bonds has registered profit at least in the previous 3 consecutive financial years, as results from the corresponding annual financial statements, audited according to the law; in case the issuer of corporate bonds has under 2 years of activity, then it should have registered profit in all financial years.

(2) The status of the collaterals foreseen under art. (1) letter s) that is submitted to F.S.A with the submission of the first weekly report on the statement of EVERGENT INVESTMENTS's net asset, following the investment.

(3) In the implementation of art. (2), the statement of guarantees foreseen under art. (1) letter a) that may be letters of bank guarantees, insurance of the bonds issuance by an insurance company or other similar proving documents issued by financial institutions or the legal representative of the issuer of those guarantees, includes the signatures of the responsible individuals of EVERGENT INVESTMENTS and that of the depositary's representative.

(4) The valuation of the collateral shall be off-balance, in accordance with the rules applicable to the valuation of EVERGENT INVESTMENTS' assets.

(5) The valuation of corporate bonds for which the payment on maturity of the principal related to coupons has not been honored, is made at 0 value (zero) or the value of the executed guarantee, depending on the case; additional investments in financial instruments issued by the same issuer being forbidden.

(6) when the corresponding amounts are not collected within 10 work days from the date foreseen in the issuance prospectus, the directors of EVERGENT INVESTMENTS SA initiate and notify F.S.A. about the legal steps for debt recovery.

EVERGENT INVESTMENTS has an internal methodology to select corporate bonds not admitted to trading that includes an analysis of the issuer of credit bonds not allowed for trading and is based on at least the following principles:

a) quantification of the issuer risk for the issuer of corporate bonds not admitted to trading and evaluation of its default probability and that of the respective issue of corporate bonds not allowed to trading based on a valuation model;

b) the use of qualitative indicators to assess the issuer's credit risk, taking into account the national and international macroeconomic situation and existing market conditions;

c) the use of the rating offered by a credit agency registered by ESMA or of international renown, or indicative quotes supplied by specialized agencies based on the principle of comparison with other similar transactions, should these be available;

d) cost –benefit analysis of the reliability and economic profitability of the investment purpose for which the issuer of corporate bonds not admitted to trading aims to attract financing;

e) analysis of the liquidity of corporate bonds issue not admitted to trading by comparison to other securities issued by the same issuer.

These provisions do not apply in case the corporate bonds not admitted to trading are issued by a company in which EVERGENT INVESTMENTS holds at least 51% of share capital.

j) **currency**, purchased on the internal market, freely convertible, according to B.N.R. criteria.;

k) **state titles**;

l) **Property assets,** abiding by FSA regulations, Property assets are defined according to art. 2 letter b) Law no. 243/2019 as an existent building whose completion is certified based on a protocol for the receipt of works or a land;

m) **Greenhouse gas emission certificates**, as defined by art. 3 letter b) Government's resolution no. 780/2006 on the setting of the trading scheme for greenhouse gas emission certificates, with its later amendments and additions;

n) **Tangible and intangible assets** strictly necessary for the carrying out of activity.

d) Hedging strategies that may be used in the management of the portfolio

- ✓ Reducing long-term risk by combining a long position on a bond or bond portfolio with a short position on an interest rate swap or a short position on bond futures.
- ✓ Reducing the risk of a long position on a diversified share portfolio with a short position on a futures contract, in which case their returns are strongly correlated and the short position allows the indisputable reduction of the general market risk.
- ✓ Offsetting the risk of a fixed interest bond with a swap on credit risk & swap on interest rate risk that allows the transformation of the fixed rate into a variable rate.

Per a contrario, the following strategies are not considered hedging operations:

- ✓ Offset of the combined risk between a short position on a share and a derivative on an underlying asset, closely connected to the share in the short position
- ✓ Strategy consisting in the investment in a basket of shares with short position in a stock index with the purpose of reducing the beta position and keeping the alpha component of that investment.
- ✓ The strategy aims to cover a long position on a share or bond by purchasing a credit position from the same issuer regarding two different asset classes and therefore should not be considered hedging operation.

Main derivatives that may be used:

1. Interest rate and exchange rate swap contracts;
2. Future contracts on exchange rate;
3. Options on financial indices, shares admitted to trading on regulated markets, interest rates, exchange rate;
4. Futures contracts with financial indexes, shares admitted to trading on regulated markets, interest rates, exchange rate

e) The minimum recommended investment duration, based on the nature of the investment company

The recommended holding period for shares issued by EVERGENT INVESTMENTS SA, closed-end alternative investments fund, with shares listed on BVB regulated market is 5 years.

f) Risk factors stemming from the investment policy of the closed-end alternative investment fund (EVERGENT INVESTMENTS' specific risks)

Given the particularities of the activity carried out, EVERGENT INVESTMENTS is, or could be exposed to the following **relevant risks**

1. Market risk - represents the risk of loss for the institution stemming from the fluctuation of the market value of items in the financial instruments portfolio, fluctuation that can be attributed to modification of market variables: share prices, currency rates, interest rates, that might change the revenue of the institution or the value of the financial assets held.

Components of market risk are:

a) **Price or position risk** – is the risk that the value of a financial instrument fluctuate as a result of market price changes, changes caused either by factors on the macro level that affect all instruments traded on the market (systematic component) or by factors that are specific to the individual instruments or their issuers (non-systematic component). The non-systematic component of risk may be eliminated through diversification.
b) **Currency risk** – is the risk that the value of a financial or money instrument fluctuates because of the variation of the exchange rate.
c) **Interest rate risk** – the risk that the value of a financial or monetary instrument fluctuates because of variations of market interest rates.

2. Issuer risk - the current or future risk of loss of the value of a title in the portfolio, either due to the deterioration of its economic-financial situation, or due to business conditions (failure to function or failure to correlate its internal activity according to its business plan), or due to external events, trends and changes that could not have been known and prevented through the control system. Associated with issuer risk, the Company is exposed to concentration risk – the risk of bearing losses from inadequate diversification (heterogeneous distribution) of equity exposure on terms, industrial sectors, geographic regions or companies/issuers.

3. Liquidity risk The liquidity risk is that current or future risk of negative impact on profit and capital, caused by the company's inability to fulfill obligations on their maturity. Liquidity risk has two forms:

a) **cash-flow risk**: the risk of registering losses or failure to reach estimated profit resulting from the impossibility to meet short-term payment obligations at any time, without excessive costs or losses;

b) **asset liquidity risk:** losses that may be registered in case a position in the company's portfolio cannot be sold, liquidated or closed with limited costs, at a value close to its fair value, in a reasonable amount of time (due to the impossibility to find a counterparty in financial transactions).

4. 4. Credit and counterparty risk – credit risk is the risk of the occurrence of financial loss for the company, stemming from the uncertainty of the capacity, ability or will of the business parties to meet their contract obligations. The counterparty risk is a risk associated to credit risk and represents the risk that a counterparty in a transaction infringe its contract obligations before the final settlement of the cash-flows corresponding to the transaction.

