



RULES of EVERGENT Investments S.A. – A closed-end alternative investment fund for retail investors, established as an investment company.



Drive for
performance

RULES of EVERGENT Investments SA – a closed-end alternative investment fund for retail investors, established as an 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 may be consulted together with the regular and current reports, as well as the other legal documents governing the activity of EVERGENT Investments S.A., on the company's website www.evergent.ro.

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CHAPTER 1

Information on the Alternative Investment Fund Manager (A.I.F.M.) and the relationship of AIFM with 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.

The shares of EVERGENT Investments S.A. are not redeemable, and shareholders do not have the right to request that the Company repurchase their shares.

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: PJRo71A.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 (3¹) 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 permanent employees during the previous calendar year.”

The Company is registered in the Trade Registry under no. J1992002400045 – EUID: ROONRC. J1992002400045

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.

Section 1.2.

Management Object and Objective

EVERGENT Investments SA primarily focused on the Romanian market, with investments predominantly in equities, a medium risk profile, and temporary liquidity placements in fixed-income instruments.

The objective of the management is the growth of the assets under management.

According to the Memorandum of Association, the main activity is classified under NACE 6499 – other financial intermediation, not elsewhere classified, excluding insurance and pension fund activities. The company’s scope of activity consists in: a) portfolio management; b) risk management; c) other ancillary and related activities to collective management permitted under the applicable law.

Section 1.3.

List of fees charged by A.I.F.M. to investors

EVERGENT Investments SA, F.I.A. self-managed, it does not charge any fees to investors. Investments in EVERGENT Investments S.A. shares are made on the Bucharest Stock Exchange (BSE).

Section 1.4.

A.I The expenses incurred by the A.I.F.M. on behalf of the A.I.F. and the method of their calculation

In accordance with applicable legal provisions for an A.I.F.R.I. established as a company, namely article 48 of *FSA Regulation no. 7/2020 on the authorization and functioning of alternative investment funds*, the obligations consist of:

- a) expenses related to the payment of fees owed to the depositary;
- b) expenses related to fees owed to intermediaries and other expenses directly or indirectly related to the trading and/or purchase or sale of A.I.F.R. assets or their admission to trading, including taxes and fees payable to the relevant market operators;
- c) expenses related to turnover fees and other banking services;
- d) interest expenses, in the case of loans contracted by the A.I.F.R. in accordance with the law;
- e) expenses related to fees and charges payable to the ASF or other competent authorities, as well as any taxes or other fiscal obligations imposed as a result of the activity of the A.I.F.R.I.;
- f) issuance expenses for the A.I.F.R.I documents and any reporting and transparency obligations related to the A.I.F.R.I.;
- g) expenses related to the financial audit of the A.I.F.R.I., as well as any non-audit services that may be performed by the financial auditor in accordance with applicable law.;
- h) the amounts payable in respect of loans contracted under the conditions imposed by the regulations;
- i) expenses related to investor relations and public relations in the interest of the A.I.F.R.I.

Expenses shall be calculated in accordance with the terms of the contracts with service providers concluded by the company or, in the case of those referred to in item e), in accordance with the applicable regulations.

Expenses are recorded monthly in the calculation of the net asset value.

Section 1.5.

The responsibility of A.I.F.M. in performing the asset management function

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 on the depositary and the relationship between the A.I.F.M. and the depositary

Section 2.1.

Identification data of the Depositary

The Depositary of EVERGENT Investments SA is BANCA COMERCIALA ROMÂNĂ SA, a company managed under a two-tier system, headquartered at 159 Calea Plevnei, Business Garden Bucharest, Building A, 6th floor, District 6, Bucharest, registered with the Trade Register under No. J40/90/23.01.1991, sole registration code R361757, a Romanian credit institution authorized by the National Bank of Romania and listed in the Banking Register under No. RB-PJR-40-008/1999, registered with the F.S.A. under No. PJR10/DEPR/400010 of 04.05.2006, having registration number 3776 with the National Supervisory Authority for Personal Data Processing, telephone 0373.511.695 / 0373.510.631, fax 021 227 00 79, website address www.bcr.ro

Section no. 2.2.

The object of the depositary and custody agreements concluded between the A.I.F.M. and the depositary

The depositary services include:

- a) calculating and/or certifying the value of the AIF’s assets within the deadlines established by the specific legislation and the AIF documents;
- b) ensuring that the A.I.F.M.’s cash flows are adequately monitored, in accordance with legal provisions;
- c) supervising the A.I.F.M.’s compliance with applicable legislation and regulations, as well as with the constitutional documents, in order to assess the risks related to the nature, size, and complexity of the A.I.F.M.’s organization and to establish appropriate supervisory procedures;
- d) the safe-keeping of the assets entrusted to the Depositary;
- e) carrying out the instructions of the A.I.F.M., except where such instructions conflict with applicable national legislation or with the A.I.F.M.’s constitutional documents;
- f) ensuring that, in transactions involving the assets of the A.I.F.M., the consideration is received by the A.I.F.M. within customary time limits;
- g) ensuring that the A.I.F.M.’s income is used in accordance with applicable national legislation and with the A.I.F.M.’s constitutional documents..

The custody services include:

- a) opening custody accounts;

- b) the safe-keeping of the A.I.F.M.'s assets entrusted to the Custodian;
- c) executing the A.I.F.M.'s instructions, except where such instructions conflict with applicable legal provisions;
- d) transmitting information regarding the A.I.F.M.'s assets for the purpose of exercising, within legal deadlines, the rights attached to the financial instruments;
- e) processing corporate actions related to the A.I.F.M.'s assets, executing the A.I.F.M.'s instructions concerning corporate actions, and collecting funds or other rights paid or distributed in connection with the assets held in custody..

Section 2.3.

Duration of the agreement entered between A.I.F.M. and Depositary

The Agreement is valid for a period of one (1) year starting from its effective date. Pursuant to ASF Authorization No. 74/18.05.2023, Banca Comercială Română S.A. is the new depositary of the assets of EVERGENT Investments S.A.

If neither Party notifies the other Party of the termination of the Agreement at least 90 calendar days prior to its expiry date, the Agreement shall be deemed automatically extended under the same conditions and for successive identical periods, such extension being considered the Parties' tacit agreement in this respect.

Section 2.4.

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

EVERGENT Investments SA gives 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 and custody fees

The depositary fee is established under the EVERGENT Investments depositary agreement and amounts to 9,000 lei per month.

The Depositary shall not transfer, pledge, guarantee, or otherwise dispose of the financial instruments or cash entrusted for safekeeping on behalf of the AIFM, except where appropriate Instructions are provided. This restriction does not apply in cases where the F.S.A. imposes special measures.

EVERGENT Investments SA owes fees to the custodian for the following services:

- safekeeping fee for financial instruments on domestic and foreign markets;
- settlement fee for transactions with financial instruments on domestic and foreign markets;
- corporate actions fee for domestic and foreign markets (notifications, payment events, exercise of voting rights in the General Meeting of Shareholders);
- government securities fee.

These fees are subject to the applicable legal provisions regarding value-added tax.

Section 2.6.

Responsibilities of the Depositary and Custodian

The Depositary is liable to EVERGENT Investments S.A. and to the shareholders of EVERGENT Investments S.A. for any loss suffered by them as a result of the Depositary's improper performance or failure to perform its obligations.

