NEW MILLENNIUM SIF-SICAV

Extract out of the Offering Memorandum April 2021

Sustainability risk

In accordance with article 2 of Regulation EU 2019/2088 (Disclosure Regulation), sustainability risk is defined as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. The impact of environmental, social and governance factors on the value of an investment may vary depending not only on its business activities (e.g. asset type, the sector, size, geographic location and the stage in the life cycle, and liabilities) but also on the governance and strategy of the company for managing them. In accordance with article 3 of the Disclosure Regulation, sustainability risks are integrated in the investment decision-making process of the Fund. The risk assessments and investment decisions are based on internal and external research and assessments on sustainability factors and sustainability risks.

With specific reference to each single sub-fund:

New Millennium SIF-SICAV Total Flexfund (**ex Art. 6 SFDR**) :

Sustainability Criteria in investment decisions: The Sub-fund doesn't take sustainability criteria into account as part of its investment process, do not promote ESG characteristics and do not has as objective sustainable investment.

New Millennium SIF-SICAV Flexible Credit Opportunities (**ex Art. 6 SFDR**) :

Sustainability Criteria in investment decisions: The Sub-fund doesn't take sustainability criteria into account as part of its investment process, do not promote ESG characteristics and do not has as objective sustainable investment.

New Millennium SIF-SICAV AIM SISTEMA ITALIA PIR (**ex Art. 8 SFDR**) :

Sustainability Criteria in investment decisions: The almost exclusive investment in companies listed on the SME Growth Market implies exposure to companies among which the relocation of production is very rare and the benefits on the reference communities are significant (also in terms of economic growth and employment in the territory). The allocation of resources on these micro caps, therefore, favors the development of a more circular, resilient and sustainable economic system in the long term.
In addition to this, in order to comply with the sustainability features, and to mitigate the relevant risks, the asset manager will also take into account the following additional limits (ESG constraints) when making investment decisions:
- at least 25% invested in companies whose main activity, or whose products, entail significant benefits on ESG factors (i.e.: electric mobility, alternative energy production, ecological packaging, waste disposal, etc);
- at least 50% invested in companies that demonstrate interest in ESG matters, and foster transparency towards investors, providing, on a voluntary basis, information on ESG aspects either in their financial statements, in a specific company document (such as sustainable report/non financial disclosure, ethics code and others) or on their website. It includes companies for which there are researches that contain relevant considerations on the ESG factors of the company business model;

- Investments in companies whose main activity is the production of tobacco, nuclear energy, oil extraction as well as any company in the gambling or pornography sector are excluded
- Investments in companies which are based in countries that do not allow an adequate exchange of information with Italy are not allowed.

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The sub-fund is also suitable for those investors who have expressed their preference for financial instruments which also integrate environmental, social and governance sustainability factors.