5. Operational risk represents the risk of loss caused either by the use of inadequate individuals, systems and human resources or that have failed to fulfill their function property, or by external events and actions. Operational risk has the following main subcategories:

a) **Risk related to information technology (IT) –** current or future risk of negative impact on one side, of profit and capital of the entities or investors, participants or insured on the other, caused by the inadequacy of the IT strategy and policy, of information technology and its processing from the point of view of their management, integration controllability and continuity, or the improper use of information technology.

a) **Risk related to professional responsibility** – the risk of loss or damages caused by a relevant individual within the company, through negligent actions, errors or omissions in the carrying out of activities for which the company bears legal responsibility.

b) **Compliance risk** – risks that the company bear sanctions foreseen by the regulatory framework or regulation, or register significant financial losses, or affect its reputation, following its failure to comply with the provisions of the regulatory framework, own norms and standards and conduct codes applicable to its activity.

c) **Model risk** – model risk represents a possible loss that EVERGENT INVESTMENTS might register following decisions that could be based mainly on the results of internal models, due to errors in the development, implementation or use of these models.

d) **Risk associated to outsourced activities** – financial, reputational and operational impact on the company that could be caused by the failure of the outsourced service provider to property carry out the outsourced activity, including the risk of the impossibility of the company to continue to carry out financial activities and/or abide by the provisions of laws in force, following the failure or difficulties met by the legal entity employed by the company based on a contract to carry out activities that are normally carried out by the company.

e) **Risk related to money laundering financing of terrorism** – the risk of the company being involved in money laundering and/or financing of terrorism actions, following the failure to apply or improper application of legal provisions regarding the fight against these crimes.

Other risks that EVERGENT INVESTMENTS is exposed to:

1. Regulatory risk – the current or future risk of negative impact on profits and capital following the significant impact of a change in the regulatory framework on the functioning of EVERGENT INVESTMENTS or on traded financial instruments. The impact may refer to: reduction of the activity of a certain type of investments, sudden reduction of exposure on strategic issuers, significant increase of activity costs, etc.

2. Systemic risk– a risk is seen as systemic if it represents a strong threat to financial stability and has the potential to have serious negative consequences on markets and real economy. As closed-end alternative investment fund, EVERGENT INVESTMENTS may be exposed to systemic risk due to its connection to assets markets and financial investors.

3. Strategic risk – current or future risk of negative impact on profit and capital caused by changes in the business environment or adverse business decisions, by the improper implementation or decisions or lack of reaction to the changes in the business environment.

4. Reputational risk – current or future risk of negative impact on profit and capital caused by the negative perception on the company's image from shareholders, investors and supervision authority.

5. Risk of a conflict of interest– risk of loss due to any situation in which the interests of the company are different from the personal interests of employees, directors, managers or their close relatives.

6. Risk associated to activities carried out by the company's subsidiaries- current or future risk of negative effects on profit or capital or company's reputation, due to negative events on the level of Companies within the Group.

7. Risks related to sustainability– an event or an environment, social or government condition, that should it occur, it would cause a significant or potential effect on the value of the investment.

Risks related to sustainability are not considered a separate risk type, but are included in the classification and management of existent risk, since they affect the types of existent risks that EVERGENT Investments is exposed in its business activities.

Trading with derivatives, both for the purpose of hedging and as an instrument of active investment management, may lead to an increase of the volatility of companies' returns.

Derivatives have a higher degree of risk than financial instruments like shares and bonds and are usually traded outside regulated markets.

EVERGENT INVESTMENTS is bound to calculate leverage effect on a monthly basis, both through the gross and commitment method.

g) Investment limits applied, abiding by Law no. 243/2019 (AIF Law)

EVERGENT Investments SA's investments, diversified AIF-retail, shall be made abiding by the following limits:

a) It may not hold more than 10% of assets in securities and money market instruments issued by the same issuer, except for securities or money market instruments issued or guaranteed by a member state, local public authorities of the member state, a third party or international public bodies with one or more member states as members. The 10% limit may be increased up to 40%, provided that the total value of securities held by EVERGENT INVESTMENTS in each of the issuers in which it holds up to 40% under no circumstance exceed 80% of its total assets;

b) It may not hold over 50% of assets in securities and money market instruments issue by entities belonging to the same group, defined under art. 2 letter j) Law no. 243/2019, and in case of the group that AIFM managing that AIF is part of, this limit is 40%;

c) Exposure to counterparty risk in a transaction with derivatives traded outside regulated markets cannot exceed 20% of the company total asset, irrespective of the counterparty of the transaction;

d) Overall exposure on derivatives cannot exceed EVERGENT INVESTMENTS' total asset;

e) The value of current accounts and cash should abide by 20% total asset; the limit may be exceeded up to maximum 50% provided that the amounts come from the issuance of equity securities from investments that reached maturity or the sale of financial instruments in the portfolio, and that exceeding cannot be longer than 90 days;

f) It may not setup or hold bank deposits at the same bank, representing more than 30% of company assets;

g) It may not hold more than 20% of company assets in equity securities not admitted to trading in a trading venue or a stock market in a third party, issued by a single A.I.F. for retail investors;

h) It may not hold more than 10% of company assets in equity securities not admitted to trading from a trading venue or a stock exchange from a third country, issued by a single AIF for professional investors;

i) It may not hold more than 50% of company assets in equity securities not allowed for trading I a trading venue or stock exchange in a third country, issued by other open-end AIFs. In case of the group that AIFM managing that particular AIF is part of, the holding limit is 40% of company assets;

j) It may not hold more than 40% of company assets in equity securities issued by a single UCITS authorized by FSA or a competent national authority from another member state, or equity securities issued by a single collective investment undertaking admitted to trading in a trading venue in Romania, other member state or a stock exchange in a third country;

k) It cannot offer financial instruments loans that represent more than 20% of the company's asset, the period on which the loan is granted cannot be more than 12 calendar days, in accordance with the regulations issued by FSA on margin transactions and borrowing operations; 20% limit of company asset may be increased up to 30% with FSA approval, under the conditions set in FSA regulations;

l) EVERGENT INVESTMENTS may not offer loans in cash, may not participate/subscribe to syndicated loans, may not secure cash loans in favor of a third party, with the exception of entities in the group that EVERGENT INVESTMENTS is part of, within the limit of 10% of its asset. It may not purchase, neither directly, nor indirectly, in part or in full credit portfolios issued by other financial or non-financial entities, with the exception of investments in financial instruments issue by internationally recognized financial institutions, credit institutions or financial non-banking institutions authorized by B.N.R or other central banks from a member state or third countries;

m) It may not hold more than 40% of the company asset in securities[1], money market instruments not admitted to trading in a trading venue or a third country stock exchange, with the exception of state tiles and bonds issued by the Ministry of Public Finance, as well as holdings obtained by EVERGENT INVESTMENTS, by law, in which case there is no holding limit imposed;

n) It may not hold over 20% of company assets in shares issued by limited liability companies, regulated by Companies law no. 31/1990, republished, with its later amendments and additions;

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[1] Law 24/2017. Art.2 item 50. securities – classes of financial instruments that can be negotiated on the capital market, with the exception of payment instruments, such as:

a) Shares issued by companies and other securities equivalent to shares issued by companies, as well as deposit certificate with shares as underlying asset;

b) Bonds and other secured debt securities, including deposit certificate based on these securities, any other securities that grant the right to purchase or sale such securities or that lead to cash settlement, set in relation with securities, currencies, interest rates or return, commodities or measurement units;

o) It may not hold more than 10% of the asset value of the company in gas effect emission certificates, as defined by art. 3 letter b) Government's Decision no. 780/2006, with its later amendments and additions.