○ **Responsibilities of the Depositary**

1. The Depositary shall not be held liable in any way for the failure, whether by omission or otherwise, of the A.I.F.M. to provide the information and documents necessary for certifying the net asset value of the A.I.F.M. and the net asset value per unit.
2. The Depositary shall not transfer, pledge, guarantee, or otherwise dispose of the financial instruments or cash entrusted for safekeeping on behalf of the A.I.F.M., except where appropriate Instructions are provided. This restriction does not apply in the event that the F.S.A. imposes special measures.
3. Assets entrusted for safekeeping may not be subject to enforcement proceedings initiated by the Depositary's creditors, may not be seized or attached by them, and do not form part of the Depositary's estate in the event of its insolvency.
4. The Depositary may transfer the safekeeping of part of the A.I.F.M.'s assets to a sub-custodian authorized by the F.S.A. only with the consent of the A.I.F.M., in which case the Depositary shall be jointly liable with the sub-custodian to the A.I.F.M. for the safekeeping of the assets.
5. The Depositary's liability is not affected by the delegation of its functions, except where the Depositary's exemption from liability applies in accordance with the provisions of the applicable legislation. Any delegation of the Depositary's functions shall be carried out only in compliance with all conditions set forth in the applicable legislation.
6. The Depositary is not relieved of its responsibility to ensure the safekeeping of the assets entrusted to it, except where it can demonstrate that, in the event of a loss of A.I.F.M. assets for which safekeeping was delegated, the loss occurred as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to prevent them.
7. The Depositary's obligations shall not be affected by the fact that it has entrusted all or part of the assets it holds to a sub-custodian. The transfer of assets to a sub-custodian shall be made following the inclusion in the A.I.F.M.'s constitutional documents of information regarding the sub-custodian's identification details and the delegated activities, to the extent that such an explicit requirement is applicable at that time in accordance with the applicable legislation. Regarding the sub-custodian, the Depositary shall provide the A.I.F.M. with the following information:
 - a) upon request, information regarding the criteria used for selecting the sub-custodian and the measures taken to monitor the activities carried out by the selected sub-custodian;
 - b) regularly, in accordance with the mutually agreed terms, details regarding the appointed sub-custodian.
8. The Depositary is liable to the A.I.F.M. for any losses of financial instruments or damages suffered, as long as such losses or damages were caused by the improper performance, intentional non-performance, delayed performance, or negligence in fulfilling the obligations assumed by the Depositary or by sub-custodians to whom the Depositary has entrusted, with the A.I.F.M.'s consent, certain A.I.F.M. assets for safekeeping under the applicable legal provisions. In the event that losses arise as a result of the causes mentioned above, the Depositary's liability extends to covering the full amount of the direct damage

caused. Under no circumstances shall the Depositary be held liable for any loss or damage suffered by the A.I.F.M. resulting from the provision of incorrect or incomplete information by the A.I.F.M., from the delayed transmission of information to the Depositary, or from the failure to transmit information to the Depositary, in accordance with the obligations assumed under this Agreement and the agreed Working Procedures.

○ **Responsibility of the Custodian**

1. The Custodian shall faithfully perform the obligations set forth in this Agreement and those arising from the corresponding Instructions.
2. The Custodian is liable to the A.I.F.M., as well as to the A.I.F.M. investors, for any losses of financial instruments or damages suffered, provided that such losses or damages were caused by the improper performance, non-performance, or delayed performance of the obligations assumed by the Custodian under the contract, or by the sub-custodians/Global Custodian to whom the Custodian has entrusted the A.I.F.M.'s assets for safekeeping.
3. The Custodian shall have towards the A.I.F.M. only those duties and obligations provided for or referred to in the Agreement, and no other obligation shall be enforceable against it, except for the mandatory provisions of the law.
4. The Custodian does not have the authority to transfer, pledge, guarantee in any manner, or otherwise dispose of any financial instruments or cash entrusted for safekeeping on behalf of the A.I.F.M., except where appropriate Instructions are provided by the A.I.F.M. and solely for the benefit of the A.I.F.M., in compliance with the applicable legal provisions. This restriction does not apply in the case of special measures ordered by competent authorities, or in the case of any enforcement measures (seizure, attachment, etc.) issued in accordance with legal provisions.
5. Assets held in custody may not be subject to enforcement proceedings initiated by the Custodian's creditors, may not be seized or attached by them, and do not form part of the Custodian's estate in the event of its insolvency.
6. If it is necessary for the A.I.F.M. to provide an appropriate Instruction for the Custodian to carry out an operation related to the financial instruments held in custody, the A.I.F.M. shall promptly send the notification within the timeframe specified in the received notice; otherwise, the Custodian shall not be held liable for failing to execute the instruction. For clarification, instructions for the settlement of transactions consist of sending to the Custodian the trade confirmations from intermediaries, signed with an electronic signature by a person authorized by the Company (A.I.F.M.) in its relationship with the Custodian.
7. The Custodian shall not be obliged to initiate legal proceedings or take action in court against the issuers of the financial instruments in the A.I.F.M.'s portfolio in the event of the issuer's failure to fulfil its obligations.
8. The Custodian cannot be held liable for delays or omissions by issuers or custodians of financial instruments, particularly in connection with the payment of income from financial instruments or the redemption of financial instruments.

Section 2.7.

Termination of Depositary and Custody Agreements

The depositary and custody agreements shall terminate automatically without the need for intervention by a competent court and without any additional formalities, in the following cases:

- a) on the expiration date of the Agreement or any subsequent period following the initial term, if one of the Parties has notified the other of its intention to terminate the Agreement;
- b) by unilateral termination of the Agreement by either Party, only after providing the other Party with a minimum notice of 90 days before the termination takes effect, such period

running from the date of notification of the termination to the F.S.A. The decision to terminate the Agreement shall be published on the A.I.F.M.'s website within 3 working days from the date of termination;

- c) by mutual agreement of the Parties, with the A.I.F.M. submitting an original copy of the addendum to this Agreement to the F.S.A., through which the Parties decide and regulate the termination of the Agreement. The notification of termination to the F.S.A. shall be made at least 90 days before it takes effect;
- d) in the event that the F.S.A. withdraws the authorization/approval to operate of any of the Parties and/or the National Bank of Romania withdraws BCR's operating license;
- e) in the event that the National Bank of Romania initiates special supervision or administration procedures for BCR, or insolvency proceedings are opened;
- f) by termination of the Agreement as a result of non-performance and/or improper performance by the Parties of their legal obligations arising from any of the applicable regulatory acts governing their activities, as provided in the specific legislation, and/or obligations set forth in this Agreement, which result in insufficient protection of the Fund's assets.

The right to terminate the Agreement is subject to the following procedure:

- Promptly notify the other Party of the identified situations and the reasons why it considers that the A.I.F.M.'s assets are at risk of not being sufficiently protected or are no longer sufficiently protected, and grant a period of 10 working days for a response regarding the measures to remedy the situation;
- Analyse the response received from the A.I.F.M. as well as the proposed remedial measures, and if these are deemed insufficient and/or inadequate, notify the A.I.F.M. again, presenting the arguments and, where applicable, the measures that the Custodian proposes or considers necessary;
- Reassess the response and any additional measures proposed by the A.I.F.M., and if these are still considered insufficient and/or inadequate, or if no response is received, the Custodian shall be entitled to consider that, despite repeated efforts, the assets are not sufficiently protected and, consequently, take the final measure of terminating the Agreement, notifying the A.I.F.M. at least 60 days in advance to allow for the contracting of another custodian and depositary;
- Actively cooperate with the A.I.F.M. and the new custodian and depositary regarding the transfer of the assets and the provision of any necessary information for this purpose.

Section 2.8.

Act of God for the Depositary and Custody Agreements

1. Act of God and fortuitous events exempt the Party unable to perform its obligations due to such events from liability. Act of God constitutes any external, unforeseeable, absolutely invincible, inevitable, insurmountable event, extrinsic to the contractual circumstances, not attributable to the debtor, occurring before the due date of the obligation, and which causes total or partial, temporary or permanent impossibility to perform one or more of the debtor's obligations. A fortuitous event is an event that could not have been foreseen or prevented by the party that would have been liable had the event not occurred.

2. For the purposes of this clause, Act of God events include, without limitation: war or war-like situations, revolution, earthquake, severe floods, embargo, as well as any other situations certified by the Chamber of Commerce and Industry or any other competent authority as constituting force majeure.

3. The Party invoking an act of God or fortuitous event must notify the other Party of the occurrence of the event and the resulting impossibility to perform within 2 days from the event's occurrence, and must submit a certificate attesting the act of God, issued by the legally competent institution, within 15 days from the date of notification. Additionally, the Party invoking an act of God or a fortuitous event must notify the other Party of the cessation of the event and its consequences regarding the impossibility to perform within 2 days from the date the event ended. If, due to an act of God or a fortuitous event, the Custodian is unable to perform its obligations, it shall immediately ensure, with the A.I.F.M.'s consent and prior notification to the F.S.A., the transfer of the A.I.F.M.'s assets to another depositary or sub-custodian.
4. If the impossibility to perform caused by act of God and/or a fortuitous event lasts for a period not exceeding 30 days, the performance of the affected obligation is suspended, and its due date shall be extended by the duration of the impossibility to perform, unless the creditor of the respective obligation notifies otherwise. If the impossibility to perform caused by act of God and/or a fortuitous event lasts for a period of 30 days or more and concerns the obligations set forth in Articles 6.2 and 6.3, either Party may terminate the Agreement without the payment of damages by sending a notification to the other Party.
5. In cases where the Agreement is terminated in accordance with Article 13.4, the termination shall take effect automatically, without the need for formal notice or the intervention of courts, based on the notification sent to the Party whose obligation is affected by the act of God or fortuitous event. Termination due to an act of God or fortuitous event shall not affect the Parties' obligations to pay amounts that arose prior to the occurrence of the force majeure or fortuitous event.
6. If the impossibility to perform is total and permanent and concerns the obligations set forth in Articles 6.2 and 6.3 of this Agreement, this Agreement shall be automatically terminated, without notice, from the moment of the occurrence of the act of God or fortuitous event.
7. The Parties are free to renegotiate the Agreement to adapt it to the new circumstances resulting from the act of God and/or a fortuitous event, with the rights provided above remaining reserved.
8. Failure to notify the occurrence of an act of God or fortuitous event, its cessation, and the evidence attesting to it within the deadlines specified above shall entitle the creditor of the obligation to claim damages for the prejudice caused by such failure to notify on time.

CHAPTER 3

Information on EVERGENT Investments SA - closed-end alternative investment 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 89,082,859.20 lei; number of issued shares: 890,828,592; 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.

Identifiers: FSA Registry no.: PJR09FIAIR/040003; Bucharest Stock Exchange: EVER; ISIN: ROSIFBACNOR0; Bloomberg FIGI: BBGID BG000BMN5F5; Reuters RIC: EVER.BX; LEI: 254900Y1O0025N04US14 .

The currency used for denomination is RON.

Section 3.2

Description of A.I.F. - EVERGENT Investments SA's objectives

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 shareholders both through the payment of cash dividends and by implementing share buyback programs through Public Purchase Offers (PPOs). It is considered that a policy mix including dividend allocation and the possibility to participate in PPOs provides a higher return than traditional dividend distribution, compensating the invested capital at a level above the returns offered by monetary 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 to the two key sectors, energy-utilities and financials, provides flexibility in adjusting the portfolio based on the results of return/risk analyses and performance optimization techniques. Although these sectors may experience different economic cycles and periods of volatility, they are considered to maintain the highest potential for dividend generation in the medium and long term, representing the primary source of profit and recurring income for EVERGENT Investments. Exposure to issuers in the energy and utilities sector takes into account their ability to provide consistent and predictable dividends.

EVERGENT Investments follows a mixed resource allocation strategy, combining investments in the capital market with private equity-type projects aimed at generating additional long-term returns.

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, cumulatively abiding by the following conditions:
 - (1)** issuance documents shall include a firm commitment that admission to trading will be requested on a trading venue or on a stock exchange in a third country that operates regularly and is recognized and open to the public, provided that the choice of the trading venue or exchange is approved by the F.S.A. or is stipulated in the fund rules or in the constitutional documents of the investment company, as approved by the F.S.A
 - (2)** admission shall be ensured within a maximum period of one year from issuance.;
- d) Participation units of UCITS or AIFs** established in member states or not, subject to the cumulative fulfilment 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 placed with credit institutions** that are repayable on demand or provide a withdrawal right, with a maturity not exceeding 12 months, provided that the registered office of the credit institution is located in Romania or in a member state. If the registered office is located in a third country, the credit institution must be subject 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.;
 - (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 subsequent amendments and completions, whose annual financial statements are audited in accordance with 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, subject to at least the following conditions being met:
- 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 issuer of corporate bonds must be audited in accordance with the law and must not indicate significant risks, such as credit, liquidity, or solvency risks, regarding its financial position, which could result in the failure to meet the payment obligations of the coupons and principal related to the corporate bond issue;
 - 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) For the purposes of paragraph (2), the status of the guarantees referred to in paragraph (1), letter a), which may consist of bank guarantees, insurance of the bond issuance by an insurance company, or other similar supporting documents issued by financial institutions or by the legal representative of the issuer of the respective guarantees, shall include the signatures of the responsible persons within EVERGENT Investments and that of the representative of the depositary.
- (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 honoured, 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) government securities**;
- l) Real estate assets**, in compliance with F.S.A. regulations. Real estate assets are defined according to Article 2, letter b) of Law no. 243/2019, as either an existing building, the completion of which is certified based on a works reception report, or a plot of 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) Risk hedging strategies that may be used in portfolio management

- ✓ Reducing duration risk by combining a long position in a bond or a bond portfolio with a short position in an interest rate swap or with a short position in bond futures contracts.
- ✓ Reducing the risk of a long position in a diversified equity portfolio with a short position in a futures contract, where the returns are highly correlated and the short position allows for an undeniable reduction of the overall market risk.
- ✓ Offsetting the risk of a fixed-rate bond with a credit risk swap and an interest rate swap, which allows converting the fixed rate into a floating rate.

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

- ✓ Offsetting the combined risk between a short position in a stock and a derivative instrument on an underlying asset represented by another stock, closely correlated with the shorted stock.
- ✓ A strategy consisting of investing in a basket of stocks with a short position on a stock market index, aimed at reducing the beta component while maintaining the alpha component of the respective investment.
- ✓ A strategy that seeks to hedge a long position in a stock or bond by purchasing credit protection against the same issuer concerns two different asset classes and, therefore, should not be considered a risk hedging operation.