In case these limits are exceed, with the exception of situation independent of its will, EVERGENT INVESTMENTS SA is bound to return to the abidance by legal requirements within 30 days from the date that limit is exceeded. The company is bound to notify, within two work days, the depository of the assets and F.S.A about the exceeding of limits. The notification will include a justification of the causes that lead to this situation and the measures plan to return to the abidance by legal requirements within 30 days from their infringement.

EVERGENT INVESTMENTS SA's investment policy includes the following legal restrictions:

- It cannot change financial instruments for cash or other financial instruments in the portfolio, and cannot use free transfers of illiquid assets from its investment portfolio to its investors („redemption in kind"), according to art. 43 line (2) FSA regulation no. 7/2020.
- ✓ It cannot make short sales, defined according to the provisions of (EU) Regulation no. 236/2012 on the short sales and certain credit risk swaps, for any other purpose than risk coverage, namely hedging according to art. 33 line (1) Law no. 243/2019
- It does not invest in money market instruments such as commercial papers.

EVERGENT INVESTMENTS shall not invest in financial instruments such as total return swap, in the sense of EU Regulation no. 2365/2015 on the transparency of securities financing transactions and of reuse.

Information on the Investment Policy are provided to shareholders in the Annual Activity Report (approved by the ordinary general meeting of shareholders), and in the Regular Activity Reports of the Board of Director the shareholders receive information about the implementation method of the investment policy. The above-mentioned documents are presented on the website of EVERGENT INVESTMENTS, www.evergent.ro, in the Shareholding/GMS and Regular Reports module.

Section 3.3
Persons responsible for the analysis of investment opportunities

The investment policy of EVERGENT INVESTMENTS SA is approved by the General Meeting of Shareholders and defines the general action framework, depending on the long-term investment objectives, setting the implementation methods of strategies adapted to the economic cycle, under prudent conditions.

The investment strategy aims to efficiently invest in financial instruments abiding by the investment limits and investment policy set by its own management.
The Board of directors of EVERGENT INVESTMENTS is tasked with setting the main activity and company development directions and the drafting of EVERGENT INVESTMENTS' investment strategy.
The investment strategy focuses on the professional management of resources/ assets available for the purpose of reaching the objectives set by the shareholders and obtaining average and long-term income.

EVERGENT INVESTMENTS SA has specialized departments, namely the "ENERGY – INDUSTRIAL Portfolio, "FINANCIAL- BANK" Portfolio, "PRIVATE – EQUITY" Portfolio, "SELL" Portfolio, "TRANSACTIONS" department that represent the structure responsible for the specific fundamental analysis of investment opportunities and placement of assets in accordance with the investment strategies approved by the directors.

Individuals who are employed in execution positions directly connected to the portfolio management activity or risk management have the necessary knowledge and understanding of the assets that the Company invests in and cumulatively meet the following requirements:

a) Have graduated specialized courses organized by specialized institutions such as vocational training bodies, either national or international, that certify the acquiring of knowledge in the field of investment or risk management and allow them to fulfill the responsibilities corresponding to the positions they cover;

b) No individual is permanently employed on two or more positions that would mean that the Company does not abide by the requirements concerning inside information, conflict of interest regiment, risk management, the execution of trading orders of EVERGENT INVESTMENTS SA.

Section 3.4

Information concerning the issue, sale, redemption and annulment of EVERGENT INVESTMENTS SA's shares

Equity securities issued by EVERGENT INVESTMENTS , closed-end alternative investment fund are nominative, ordinary shares of the same class, listed on BVB regulated market.

Investors may purchase and sell shares through stock market mechanisms.

EVERGENT INVESTMENTS does not have obligations to repurchase the shares owned by its shareholders.

EVERGENT INVESTMENTS SA can make returns of capital proportional to the shares of shareholders' contribution for the purpose of reducing the share capital of F.I.A.S with the approval of the extraordinary general meeting of shareholders, in accordance with the provisions of Law no. 31/1990, republished, with its later amendments and additions, Law no. 243/2019 on the regulation of alternative investment funds for and amending and supplementing normative acts and FSA Regulation no. 7/2020 on the authorization and functioning of alternative investment funds.

EVERGENT INVESTMENTS SA may redeem treasury shares through E.G.M.S resolution, with the approval of FSA and in compliance with applicable legal provisions. Shares redeemed may be used base on E.G.M.S resolution for the purpose of lowering the share capital, stabilizing the price of own shares on the capital market or remunerating the staff identified and defined in F.S.A regulations that apply ESMA guides on solid remuneration policies, in accordance with Directive no. 61/2011/UE (.A.I.F.M.). Payment is made exclusively from own sources.

Section 3.5.

Method for determining net asset value

The activity of valuing assets in its own portfolio is ensured internally by EVERGENT INVESTMENTS SA, abiding by the provisions of art. 18 (2) Law no. 74/2015 on the issuer of alternative investment funds: *"Rues applicable to the valuation of assets and calculation of net asset unit value of AIF are set by the law of the country of origin of AIF and/or its rules and*

Memorandum of Association" and art. 17 line (7) of Rule no. 10/2015 "In *applying art. 18 line (2) Law no. 74/2015, the rules for the valuation of AIF assets that AIFM or the external assessor uses accordingly are those foreseen by art. 113-122 of Rule no. 9/2014 applicable to U.C.I.T.S."*

a) Assets valuation rules

The valuation methodologies for each type of assets in which the Company may invest, abiding by incidental legal provisions, are presented below.

In the case of valuing assets in which there is a market price, the valuation methodology chosen must take into account the relevant market and market prices.

As an exception, in the case of joint stock companies admitted to trading on a regulated market or a multilateral trading system with a liquidity considered by EVERGENT INVESTMENTS SA, based on a prudential value judgment regarding the active market defined by the International Financial Reporting Standard 13 - Fair value measurement (IFRS 13), as irrelevant for the application of the market valuation method, EVERGENT INVESTMENTS SA may decide that the shares of the respective companies be valued in accordance with the valuation standards in force, according to the law, based on an evaluation report. If it chooses to apply this valuation method, it shall maintain it for a period of at least one calendar year for those actions considered illiquid.