Main derivatives that may be used:

1. Interest rate swaps and currency swaps;
2. Forward contracts on exchange rates;
3. Options on financial indices, shares admitted to trading on regulated markets, interest rates, and exchange rates;
4. Futures contracts with underlying assets consisting of financial indices, shares admitted to trading on regulated markets, interest rates, and exchange rates.

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.

The investment in EVER shares does not have a minimum holding period; the five-year period is considered the time the product may need to achieve its investment objectives.

f) Risk factors arising from the investment policy of the closed-end alternative investment fund (Specific risks of EVERGENT Investments)

Considering the specific nature of its financial investment activity, EVERGENT Investments is or may be exposed to the following **relevant risks**:

1. Market risk - is the risk of loss for the Company arising from fluctuations in the market value of positions in the financial instruments portfolio, fluctuations that may be attributed to changes in market variables: stock prices, exchange rates, and interest rates, which could affect the Company's income or the value of the financial instruments held.

Market risk components are:

- a) **Price or position risk** – is the risk that the value of a financial instrument may fluctuate as a result of changes in market prices, changes caused either by macro-level factors affecting all instruments traded on the market (systematic component), or by factors specific to individual instruments or their issuers (unsystematic component). The unsystematic component of the risk can 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 - is the current or future risk of loss in the value of a security in the portfolio due to the deterioration of its economic and financial situation, either because of business conditions (malfunctioning or misalignment of its internal activities with its business plan) or due to external events, trends, and changes that could not have been anticipated or prevented through the control system. Associated with issuer risk, EVERGENT Investments is also exposed to **concentration risk**, which represents the risk of incurring losses due to inadequate diversification (uneven distribution) of exposures in the equity portfolio across maturities, 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 fulfil obligations on their maturity. Liquidity risk has two forms:

- a) **cash-flow risk**: the risk of incurring losses or failing to achieve expected profits, resulting from the inability to meet short-term payment obligations at any given time, without incurring excessive costs or losses;
- b) **asset liquidity risk**: losses that may be incurred if a position in the Company's portfolio cannot be sold, liquidated, or closed at limited cost, at a value close to its fair value, within a reasonable time frame (due to the inability to find a counterparty in financial transactions).

4. Credit and counterparty risk - Credit risk is the risk of financial losses for the Company arising from the uncertainty regarding the ability, capacity, or willingness of business partners to fulfil their contractual obligations. Counterparty risk is associated with credit risk and represents the risk that a counterparty in a transaction fails to meet its contractual obligations before the final settlement of the cash flows related 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 fulfil their function properly, 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.
- b) **Professional liability risk** – the risk of loss or damage caused by a relevant person within the Company through negligent actions, errors, or omissions in performing activities, for which the Company bears legal responsibility.
- c) **Compliance risk** – the risk that the Company may incur penalties under the legislative or regulatory framework, suffer significant financial losses, or experience reputational damage as a result of non-compliance with the provisions of the legislative or regulatory framework, its own rules and standards, as well as the codes of conduct applicable to its activities.
- d) **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.
- e) **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 properly 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.
- f) **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.

6. Sustainability risk means an environmental, social, or governance event or condition which, if it occurs, could cause a significant, actual or potential, negative effect on the fund's assets, profitability, balance sheet, or reputation.

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. Conflict of interest risk – the risk of losses arising from any situation in which the interests of the Company diverge from the personal interests of its employees, directors, administrators, 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.

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 company's returns.

Derivative financial instruments carry a higher level of risk compared to financial instruments such as shares and bonds, and they are typically traded outside regulated markets.

EVERGENT has the obligation to calculate the leverage effect on a monthly basis, using both the gross method and the 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 grant cash loans, participate in or subscribe to syndicated loans, or guarantee cash loans in favour of a third party, except for entities within the group to which EVERGENT Investments belongs, and only within the limit of 10% of its assets. It may not directly acquire, in whole or in part, loan portfolios issued by other financial or non-financial entities, except for investment placements in financial instruments issued by internationally recognized financial institutions, credit institutions, or non-bank financial institutions authorized by the National Bank of Romania or by other central banks of a member state or third countries;
- m)** may not hold more than 40% of the value of the company's assets in securities or money market instruments that are not admitted to trading on a trading venue or on an exchange in a third country, except for government securities and bonds issued by the Ministry of Public Finance, as well as holdings acquired by EVERGENT Investments by law, for which no holding limit applies;
- n)** it may not hold more than 20% of the value of the company's assets in shares issued by limited liability companies, regulated by Law no. 31/1990, republished, as subsequently amended and supplemented;
- o)** It may not hold more than 10% of the value of the company's assets in greenhouse gas emission certificates, as defined in Article 3 letter b) of Government Decision no. 780/2006, as subsequently amended and supplemented.

In the event that these limits are exceeded, exclusively in situations beyond its control, EVERGENT Investments SA is required to comply again with the legal requirements within 30 days from the date on which the respective limit was exceeded. The company is obliged to inform the asset depositary and the F.S.A. within two working days regarding the breach of the limits. The notification shall include the justification of the causes that led to this situation and the action plan for reinstating compliance with the legal requirements within 30 days from the date of the deviation.

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

- It may not carry out exchanges of financial instruments for cash or for other financial instruments from the portfolio of EVERGENT Investments SA / the companies within the group, nor may it use transfers of illiquid assets from its investment portfolio free of charge to investors ("redemption in kind"). By way of exception, it may offer or receive other securities in

exchange for the securities it intends to buy or sell within a takeover/public purchase offer carried out through a public exchange offer, in accordance with the legal provisions applicable to securities issuers, pursuant to Art. 43 (2) and (2¹) of FSA Regulation no. 7/2020.

- It may not carry out short sales, as defined under Regulation (EU) No 236/2012 on short selling and certain aspects of credit default swaps, except for risk-hedging purposes, in accordance with Article 33(1) of the A.I.F. Law.
- 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 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 Banking Portfolio, Private Equity Portfolio, Sell Portfolio and Transactions Department that represent the structure that is responsible for the specific analysis and justification of investment opportunities and placement of assets in accordance with the investment strategies approved by 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 fulfil 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 on the issue, sale, buyback 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 may make capital returns to shareholders in proportion to their contributions for the purpose of reducing the share capital of the AIF, subject to the approval of the Extraordinary General Meeting of Shareholders, in accordance with the provisions of Law no. 31/1990, republished, with subsequent amendments and completions, Law no. 243/2019 on the regulation of alternative investment funds and the amendment and completion of certain normative acts, and ASF Regulation no. 7/2020 on the authorization and operation 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.

Methods used to calculate the 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.”*

a) Assets valuation rules

Valuation methodologies for each type of asset in which the company may invest, in compliance with applicable legal provisions, are presented in the table below.

For assets with an observable market price, the chosen valuation methodology takes into account market prices and the relevant market.

By way of exception, for shares of companies admitted to trading on a regulated market or a multilateral trading facility, where liquidity is considered by EVERGENT Investments SA, based on a prudent judgment regarding the active market as defined by International Financial Reporting Standard 13 – Fair Value Measurement (IFRS 13), to be irrelevant for the application of the mark-

to-market valuation method, EVERGENT Investments SA may decide that such shares be valued in accordance with the applicable legal valuation standards, based on a valuation report.

If this valuation method is applied, the company shall maintain it for a minimum period of one calendar year for the respective shares considered illiquid and shall include in the annual report a justification of the decision, including an analysis of the liquidity of the issuer(s) that were not valued based on the mark-to-market principle, thereby providing the rationale for not applying the mark-to-market principle to certain listed issuers.