Asset categories		**Valuation method**
1	2	3
1.	**Financial instruments admitted to trading and traded in the last 30 trading days (working days) on a regulated market or in trading systems other than regulated markets in a Member State, including in an alternative trading system in Romania, as well as those admitted to the official quota of a stock exchange or an alternative trading system from a third state**	
1.1	Shares	• At the closing price of the market section considered as main market, in case of shares admitted to trading on that particular regulated market of the member state / non-member state stock exchange *or* • At the reference price provided in other trading systems than regulated markets, including alternative trading systems, by the operator of that trading system, corresponding to the day when the calculation is made. The price used as reference price is calculated based on the trading activity on the date for which the asset calculation is made, using the de opening of the next day's trading session as benchmark. *or* • in the case of joint stock companies admitted to trading in a regulated market or a multilateral trading system with a liquidity considered by EVERGENT INVESTMENTS SA, based on a prudential value judgment regarding the active market defined by the International Financial Reporting Standard 13 - Valuation at fair value (IFRS 13), as irrelevant for the application of the market valuation method, EVERGENT INVESTMENTS SA may decide that the shares of those companies be valued in accordance with the valuation standards in force, according to the law, based on a valuation report. In case this valuation method is selected, it shall be maintained for a period of at least one calendar year for those shares considered to be illiquid.

Asset categories		Valuation method
1	2	3
		Specification: in accordance with art. 47 line (6) FSA Regulation no. 7/2020, participation titles of alternative investment funds setup as investment companies (F.I.A.S.) admitted to trading or traded on a trading venue or stock exchange in a third country, are classified in the share category.
1.2	Fixed income financial instruments	• at the closing price of the market section considered to be the main market, corresponding to the day when the calculation is made, in case of fixed income financial instruments admitted to trading on that regulated market of the member state/stock exchange of non-member state or the reference price corresponding to the day when the calculation is made, in case of shares traded on other trading systems than regulated markets, including on alternative trading systems, supplied by the operator of that trading system for each segments of the system. The price used as reference price is calculated based on the trading activity on the date for which the calculation is made, used as a benchmark for the opening of the trading session on the following day. *or* • through the method based on the daily recognition of interest and amortization of discount/bonus corresponding to the period elapsed from the date of the investment.
1.3	Money market instruments	• at the closing price of the market section considered as the main market, corresponding to the day for which the calculation is made, in the case of fixed income financial instruments admitted to trading on the respective regulated market of the Member State / non-member state stock exchange or at the reference price of the day for which the calculation is made, in the case of shares traded in trading systems other than regulated markets, including in other alternative trading systems, provided by the operator of that trading system for each of the segments of that system. The price used as the reference price is calculated based on the trading activity from the date of the day for which the asset is calculated, used as a benchmark in the opening of the trading session the following day. *or* • Method based on the daily recognition of interest and amortization of discount/ premium corresponding to the period elapsed from the date the investment was made.
1.4	Derivatives	• At the closing price of the market section considered as main market, in case of derivatives admitted to trading on that regulated market in the member state/ stock exchange of the non-member state *or* • Reference price provided in trading systems other than regulated markets, including in other alternative systems by the operator of that trading system, corresponding to the day when the investment is made. The price used as reference price is calculated based on the trading activity of the day when asset calculation is made, using the opening of the trading session on the following day as benchmark.

Asset categories		Valuation method
1	2	3
1.5	Holding titles issued by C.I.U	• At the closing price of the market section considered main market, in case of participation titles issued by C.I.U. admitted to trading on that regulated market of the member state/ stock exchange of non-member state *or* • Reference price provided in other trading systems than regulated markets including in other alternative systems by the operator fo that trading system, for the day when the calculation is made. The price used as reference price is calculated based on the trading activity of the day for which asset calculation is made, used as a benchmark in the opening of the trading session on the following day. <u>Specification</u>: in accordance with art. 47 line (6) FSA Regulation no. 7/2020, participation titles of alternative investment funds setup as investment companies (F.I.A.S.) admitted to trading or traded on a trading venue or stock exchange of a third country fall in the share category.
1.6	Structured products	At the reference price (corresponding to an individual issue of structured products, trading session respectively) calculated by the market operator on which those instruments are traded.
2.	**Financial instruments admitted to trading on a regulated market, in an alternative system or in other systems than regulated markets, from a member state, including an alternative trading system in Romania, as well as those admitted at the official price of a stock exchange or an alternative trading system from a third country, not traded over the last 30 trading days (work days), shall be valuated starting on the 31^{st} non-trading day.**	
2.1	Shares	• Carrying value per share, as it results from the latest annual financial statement approved (prepared in according with national accounting rules applicable to the issuer or according to IFRS) of that particular entity; In case of capital increase/decrease operations (through the increase/decrease of the number of shares in circulation) of certain companies that are registered with the National Trade Registry office (in case of a company not admitted to trading on a trading venue), or registered in the central depositary system (for the issuer) during the same financial year and for which the new number of shares in circulation is not realistically reflected in the latest approved financial statements, for the purpose of calculating the carrying value mentioned here, information from the company/issuer shall be used, based on proving documents (NTRO registration certificate and trial balance)– in case of unlisted companies – or the securities registration certificate, hereinafter referred to as C.I.V.M., issue by F.S.A. – in case of issuers -, as well as, to the extent it is available, a report prepared by an independent auditor certifying the new value of the company's equity) For credit institutions, share carrying value may be based on the value of equity included in the monthly reports submitted to B.N.R., should these reports be available *or* • value determined by applying valuation methods in accordance with International Valuation Standards (in which the fair value principle is used),

Asset categories		Valuation method
1	2	3
		approved by the board of directors <u>Specification</u>: according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares
2.2	Fixed income instruments	the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment.
2.3	Money market instruments	the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment.
2.4	Derivatives	Will be valuated using established techniques on financial markets, so as the fair value principle be respected.
2.5	Participation titles issue by CIU	Latest net asset value calculated and released by their manager or publish internationally renowned private companies (such as, Bloomberg, Reuters). <u>Specification</u>: according to art. 47 paragraph (6) of the FSA Regulation no. 7/2020, the participation titles of the alternative investment funds established as investment companies (F.I.A.S.) admitted to trading or traded within a trading venue or a stock exchange from a third country fall into the category of shares.
3.	**3. Financial instruments not admitted to trading on a regulated market or in trading systems other than regulated markets, including alternative trading systems in Romania, in a Member State or in a third country**	
3.1	Shares	• Carrying value per share, as it results from the latest approved annual financial statement (prepared in accordance with national accounting regulations applicable to the issuer, or prepared in accordance with IFRS) of that entity. In case of capital increase/decrease operations (through the increase/decrease of the number of shares in circulation) of certain companies that are registered with the National Trade Registry office (in case of a company not admitted to trading on a trading venue), or registered in the central depositary system (for the issuer) during the same financial year and for which the new number of shares in circulation is not realistically reflected in the latest approved financial statements, for the purpose of calculating the carrying value mentioned here, information from the company/issuer shall be used, based on proving documents (NTRO registration certificate and trial balance)– in case of unlisted companies – or the securities registration certificate, hereinafter referred to as C.I.V.M., issue by F.S.A. – in case of issuers -, as well as, to the extent it is available, a report prepared by an independent auditor certifying the new value of the company's equity) For credit institutions, share carrying value may be based on the value of equity included in the monthly reports submitted to B.N.R., should these reports be available *or* • Value determined through the application of valuation methods compliant with the International Valuation Standards (where the fair value principle is used), approved by the Board of Directors

Asset categories		Valuation method
1	2	3
		In case of joint-stock companies not admitted to trading on a regulated market or alternative trading system, where EVERGENT INVESTMENTS SA holds over 33% of share capital, those shares are valuated in EVERGENT INVESTMENTS SA's asset exclusively in accordance with international valuation standards based on a valuation report, updated at least on a yearly basis.
3.2	Fixed income instruments	the method based on the daily recognition of interest and the amortization of the discount / premium for the period elapsed from the date of the investment. For prudential purposes, in case EVERGENT INVESTMENTS SA ascertains, according to the regular financial statements of the issuer of these instruments, that there is a significant risk that it will not fulfill its payment obligations related to regular coupons or principal, EVERGENT INVESTMENTS SA shall gradually made value adjustments of exposures on that instrument, based on an internal analysis or valuation report prepared by an external assessor, appointed in accordance with the provisions of art. 18 line (9) Law no. 74/2015, If subsequently, the issuer of unlisted fixed income instruments fails to actually fulfill the payment obligation related to regular coupons and principal, these will be included in asset at zero value, or depending on the case at the value of the executed collateral.
3.3	Money market instruments	Method based on the daily recognition of interest and amortization of discount/premium corresponding to the period elapsed from the date the investment was made
3.4	Derivatives	Will be valuated using well-established techniques on financial markets, so that the fair value principle be abided by.
3.5	Participation titles issued by CIU	Latest unit value of net asset calculated and published by its manager or published by internationally renowned private companies (e.g., Bloomberg, Reuters).
4.	**Current account holdings**	
		Balance available for the date when the calculation is made. Amounts in the company's current accounts with credit institutions that are in bankruptcy proceedings will be included in net assets at zero value
5.	**Bank deposits and deposit certificates**	
		• Valuation method based on the daily recognition of the interest corresponding to the period elapsed from the date the investment was made. In case interest collections are made before maturity, the amounts thus collected are deducted from the calculated value. • for structured deposits with guaranteed minimum interest - evaluation based on the principle of daily recognition of the guaranteed minimum interest of the respective structured deposit that will be subsidized by the bank. • for structured deposits without guaranteed minimum interest - valuation based on the principle of daily recognition of current account interest. At maturity, if the evolution of the underlying asset was within the conditions of the deposit, the positive interest difference for the entire period from the

Asset categories		Valuation method
1	2	3
		moment of the deposit is setup will be recognized. The evaluation method will be maintained throughout the deposit duration. • For deposits with interest payment in advance – valuation of the initial amour setup as a deposit throughout the deposit duration .
6.	**Shares suspended from trading for a period of at least 30 trading days (working days), following the decision of the market or system operator, in order to inform investors of information that might lead to the issuer's share price modification.**	
		Weighted average price corresponding to the latest 30 trading days (work days), calculated up to the occurrence of such an event as arithmetic mean of average weighted prices on each of the latest 30 days of trading; *or* the value determined by applying valuation methods in accordance with the International Valuation Standards (in which the fair value principle is used) and approved by the Board of Directors. If the weighted average prices in each of the last 30 trading days are not available for the calculation of the arithmetic average, only the value determined by the use of valuation methods in accordance with international valuation standards shall be used to determine the price of the suspended shares (using the fair value principle).).
7.	**Shares of companies in insolvency or reorganization procedure (are included in net asset on the date the announcement was made public on the website of the regulated market or the alternative trading system they are traded on)**	
		• At zero value *or* • At the value set by an independent assessor through the use of valuation methods in accordance with the International Valuation Standards (consistent with the fair value principle).
8.	**Shares not traded or admitted to trading over the last 30 trading days (work days) whose financial statements are not available within the 90 days' deadline from legal submission dates**	
		• At zero value *or* at the value determined by using valuation methods in accordance with international valuation standards (in which the fair value principle is used) and approved by the board of directors The methods apply only if the quarterly/half-yearly reports based on which the value of these shares could be ascertained are not available on the website of the regulated market, alternative trading system, Ministry of Public Finance or the issuer.

Asset categories		Valuation method
1	2	3
9.	**Shares of companies regulated by Law no. 31/1990 in judicial liquidation or other liquidation procedures and those that have temporarily or permanently ceased their activity.**	
		At zero value (from the date the announcement was made public on the website of the regulated market or alternative trading system on which they are traded)
10.	**Shares held following the participation to the share capital increase without cash consideration[2], as well as with cash consideration[3]**	
		Shares admitted to trading or traded held as a result of participating to the share capital increase without cash consideration, as well as those with cash consideration registered in asset, valuation is made at the share closing price on the market that is considered main market, *or* reference price provided in systems other than regulated markets, including in other alternative trading systems by the operator or that trading system, corresponding to the date when the calculation is made • Shares not admitted to trading resulted from share capital increase with cash consideration: - Up to the date the share capital increase is registered with the national trade registry office, at the underwritten value - From the date the share capital increase is entered with NTRO, according to item.3.1. • Shares not admitted to trading resulted from share capital increase without cash consideration – from the date the share capital increase is registered at NTRO, based on proving documents supplied by the company, certifying the new value of equity corresponding the new share capital (see item.3.1.)
11.	**Shares of companies regulated by Law no. 31/1990 or applicable legislation from member or third states, not admitted to trading or admitted to trading on a regulated market, within an alternative investment system or other trading systems from a member state, including through an alternative trading system in Romania, as well as those admitted at the official rate of a stock exchange or an alternative trading system from a third country, not traded in the last 30 trading days (work days), with negative equity value**	
		At zero value

[2] *In case of capital increase that involve cash considerations from investors, without the issue of preferential rights, the corresponding shares and amount owed by CIU following the contribution to the share capital are registered in CIU assets as follows:*
a) on the first day the investors purchase the shares cannot participate to, capital increase in case the market price is higher than the underwriting price, and SAI / self-managed investment company decides to participate to the capital increase of the issuer;
b) on the actual payment date of shares subscribed to the share capital increase, in which case, the conditions mentioned under letter a) are no longer met.