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 within trading systems other than regulated markets in a Member State, including within an alternative trading system in Romania, as well as those admitted to the official listing of an exchange or an alternative trading system in a third country		
1.1	Shares	<ul style="list-style-type: none"> at the closing price of the market segment considered the main market, in the case of shares admitted to trading on the respective regulated market of a Member State or on a stock exchange of a non-member state or At the reference price provided within trading systems other than regulated markets, including other alternative trading systems, by the operator of the respective trading system for the day for which the calculation is made. The price used as the reference price is calculated based on the trading activity of the day for which the asset calculation is performed and is used as a benchmark for the opening of the trading session on the following day. or In the case of joint-stock companies admitted to trading on a regulated market or a multilateral trading system, whose liquidity is considered, by EVERGENT INVESTMENTS SA, based on a prudent judgment regarding the active market defined by International Financial Reporting Standard 13 – Fair Value Measurement (IFRS 13), as irrelevant for the application of the mark-to-market valuation method, EVERGENT INVESTMENTS SA may decide that the shares of such companies be valued in accordance with the applicable valuation standards under the law, based on a valuation report. If this valuation method is chosen, the company shall apply this method for a minimum period of one calendar year for the respective shares considered illiquid. <p><u>Note:</u> According to Article 47(6) of ASF Regulation No. 7/2020, the participation units of alternative investment funds established as investment companies (AIFCs) that are admitted to trading or traded on a trading venue or stock exchange in a third country are classified as shares</p>
1.2	Fixed income financial instruments	<ul style="list-style-type: none"> At the closing price of the market segment considered the main market, corresponding to the day for which the calculation is performed, in the case of fixed-income financial instruments admitted to trading on the respective regulated market of a Member State or on a stock exchange of a non-

Asset categories		Valuation method
1	2	3
		<p>member state; or at the reference price corresponding to the day for which the calculation is performed, in the case of shares traded within trading systems other than regulated markets, including other alternative trading systems, provided by the operator of the respective trading system for each of the segments of that system. The price used as the reference price is calculated based on the trading activity of the day for which the asset calculation is performed and is used as a benchmark for the opening of the trading session on the following day.</p> <p>or</p> <ul style="list-style-type: none"> by the method based on the daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment
1.3	Money market instruments	<ul style="list-style-type: none"> At the closing price of the market segment considered the main market, corresponding to the day for which the calculation is performed, in the case of fixed-income financial instruments admitted to trading on the respective regulated market of a Member State or on a stock exchange of a non-member state; or at the reference price corresponding to the day for which the calculation is performed, in the case of shares traded within trading systems other than regulated markets, including other alternative trading systems, provided by the operator of the respective trading system for each segment of that system. The price used as the reference price is calculated based on the trading activity of the day for which the asset calculation is performed and is used as a benchmark for the opening of the trading session on the following day. <p>or</p> <ul style="list-style-type: none"> The method based on daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment
1.4	Derivative Financial Instruments	<ul style="list-style-type: none"> at the closing price of the market segment considered the main market, in the case of derivative financial instruments admitted to trading on the respective regulated market of a Member State or on a stock exchange of a non-member state <p>or</p> <ul style="list-style-type: none"> The reference price provided within trading systems other than regulated markets, including other alternative trading systems, by the operator of the respective trading system for the day for which the calculation is performed. The price used as the reference price is calculated based on the trading activity of the day for which the asset calculation is performed and is used as a benchmark for the opening of the trading session on the following day.
1.5	Units Issued by UCIs.	<ul style="list-style-type: none"> at the closing price of the market segment considered the main market, in the case of units issued by UCIs admitted to trading on the respective regulated market of a Member State or on a stock exchange of a non-member state <p>or</p> <ul style="list-style-type: none"> The reference price provided within trading systems other than regulated

Asset categories		Valuation method
1	2	3
		<p>markets, including other alternative trading systems, by the operator of the respective trading system for the day for which the calculation is performed. The price used as the reference price is calculated based on the trading activity of the day for which the asset calculation is performed and is used as a benchmark for the opening of the trading session on the following day.</p> <p><u>Note:</u> in accordance to art. 47 line (6) FSA Regulation no. 7/2020, The participation units of alternative investment funds established as investment companies (AIFCs) that are admitted to trading or traded on a trading venue or stock exchange in a third country are classified as shares.</p>
1.6	Structured products	at the reference price (corresponding to an individual issuance of structured products, or to a trading session) calculated by the market operator on which the respective instruments are traded.
2.	Financial instruments admitted to trading on a regulated market, within an alternative trading system, or within other systems than regulated markets, in a Member State, including within an alternative trading system in Romania, as well as those admitted to the official listing of a stock exchange or an alternative trading system in a third country, but not traded in the last 30 trading days (working days), shall be valued starting from the 31st day of non-trading	
2.1	Shares	<p>The book value per share, as shown in the latest approved annual financial statement (prepared in accordance with the national accounting regulations applicable to the issuer or prepared in accordance with IFRS) of the respective entity;</p> <p>In the case of share capital increase/decrease operations (through the increase/reduction of the number of shares in circulation) of companies that are registered with the National Trade Register Office (O.N.R.C.) (for a company not admitted to trading on a trading venue) or registered in the system of a central depository (for issuers) during the same financial year, and for which the new number of shares in circulation is not reflected in the latest approved annual financial statements, the information provided by the company/issuer shall be used for the purpose of calculating the book value mentioned above, based on supporting documents (the registration certificate from O.N.R.C. or the monthly trial balance – in the case of unlisted companies – or the securities registration certificate, hereinafter referred to as C.I.V.M., issued by the F.S.A. – in the case of issuers – as well as, to the extent available, a report prepared by an independent auditor certifying the new value of the company's equity)</p> <p>In the case of credit institutions, the book value per share may be calculated based on the equity value included in the monthly reports submitted to the National Bank of Romania (B.N.R.), should such reports be available</p> <p>or</p> <ul style="list-style-type: none"> • A value determined by applying valuation methods in accordance with the International Valuation Standards (where the fair value principle is applied), approved by the board of directors

Asset categories		Valuation method
1	2	3
		<u>Note</u> : in accordance with Article 47(6) of FSA Regulation No. 7/2020, the participation units of alternative investment funds established as investment companies (AIFCs) that are admitted to trading or traded on a trading venue or stock exchange in a third country are classified as shares.
2.2	Fixed income financial instruments	Method based on daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment
2.3	Money market instruments	The method based on daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment.
2.4	Derivative Financial Instruments	shall be valued using established techniques in the financial markets, so as to comply with the fair value principle.
2.5	Units Issued by UCIs	The latest net asset value per unit calculated and published by their administrator or published by internationally recognized private firms (e.g., Bloomberg, Reuters)). <u>Note</u> : in accordance with Article 47(6) of ASF Regulation No. 7/2020, the participation units of alternative investment funds established as investment companies (AIFCs) that are admitted to trading or traded on a trading venue or stock exchange in a third country are classified as shares.
3. Financial instruments not admitted to trading on a regulated market or within other trading systems than regulated markets, including alternative trading systems in Romania, in a Member State or a third country		
3.1	Shares	<ul style="list-style-type: none"> The book value per share, as shown in the latest approved annual financial statement (prepared in accordance with the national accounting regulations applicable to the issuer or prepared in accordance with IFRS) of the respective entity. <p>In the case of share capital increase/decrease operations (through the increase/reduction of the number of shares in circulation) of companies that are registered with the National Trade Register Office (O.N.R.C.) (for a company not admitted to trading on a trading venue) or registered in the system of a central depository (for issuers) during the same financial year, and for which the new number of shares in circulation is not reflected in the latest approved annual financial statements, the information provided by the company/issuer shall be used for the purpose of calculating the book value mentioned above, based on supporting documents (the registration certificate from O.N.R.C. or the monthly trial balance – in the case of unlisted companies – or the securities registration certificate, hereinafter referred to as C.I.V.M., issued by the F.S.A. – in the case of issuers – as well as, to the extent available, a report prepared by an independent auditor certifying the new value of the company's equity);</p> <p>In the case of credit institutions, the book value per share may be calculated based on the equity value included in the monthly reports submitted to the</p>