[3] *In case of share capital increase that involves money consideration from investors, with the issue of preferential rights, the corresponding shares are registered in CIU assets, on the actual payment date of the underwritten shares for capital increase.*

Asset categories		Valuation method
1	2	3
11.1 Shares of a company admitted to trading on a regulated market/ alternative trading system that has negative equity value, is *not traded over a period longer than 30 trading days* and this period *coincides with the suspension period* of trading that particular share		
		At zero value
12	**Property assets**	
		Through valuation report drafted by an independent assessor registered in the Public Registry of FSA in accordance with the provisions of art. 62-64 Law no. 243/2019.
14	**Shares of limited-liability companies, whose annual financial statements are audited according to the law**	
		Based on the value determined through the application of valuation method compliant with the valuation standards in force, according to the law (using the fair value principle), approved by EVERGENT INVESTMENT SA's senior management, the valuation takes place at least annually
14	**Greenhouse gas emission certificates**	
		Based on the value determined by applying the valuation methods in accordance with the valuation standards in force ,according to the law (where the fair value principle is used), approved by the senior management of EVERGENT INVESTMENTS SA.; the valuation is made at least annually

For assets that can be valuated through other alternative methods foreseen in items 1.1., 3.1 and 7, EVERGENT INVESTMENTS SA maintains the valuation method of choice for a minimum period of 12 years for each issuer.

b) Net asset value calculation formula

The calculation method for the net asset value per share (NAV / Share) according to art. 47 line (4) FSA Regulation no. 7/2020

Net asset value on that date

NAV/share = --

Number of shares issued, in circulation on that date, except for treasury shares (treasury shares redeemed by the company) and shares corresponding to deposit certificates or treasury shares certificates of interest, redeemed and held on the reporting date.

For the purpose of calculating the unit value of F.I.A.S. asset redeemed by the company are equivalent to deposit of interest certificates issued by a third party based on the same underlying shares.

c) Net asset value calculation frequency

The calculation of the net asset value (NAV) and net asset value per share (NAV/share) is made on a monthly basis by EVERGENT Investments , for the last calendar day on the month, as well as in case of capital increase and decrease. The asset depositary certifies the statement.

d) Means, location and frequency of net asset publication

The Company abides by its legal transparency, notification and reporting obligations regarding NAV and NAV/share, namely:

- Submission to FSA of monthly reports regarding net asset value and unit net asset value as well as the detailed statement on investments on reporting date, drafted in accordance with F.S.A regulations, within maximum 15 days from the end of the reporting period. In case the calculation of NAV and UNAV is made with a higher frequency, then the report on this information along with the detailed statement of investments shall be submitted to F.S.A. within maximum 5 days from the end of the reporting period. In case the last reporting date is not a work day, the documents shall be submitted on the following work date.
- NAV and NAV/share are constantly available to investors, presented on the company's website and can also be consulted at the headquarters of the company.
  EVERGENT Investments reports to BSE and presents on its website: www.evergent.ro/reports
  - monthly -"Statement of EVERGENT INVESTMENTS' assets and liabilities" up to the 15th of the following month (form compliant with regulations in force)
  - quarterly - "Statement of EVERGENT INVESTMENTS' assets" – detailed presentation of the categories of assets, with the quarterly report of the Board of Directors (form compliant with regulations in force).

  At the same time, in the monthly newsletter – in the Romanian and English language (BSE, www.evergent.ro, shareholders' mailing list) relevant data on the assets of EVERGENT INVESTMENTS are presented: structure, exposure on activity sectors, NAV/share evolution, price, discount, top companies.
- Submission to F.S.A. and presentation to shareholders by publishing on the website and for consultation at the company's headquarters, of half-yearly and quarterly reports, including the detailed statement of investors on the reporting date, with the contest and form requirements foreseen by Law no. 74/2015, with its later amendments and additions, (EU) Regulation no. 231/2013 and F.S.A. regulations within the deadlines foreseen by F.S.A. regulations on the submission of annual financial statements and half-yearly accounting reports.
- Monthly, half-yearly and annual reports include explanations on the valuation methods used for those financial instruments for which valuation methods compliant with the International Valuation Standards (compliant with the fair value principle) were used, leverage level and value of F.I.A.I.R. exposure calculated in accordance with (EU) Regulation no231/2013.

Section 3.6
Condition for the changing of the Depositary

Following the termination of the Depositary Contract, EVERGENT INVESTMENTS SA shall take all steps necessary to enter a depositary contract with another F.S.A certified Depositary

The depositary shall cooperate and supply the information reasonably requested to support the transfer of A.I.F. assets to any new depositary, according to regulations in force.

The transfer of fund assets between depositaries shall be made according to applicable FSA regulations, the main objective being to ensure the protection of investors and their adequate information.

Liability for damaged incurred during the transfer lays with the transferring or receiving depository causing that particular damage.

Section 3.7.
Methods for the calculation of leverage level

Leverage effect, as defined by Law no. 74/2015 "means any method through which A.I.F.M increases the exposure of an A.I.F. it manages either through borrowing of cash or securities, or through derivatives positions, or any other means".

Leverage is expressed as a percentage of the Company's exposure in NAV. Exposure is calculated both the gross method and "commitment" method.

- According to the gross method, exposure represents the sum of Company's positions (including all holdings), following the deduction of cash balance and cash equivalents, representing very liquid investments held in the main currency, which can be quickly converted in a known amount in cash, are subjected to insignificant value change risk and offer a return that does not exceed the *rate of certain three months' government bonds,* of high quality, without considering hedging and settlement techniques.
- According to the commitment method exposure is calculated without the elimination of cash balance and cash equivalents, after the hedging and settlement positions have been settled among themselves, if necessary.

At present, EVERGENT INVESTMENTS does not have assets acquired using leverage.

EVERGENT INVESTMENTS's policy on the use of leverage:

a) *The maximum level* of the leverage effect that EVERGENT INVESTMENTS may employ is twice the total active, level considered reasonable for a diversified FIAR, taking into consideration the following legal aspects:

- Law no. 243/2019, art. 35 line (2), letter d) "overall exposure to derivatives *cannot exceed the total asset*."
- The recommendation of the European Committee for Systemic Risk on liquidity and leverage effect risks in investment funds (CERS/2017/6; 2018/C 151/01) for UCITS "Therefore, in case UCITS use both cash borrowing and financing operations through financing instruments or derivatives, the leverage effect *may be higher than NAV, maximum 2,1 times*".

  In comparison to UCITS that are highly regulated funds, AIF are investment funds that are allowed to invest in assets similar to those of UCITS, but are not subjected to such detailed restrictions regarding diversification, liquidity or leverage effect.
- There is no regulated leverage level. A.I.F. is bound to report the use of leverage effect.

b) EVERGENT INVESTMENTS' leverage sources, in accordance with legal provisions:

  - Cash borrowing;
  - Securities borrowing;
  - derivatives, for investment purposes; this category does not include derivatives for hedging, that do not increase EVERGENT INVESTMENTS' exposure .

c) The company, through the risk management function, regularly monitors the leverage level of A.I.F., to verify the abidance by the set limits.

d) The Company reports on the use of leverage effect according to the provisions applicable to AIFM and AIF, namely:

  - The monthly statement of net asset, in accordance with Annex 10 of FSA Regulation no. 7/2020 – will include an explanatory note: the valuation methods used for the financial instruments for which valuation methods compliant with valuation standards according to the law (compliant with fair value), the leverage level and F.I.A.I.R. exposure value calculated according to the provisions of (EU) Regulation no. 231/2013 will be detailed (according to art. 38 line (4) Law no.. 243/2019).