Asset categories		Valuation method
1	2	3
		<p>National Bank of Romania (B.N.R.), if such reports are available or</p> <ul style="list-style-type: none"> A value determined by applying valuation methods in accordance with the International Valuation Standards (where the fair value principle is applied), approved by the board of directors <p>In the case of joint-stock companies not admitted to trading on a regulated market or an alternative trading system, in which EVERGENT Investments SA holds more than 33% of the share capital, the respective shares shall be valued in EVERGENT Investments SA's assets exclusively in accordance with the International Valuation Standards, based on a valuation report updated at least annually.</p>
3.2	Fixed income financial instruments	<p>The method based on daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment.</p> <p>For prudential purposes, in the event that EVERGENT Investments SA determines, based on the regular financial statements of the issuer of these instruments, that there is a significant risk that the issuer will not fulfil its payment obligations related to regular coupons and principal, EVERGENT Investments SA shall gradually make value adjustments on the exposure to the respective instrument, based on an internal analysis or a valuation report prepared by an external valuator appointed in accordance with the provisions of Article 18(9) of Law No. 74/2015. If subsequently the issuer of unlisted fixed-income financial instruments fails to effectively fulfil its payment obligations related to the periodic coupons and principal, then these instruments shall be included in the assets at zero value or, as applicable, at the value of the executed collateral.</p>
3.3	Money market instruments	The method based on daily recognition of interest and the amortization of the discount/premium corresponding to the period elapsed since the date of the investment
3.4	Derivative Financial Instruments	shall be valued using established techniques in the financial markets, so as to comply with the fair value principle
3.5	Units Issued by UCIs	The latest net asset value per unit calculated and published by their administrator or published by internationally recognized private firms (e.g. Bloomberg, Reuters).
4. Holdings in current accounts		
		<p>The available balance as of the date for which the calculation is performed.</p> <p>Amounts held in the company's current accounts at credit institutions undergoing bankruptcy proceedings shall be included in the net assets at a value of zero</p>
5. Bank deposits and deposit certificates		

Asset categories		Valuation method
1	2	3
		<ul style="list-style-type: none"> The valuation method based on daily recognition of interest for the period elapsed since the date of the investment. In the case of interest received before maturity, the amounts thus received are deducted from the calculated value. For structured deposits with a guaranteed minimum interest – valuation based on the principle of daily recognition of the guaranteed minimum interest of the respective structured deposit, which will be credited by the bank. For structured deposits without a guaranteed minimum interest – valuation based on the principle of daily recognition of current account interest. <p>At maturity, if the performance of the underlying asset meets the conditions set at the establishment of the deposit, the positive interest difference for the entire period from the date of deposit establishment shall be recognized. The valuation method shall be maintained throughout the entire duration of the deposit.</p> <ul style="list-style-type: none"> For deposits with interest paid in advance – valuation at the value of the initial amount deposited for the entire duration of the deposit.
6. Shares suspended from trading for a period of at least 30 trading days (working days), as a result of a decision by the market or system operator to disclose information to investors that may lead to changes in the price of the issuer's shares		
		<p>The weighted average price for the last 30 trading days (working days) calculated up to the date of the occurrence of such an event, as the arithmetic mean of the weighted average prices of each of the last 30 trading days;</p> <p>or</p> <p>The value determined by applying valuation methods in accordance with the International Valuation Standards (where the fair value principle is applied) and approved by the board of directors.</p> <p>If the weighted average prices from each of the last 30 trading days are not available for calculating the arithmetic mean, the value used to determine the price of suspended shares shall be exclusively the value determined using valuation methods in accordance with the International Valuation Standards (where the fair value principle is applied).</p>
7. Shares of companies undergoing insolvency or reorganization (included in the net assets from the date on which the announcement was made public on the website of the regulated market or alternative trading system on which they are traded)		
		<ul style="list-style-type: none"> at zero value <p>or</p> <ul style="list-style-type: none"> at the value determined by an independent valuator using valuation methods in accordance with the International Valuation Standards (in line with the fair value principle).
8. Untraded shares, or shares admitted to trading but not traded in the last 30 trading days (working days), whose financial statements are not available within 90 days from the statutory filing dates		
		<ul style="list-style-type: none"> at zero value

Asset categories		Valuation method
1	2	3
		<p>or</p> <ul style="list-style-type: none"> at the value determined using valuation methods in accordance with the International Valuation Standards (where the fair value principle is applied) and approved by the board of directors. <p>The indicated methods shall be applied only in cases where quarterly/half-yearly financial reports are not available on the website of the regulated market, the alternative trading system, the Ministry of Public Finance, or the issuer, based on which the value of the respective shares could be determined.</p>
9. 9. Shares of companies governed by Law No. 31/1990 that are undergoing judicial liquidation or other forms of liquidation, and those that have temporarily or permanently ceased their activity		
		At a value of zero (from the date on which the announcement was made public on the website of the regulated market or alternative trading system on which they are traded)
10. Shares held as a result of participation in a capital increase without cash consideration¹, as well as those with cash consideration ²		
		<ul style="list-style-type: none"> Shares admitted to trading or traded, held as a result of participation in a capital increase without cash consideration, as well as those with cash consideration, recorded in the assets, shall be valued at the closing price of the market segment considered the main market or at the reference price provided within trading systems other than regulated markets, including other alternative trading systems, by the operator of the respective trading system, corresponding to the day for which the calculation is performed Shares not admitted to trading resulting from capital increases with cash consideration: <ul style="list-style-type: none"> until the date of capital increase registration in ONRC at subscribed value From the date of registration of the capital increase with the ONRC, in accordance with point 3.1. Shares not admitted to trading resulting from capital increases without cash consideration – from the date of registration of the capital increase with the National Trade Register Office (ONRC), based on supporting documents provided by the company, certifying the new equity value corresponding to the new share capital (see point 3.1.)

¹ In the case of share capital increases that involve a cash consideration from investors, without the issuance of pre-emption rights, the allotted shares and the amount owed by the A.I.F. as a result of participation in the share capital increase are recorded in the assets of the A.I.F. as follows:

- on the first day on which investors who purchase the shares can no longer participate in the share capital increase, in the situation where the market price is higher than the subscription price, and the AIFM/self-managed investment company decides to participate in the issuer's share capital increase;
- on the date of the effective payment for the shares subscribed in the share capital increase, in the situation where the conditions mentioned under letter a) are not met

² In the case of share capital increases requiring a cash contribution from investors, with the issuance of pre-emptive rights, the shares due are recorded as assets of the UCITS on the date of actual payment for the shares subscribed in the capital increase.