  - Half-yearly report, according to annex IV (EU) Regulation no. 231/2013- reporting with main data source from net asset.

Section 3.8

Information foreseen by art. 14 Regulation (E.U) no. 2365/2015 on the transparency of financing operations through financial instruments and transparency of reuse, and modification of Regulation (EU) no. 648/2012, corroborated with Section B of the same regulation.

Efficient portfolio management techniques – general data concerning financing operations using financial instruments

EVERGENT INVESTMENTS may carry out the following financing operations through financial instruments:

- Redemption transaction: means a transaction that is object of an agreement through which a counterparty transfers financial instrument with the commitment to redeem it for a specific price, on a specific date, representing a repo agreement for EVERGENT INVESTMENTS when selling financial instruments and a reverse repo agreement on buying them;
- buy-sell back transaction or sell-buyback transaction: means a transaction through which EVERGENT INVESTMENTS buys or sells financial instruments, agreeing to sell or buy them back for a specific price at a later date, this transaction being for EVERGENT INVESTMENTS a buy-sell back transaction when buying and a sell-buy back transaction when selling;
- securities lending operations means a transaction through EVERGENT INVESTMENTS transfers securities on the conditions of a commitment based on which the debtor will return the securities at a later date, or at the transferor's request. EVERGENT INVESTMENTS may lend securities and may setup their associated collateral abiding by the regulations in force.

EVERGENT INVESTMENTS may not lend securities that represent more than 20% of its asset, the lending period may not exceed 12 calendar days, the 20% asset limit may be increased up to 30% with F.S.A. approval, under the conditions set by F.S.A regulations.
Securities lending calendar is entered by EVERGENT INVESTMENTS with an authorized broker from a member state or an authorized credit institution from another member state. EVERGENT INVESTMENTS shall use as counterparties for the securities financing operations only authorized brokers from a member state or credit institutions headquartered in a member state with an investment type rating from at least one of the following rating agencies Standard & Poor's, Moody's or FitchRatings.

Eligible counterparties for securities financing operations shall be selected based on criteria which include, without being limited to: legal status, country of origin, minimum credit rating.
Counterparties shall be selected based on criteria related to their corresponding credit risk, such as: financial indicators (related to capital, assets, profitability and liquidity) support from the mother company (if the case), credit rating of the counterparty and/or mother company from rating agencies, collateral. Since these transactions and collaterise, no minimum credit list level shall be imposed.
EVERGENT INVESTMENTS shall make securities financing operations for the capitalization of market opportunities with the purpose of obtaining financing benefits.
EVERGENT INVESTMENTS may lend securities and may setup collateral for them provided it abides by regulations in force.
Such operations shall be exclusively made with financial institutions, provided that intra-group conflicts are avoided. In this sense, it will be considered that the loan be granted to the entity whose offer is the most advantageous.
Offers received from counterparties shall be objectively assessed, on risk, cost and performance criteria.
All income obtained following the use of efficient portfolio management belongs to EVERGENT Investments. Commissions related to the use of efficient portfolio management techniques are those specific to the settlement of securities object of these operations and are collected by the depositary bank.

In case of the securities lending operation, the value of collateral is set through internal procedures regarding the Company's risk management and represent at any time at least 110% of the value of lent securities.

Risks related to securities financing operations are adequately taken into consideration in the risk management system.

Since securities financing operations are OTC type-contracts (outside regulated markets), they are not standardized, and are adapted according to the particularities of both transaction parties. Risks resulted from the financing operations, such as liquidity risk, interest rate risk, credit and counterparty risk and operational risk are described below:

Liquidity risk – the risk that a position in the Company's portfolio cannot be sold, liquidated or closed with limited costs, in a reasonably short amount of time, thus affecting the ability to fulfill payment obligations at any time.
Interest rate risk – the risk that the value of a security or money instrument fluctuates due to interest market variation.

Credit and counterparty risk - credit risk is the risk of the occurrence of financial loss for the company, stemming from the uncertainty of the capacity, ability or will of the business parties to meet their contract obligations. The counterparty risk is a risk associated to credit risk and represents the risk that a counterparty in a transaction infringe its contract obligations before the final settlement of the cash-flows corresponding to the transaction.

Operational risk – risk of loss caused either by the use of processes, systems and human resources of the Company that are inadequate, or that have not fulfilled their function accordingly, or by external events and actions.
All securities financing operations may present a high degree of risk.

Percentage of assets that may be object of securities financing operations

The securities that shall be the object of financing operations are limited to shares, bonds or money market instruments issued or guaranteed by a member or third country, by local public authorities by a member state or international public bodies that include one or more member states.

The maximum percentage of assets that may be object of buy-sell back operations and reverse repo contracts is 40% of EVERGENT INVESTMENTS' total assets, while the forecast assets percentage that will be object of the above is approximately 10%.

The maximum percentage of assets that may object of sell-buy back operations and repo agreements is 40% of EVERGENT INVESTMENTS' total asset, while the percentage of assets forecast to be their object is approximately 10%.

The maximum percentage of assets that may be object of securities landing operations is 20% of EVERGENT INVESTMENTS' total asset, while the percentage of assets forecast to be their object is approximately 10%.

Such operations shall be exclusively made with financial institutions, while avoiding intra-group conflicts of interest. For this purpose the offers received from counterparties shall be objectively assessed based on risk, cost and performance criteria.

Description of the methods used to valuate used collateral

Collateral accepted within these transactions (through collateral we understand all assets received by in the context of efficient portfolio management techniques) are cash, securities and instruments of monetary market issued or guaranteed by European Union member states or belonging to the European Economic Area, or public authorities of these states, with maturity usually under 10 years and BVAL score (calculated by Bloomberg) of at least 8.

Thus, accepted collateral shall be issued by entities independent of the counterparties, with a low correlation degree with the performance of the counterparty. In order to ensure a proper level of collateral diversification, these will be taken in account on verifying the abidance by the investment limits applicable to the fund. The market value of collateral at time buy-sell back operations are concluded and reverse repo agreements should cover the value of the invested amount.

Collateral adjustment margins shall be set depending on the counterparty's credit risk, duration of the transaction, as well as the type and maturity of the titles used as collateral. Collateral received as equity and money market instruments shall be kept in custody at EVERGENT INVESTMENTS' Depositary.

Collateral shall be valuated based daily based on the method based on the use of relevant quoted market prices. Depending on the provisions of contracts signed with the counterparties, daily variation margins may be used.

All income received following the use of efficient portfolio management techniques belongs to EVERGENT INVESTMENTS. Commissions corresponding to efficient portfolio techniques are those specific to the settlement of securities that are object of these options and are collected by the depositary bank.