Asset categories		Valuation method
1	2	3
11. Shares of companies governed by Law No. 31/1990 or by the applicable legislation of Member States or third countries, not admitted to trading or admitted to trading on a regulated market, within an alternative trading system, or within other trading systems in a Member State, including within an alternative trading system in Romania, as well as those admitted to the official listing of a stock exchange or an alternative trading system in a third country, but not traded in the last 30 trading days (working days), with negative equity values		
		At value zero
11.1 Shares of a company admitted to trading on a regulated market/alternative trading system, which have negative equity, are untraded for a period longer than 30 trading days, and this period coincides with the suspension period of the respective shares from trading		
		At value zero
12 Real estate values		
		Through a valuation report prepared by an independent valuator registered in the FSA Public Register, in accordance with the provisions of Articles 62–64 of Law No. 243/2019.
13 Shares of limited liability companies whose annual financial statements are audited in accordance with the law		
		based on the value determined by applying valuation methods in accordance with the valuation standards in force under the law (where the fair value principle is applied), approved by the senior management of EVERGENT Investments SA; the valuation is performed at least annually.
14 Greenhouse Gas Emission Certificates		
		based on the value determined by applying valuation methods in accordance with the valuation standards in force under the law (where the fair value principle is applied), approved by the senior management of EVERGENT Investments SA; the valuation is carried out at least annually.

For assets that can be valued using the alternative valuation methods specified in points 1.1, 3.1, and 7, EVERGENT Investments maintains the chosen valuation method for a minimum period of 12 months, for each issuer.

The methodology for the gradual adjustment of exposure to fixed-income financial instruments issued by issuers for which there is a significant risk of failing to meet their payment obligations related to periodic coupons and principal.

For fixed-income financial instruments not admitted to trading on a regulated market or an alternative trading system and held in the portfolio, as a prudential measure, if EVERGENT Investments identifies, based on the issuer's periodic financial statements, a significant risk that the issuer may fail to meet its payment obligations related to periodic coupons and principal, EVERGENT Investments shall implement gradual value adjustments of the exposure to the respective instrument, based on an internal analysis or a valuation report prepared by an authorized valuator.

The application of such value adjustments shall be notified to the ASF upon the initiation of this procedure. The impairment of the value of fixed-income financial instruments shall also be applied in the event of delays in coupon payments, changes in payment dates after maturity, or modifications regarding the maturity date.

EVERGENT Investments shall disclose in its semi-annual and annual activity reports submitted to the ASF complete information regarding the rationale, the causes that led to the value adjustment, as well as a detailed description of the methodology used for the gradual value adjustment.

In the event that, after applying the value adjustment, the issuer of fixed-income financial instruments not admitted to trading on a regulated market or an alternative trading system fails to fulfil its payment obligations related to periodic coupons and principal, such instruments shall be included in the assets at a value of zero.

If, after being included in EVERGENT Investments' assets at a value of zero in accordance with the aforementioned provisions, the issuer of fixed-income financial instruments not admitted to trading on a regulated market or an alternative trading system fulfills all outstanding payment obligations to EVERGENT Investments, the respective instruments shall be revalued in the company's assets using the method based on daily recognition of interest and amortization of the discount/premium related to the period elapsed since the investment date.

The valuation in EVERGENT Investments' assets of corporate bonds not admitted to trading on a regulated market or an alternative trading system, for which payment at maturity has not been honoured within 10 business days from the date specified in the issuance prospectus, shall be carried out at a value of zero or at the value of the executed collateral, as applicable. Additional investments in financial instruments issued by the same issuer are prohibited.

The valuation of such collateral shall be carried out off-balance-sheet in accordance with the rules applicable to the valuation of EVERGENT Investments' assets. The status of collateral shall be notified to FSA in the first monthly report on the net asset of EVERGENT Investments when the investment is made. The status of collateral (which may include bank guarantees, insurance of bond issuances by an insurance company or other equivalent documents issued by financial institutions) shall include, in addition to the signatures of the responsible persons within EVERGENT Investments, and the signature of the representative of the Depositary of EVERGENT Investments.

b) Net asset value calculation formula

Formula for calculating the Net Asset Value per Share (NAVPS) in accordance with Article 47(4) of ASF Regulation No. 7/2020

$$\text{NAVPS} = \frac{\text{Net asset value on that date}}{\text{The number of shares issued and outstanding on that date, excluding treasury shares (own shares bought back by the company) and shares related to deposit certificates or certificates of interest in own shares bought back and held on the reporting date}}$$

For the purpose of calculating the unit value of FIAS asset, treasury shares bought-back by the company are treated as equivalent to deposit certificates and interest certificates issued by a third party based on that particular support assets.

c) Net asset value calculation frequency

The calculation of the net asset value (NAV) and the net asset value per share (NAPS) shall be carried out monthly by EVERGENT Investments, as of the last calendar day of the month, as well

as in the event of share capital increases or reductions. The Depositary of the assets shall certify the situation.

d) Means, location and frequency of net asset publication

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

- submits monthly reports to the ASF regarding the NAV and NAV per share, as well as a detailed statement of investments as of the reporting date, prepared in accordance with FSA regulations, within a maximum of 15 days from the end of the reporting period. If the calculation of NAV and NAVPS is performed more frequently than monthly, the report on this information, together with the detailed statement of investments, shall be submitted to the ASF within a maximum of 5 days from the end of the reporting period. If the last day of the reporting period is not a business day, the documents shall be submitted on the next business day.
- N.A.V. and N.A.V.P.S 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 BVB and presents on its website www.evergent.ro/raportari periodice/activ net lunar.
 - 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 (BVB, www.evergent.ro, shareholders' mailing list) relevant data on the assets of EVERGENT INVESTMENTS are presented: structure, exposure on activity sectors, UNAV 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 no 231/2013.

Section 3.6

Conditions for the replacement of the depositary

Following the termination of the depositary agreement, EVERGENT Investments SA shall take all necessary steps to conclude a depositary agreement with another FSA –approved 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 depositary 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 using the gross method (in accordance with Article 7 of EU Regulation no. 231/2013) and the commitment method (in accordance with Article 8 of EU Regulation no. 231/2013).

EVERGENT Investments’ policy on the use of leverage:

b) *The maximum level of leverage* that EVERGENT Investments SA may employ is twice the total value of net asset (NAV), a level that is considered reasonable for a diversified A.I.F.I.R.I, while 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.*”
- EU Regulation no. 231/2013, Article 111(1): ‘Leverage is considered to be used substantially within the meaning of Article 24(4) of Directive 2011/61/EU when the exposure of an AIF, calculated using the commitment method in accordance with Article 8 of this Regulation, exceeds three times the net asset value”.
- Recommendation of the European Systemic Risk Board on liquidity risk and leverage risk in investment funds (ESRB/2017/6; 2018/C 151/01) for UCITS: Accordingly, in the case of UCITS that use both cash borrowings and financing transactions through financial instruments or derivatives, leverage may exceed the NAV *by a maximum of 2.1 time*”.