Policies regarding the administration of collateral received during the securities financing

In the securities financing operations, EVERGENT INVESTMENTS shall accept as collateral bonds (issued guaranteed by a member state or a third states, by local public authorities of a member state or international public bodies to which one or more member states belong), liquid assets included in certain stock indices or cash.

The financial collateral contract is entered without transfer of property, in accordance with legal provisions in the field of financial collateral contracts.

In the securities financing operations, all collateral received by EVERGENT INVESTMENTS, used to reduce exposure on counterparty risks, should constantly abide by the following criteria:

a) **Liquidity** – any collateral received other than cash should have a high liquidity degree and be traded on a regulated market, in an alternative trading system with transparent prices so as to be able to be sold quickly for a price close to the value before the sale or be traded through credit institutions authorized by Romania's National Bank.

b) **Evaluation** – collateral received should be valuated at least daily, and assets with a high price volatility should not be accepted as collateral if no adequate, prudent haircuts are set;

c) **Quality of issuer's credit** – collateral received should be of high quality;

d) **Correlation** – collateral received by the Fund should be issued by an entity independent from the counterparty which is not expected to present a high correlation degree with the counterparty's performance;

e) **Diversification of collateral (assets concentration) –** collateral should be sufficiently diversified by countries, markets and issuers. The sufficient diversification criteria regarding issuer concentration is considered to be abided by if EVERGENT INVESTMENTS receives from a counterparty of a securities financing operation and off-market transactions with derivatives a package of collateral with a maximum exposure to issuer of 20 % of EVERGENT INVEESTMENTS' TOTAL ASSET. When EVERGENT INVESTMETNS is exposed to different counterparties, different packages of collateral should be aggregated on to calculate the 20 % limit of exposure to a single issuer

f) **Collateral other than cash shall not be sold, reinvested or pledged;**

g) **Cash collateral received should be:**

(i) deposited at credit institutions from member states;
(ii) invested in high-quality governmental bonds;
(iii) used for the purpose of reverse repo transactions, provided that the transactions be made with credit institutions that are the object of a prudential supervision, and the Fond can recover at any time the cumulated cash amount;
(iv) invested in short-term monetary market funds, as defined by FSA Regulation.

Assets that are the object of securities financing and collateral received shall be kept by the depositary and custodian of EVERGENT INVESTMENTS.

For the purpose of proper risk management:

a) Eligible counterparties for securities financing instruments are analyzed by the portfolio management and risk management departments;

b) Financial instruments received as collateral should be of quality and abide by the liquidity and diversification requirements;

c) In order to set haircuts, the following shall be taken into consideration (the list is no restrictive): type and quality of issuer, period up to maturity of the instrument, etc.

Both shares and bonds accepted as collateral purchased in case of collateral investment in cash are subjected to the risk categories foreseen by internal regulations of EVERGENT INVESTMENTS.

Collateral received by EVERGENT INVESTMENTS should be able to be executed at any time, without reference to the counterparty and its approval. Expenses corresponding to the securities financing operations are borne by EVERGENT INVESTMENTS and all income generated by these operations belong to EVERGENT INVESTMENTS.

Section 3.9
Information foreseen by art. 6 Regulation (EU) no. 2019/2088 on sustainability in the financial services sector

A. Way in which sustainability related risks will be included in the investment decisions of EVERGENT Investments

Sustainability risks are defined as the events or conditions related to sustainability factors that, should they occur, they could generate a real or potential significant effect on the value of investments or assets, financial statements and earnings, as well as on EVERGENT Investments' reputation.

At present, sustainability risks **are not relevant** for the company's current activity, given the following:

a) "Relevant" risks identified according to the provisions of Regulation (EU) no. 231/2013 are presented in *EVERGENT INVESTMENTS' Risk management policies and present Rules,* namely:
   - Market risk;
   - Liquidity risk
   - Issuer risk
   - Credit and counterparty risk
   - Operational risk

b) The analysis of legal regulations and market information available up to this point have not indicated any factor that would lead to the fact that sustainability risk could be relevant within the meaning of Regulation (EU) no. 231/2013 for EVERGENT Investments considering the nature, complexity and volume of the activity.

c) Risk indicators, risk appetite and tolerance are set for relevant risks and are these represent the risk profile of EVERGENT Investments. Sustainability risk is presented in the contents of the present EVERGENT Investments Rules in Section 3.2 j) under "other risks".

d) According to the Policy *on the integration of sustainability risks in the decision-making process*, EVERGENT Investments shall analyze it's the decision-making process if the economic activity of the issuers it invests in is qualified as durable or not~~,~~ without aiming to set investment limits on criteria related to sustainability, for now.

Since EVERGENT Investments invests mainly on Romanian capital market, at present the **market does not offer sufficient** data for a full analyses by an investor of issuer's sustainability risks.

Therefore, at present the decision-making processes regarding investments EVERGENT Investments analysis all risks stemming from the activity of the issuers suggested by investment decisions, without including, for now, sustainability –related risks.

B. Results of the evaluation regarding the probable effect of sustainability related risks on the return of the financial products EVERGENT Investments makes available

Given the limited availability of ESG information on the level of the local market: no ESG ratings were published for issuers listed on BVB and there are no indices related to sustainability on the Romanian market, as well as the possibility that ESG information be indexed or based solely on estimates, we are currently not able to estimate the impact of sustainability risks on EVERGENT Investments' yields.
Given the low data currently on the market, when a sustainability index will be available on the Romanian market, we will compare the evolution of the Evergent Investments portfolio with the evolution of that index and we will be able to assess the impact of sustainability risk and adequately inform investors.

Section 3.10
Information foreseen by art. 4 and 7.2. of Regulation (EU) no. 2019/2088 on the transparency of negative effects on sustainability on entity level.

EVERGENT Investments, at present, does not take into consideration possible negative effects of investment decisions on sustainability factors, due to the following reasons:

- Legislation related to information related to the financial services, although it started to take shape, has not yet been completed on EU level. Regulation (EU) no. 2019/2088 was completed with Regulation (EU) 2020/852 on the institution of a framework to facilitate durable investments, and this framework covers all aspects related to the environment, and not those related to social aspects and workforce, as well as those related to corporate governance. Moreover the technical standards corresponding to the regulations in force are al least in the drafting stage, and are to be drafted by the end of 2021.
- Even if we had a full legislation available, with full information related to sustainability in the sector of financial sectors, there is a limited availability of unitary principles of ESG type data and information on issuers functioning on the level of local financial markets.
- The complexity and novelty of requirements submitted within regulations already published and in the technical standard require an adequate time for the additional training of staff for the additional training of staff for their understanding and accurate application.

Concerned about the effects of its investment decisions on sustainability factors, EVERGENT Investments shall consider the aspects presented above and expresses its intention, depending on their clarification, to analyze and decide on the taking into consideration the negative effects of investment decisions regarding any new concrete enterprise for this purpose.

Preparation date
29th April 2021

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