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 limit. AIFs are only required to report their use of leverage.
- c) EVERGENT Investments’ leverage sources, in accordance with legal provisions:
- cash borrowing;
 - securities borrowing;

- Derivative financial instruments for investment purposes; this category does not include derivative financial instruments used for risk hedging, which do not lead to an increase in EVERGENT Investments' exposure.
- d) The company, through the risk management function, regularly monitors the leverage level of A.I.F., to verify the abidance by the set limits.
- e) 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 A.I.F.I.R.I. 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).
 - Quarterly report in accordance with Annex IV to Reg (EU) no. 231/2013 – report with the 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.

The securities lending agreement shall be concluded by EVERGENT Investments with an authorized intermediary in a Member State or a credit institution authorized in a Member State. EVERGENT Investments shall use, as counterparties for securities financing transactions, only

intermediaries authorized in a Member State or credit institutions with registered offices in a Member State that have an investment-grade rating from at least one of the following rating agencies: Standard & Poor's, Moody's, or Fitch Ratings.

Eligible counterparties for securities financing transactions shall be selected based on criteria including, but not limited to: their legal status, country of origin, and minimum credit rating.

Counterparties shall be selected based on criteria related to the assessment of their credit risk, such as financial indicators (capital, assets, profitability, and liquidity), support from the parent company (if applicable), credit rating of the counterparty and/or parent company assigned by rating agencies, and collateral. Considering that these transactions are collateralized, no minimum credit rating is required.

EVERGENT Investments shall make securities financing operations for the capitalization of market opportunities with the purpose of obtaining financial 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.

The proportion of assets that may be subject to securities financing transactions

The financial instruments eligible for securities financing transactions are limited to shares, bonds, or money market instruments issued or guaranteed by a Member State or a third country, by the local public authorities of a Member State, or by international public bodies of which one or more Member States are members.

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 lending 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 value 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 valued daily using a method based on relevant market quotes. Depending on the contractual provisions agreed with counterparties, daily variation margins may be applied.

All income generated from the use of efficient portfolio management techniques accrues to EVERGENT Investments. Fees related to the use of efficient portfolio management techniques are limited to those specific to the settlement of the financial instruments involved in these operations and are collected by the Depositary Bank.

Policies on the management of collateral received in the context of securities financing transactions

In the context of securities financing transactions, EVERGENT Investments shall accept as collateral financial assets in the form of bonds (issued or guaranteed by a Member State or a third country, by the local public authorities of a Member State, or by international public bodies of which one or more Member States are members), liquid shares included in stock market indices, or cash.

The financial collateral agreement shall be concluded without transfer of ownership, in accordance with the legal provisions governing financial collateral agreements.

In the context of securities financing transactions, all collateral received by EVERGENT Investments, used to reduce exposure to counterparty risk, must at all times comply with 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) **Valuation** – Collateral received must be valued at least daily, and assets with high price volatility shall not be accepted as collateral unless appropriate prudential value adjustment margins (haircuts) are established;
- c) **Issuer's credit quality** – Collateral received must 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 INVESTMENTS' TOTAL ASSET. When EVERGENT INVESTMENTS 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 Fund 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 analysed 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 the shares and bonds accepted as collateral, as well as the financial instruments purchased when investing cash collateral, are subject to the categories of risks provided for in the internal regulations of EVERGENT Investments.

Collateral received by EVERGENT Investments must be enforceable at any time, without reference to or approval from the counterparty. The costs associated with securities financing transactions shall be borne by EVERGENT Investments, and all income generated from these transactions shall accrue to EVERGENT Investments.

Section 3.9

The information provided for in Article 6(1) of Regulation (EU) No 2019/2088 on the transparency of the integration of sustainability risks

A. How sustainability-related risks will be integrated into EVERGENT Investments' investment decision-making process

The integration of sustainability risks into the investment decision-making process shall be carried out based on specific strategies, which include, but are not limited to, the following:

- Taking environmental, social, and governance (ESG) aspects into consideration in the decision-making process, using a combination of three approaches: integration, screening, and thematic investing.
 - Integration - The explicit and systematic inclusion of ESG factors in investment analysis and decisions, in order to better manage risks and enhance returns (investment due diligence).
 - Screening - The application of filters to potential investment lists to exclude companies that do not align with the Fund's ethical values and principles
 - thematic investments – pursuing investment opportunities in companies that generate high returns from sectors supporting sustainable development
- Improving the ESG performance of issuers in the portfolio – encouraging companies in which the Fund is already invested to enhance their management of ESG risks or to develop more sustainable business practices, based on specific strategies which include, but are not limited to, the following:
 - Involvement – Monitoring the ESG characteristics of issuers and engaging with companies in the Fund's portfolio on topics aimed at improving and enhancing the transparency of both their business strategy and environmental, social, and governance aspects, either individually or in collaboration with other investors)
 - Vote exercise - the formal casting of votes in favour of proposals addressing ESG factors that promote responsible corporate activity and enhance long-term company value, as well as in favour of proposals aimed at increasing transparency of ESG policies.

B. The results of the assessment regarding the likely impact of sustainability-related risks on the performance of the financial products offered by EVERGENT Investments

Given that EVERGENT Investments does not currently take into account the potential adverse impacts of investment decisions on sustainability factors, for the reasons presented in section 3.10 of these Rules, we are currently unable to estimate the impact of sustainability-related risks on the performance of EVERGENT Investments.

Section 3.10

The information provided for in Articles 4 and 7(2) of Regulation (EU) No 2019/2088 on the transparency of adverse sustainability impacts at the entity level and at the financial product level

EVERGENT Investments does not currently take into account the potential adverse impacts of investment decisions on sustainability factors, for the following reasons:

- The assessment of sustainability risks represents a complex process that can be carried out based on available data regarding environmental, social, and governance aspects. For the purpose of collecting raw sustainability data, EVERGENT Investments may rely on data provided by companies in its portfolio.
- There is still limited and non-standardized availability of ESG data and information regarding issuers operating at the local financial market level. Therefore, although we have a formal policy and procedures for integrating sustainability risks into the investment decision-making process, in the short and medium term it is not possible to identify and prioritize with a high degree of certainty the main adverse impacts of investment decisions on sustainability factors, nor to calculate the indicators provided in Table 1, Annex I of Regulation (EU) No 1288/2022.
- The available information regarding environmental, social, and governance aspects is difficult to obtain and may have limitations, be outdated, or contain inaccuracies. Obtaining such information does not provide any guarantee regarding the correctness or accuracy of risk assessments based on it.
- The complexity and novelty of the requirements set out in the already published regulations and in the draft technical standards still require adequate time for proper analysis and additional professional preparation to ensure correct understanding and application

Mindful of the effects of its investment decisions on sustainability factors, EVERGENT Investments will take into account the considerations outlined above and expresses its intention, depending on the clarification of these issues, to analyse and decide on taking into account the adverse impacts of investment decisions on sustainability factors, with appropriate communication to investors regarding any concrete actions taken in this regard.

EVERGENT Investments recognizes the importance of sustainable investments and the incorporation of ESG factors into investment decision-making. Active engagement with the companies in which we invest is also a key element in managing investment risk. As ESG integration efforts continue to evolve in Romania, EVERGENT Investments' approach will continue to develop through collaboration with all company stakeholders, ensuring that the approach is transparent and tailored to their needs.

Section 3.11

Information provided under Article 7 of Regulation (EU) No. 2020/852 on the establishment of a framework to facilitate sustainable investments, and amending Regulation (EU) No. 2019/2088

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Claudiu Doros

President of the Board of Directors

Cătălin Iancu

CEO

Gabriel Lupașcu

Compliance manager