

SUSTAINABILITY-RELATED DISCLOSURES

Status 01.08.2022

Frontera Capital - Global Frontier Opportunities Fund S.A., SICAV-RAIF

a) Summary

The principal investment objective of Frontera Capital - Global Frontier Opportunities Fund S.A., SICAV-RAIF and its Sub-Funds (the "Fund") is to generate attractive and stable returns through income and capital appreciation, with a low correlation to global markets. This is primarily achieved through a diversified exposure to frontier-emerging market sovereign and corporate assets. The Fund invests in bonds, loans, fixed income derivatives and currencies, in EUR, USD and local currencies. The Fund does not have sustainability objectives and does not make any sustainability investments, however it does consider social and governance ESG characteristics. The Investment Manager uses its own proprietary ESG scoring model. The data feeds for the model are acquired from specialized data providers, where available. The research inputs of the Investment Manager are continuously evolving in response to the availability and reliability of data indicators around the social and governance ESG factors. These data indicators result in the maintenance of a live-list of countries, including exclusions, from the Investment Manager's current and foreseeable investment universe in the event of a poor governance assessment or in countries which face (international) sanctions.

b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

The Investment Manager has developed a proprietary ESG model, which includes the following indicators set out in Table 3:

18. Average income inequality score
21. Average corruption score
24. Average rule of law score

These indicators are included in the ESG model to calculate an overall country score, which is considered as part of the investment process.

c) Environmental or social characteristics of the financial product

Consideration is given to the following social characteristics during the investment process:

1. Social safety
2. Health, food insecurity and poverty
3. Education

d) Investment strategy

The Fund does not have environmental or social investment objectives. However, the Investment Manager has embedded social and governance ESG factors into its country selection process.

The Fund considers governance sustainability factors at the country level.

e) Proportion of investments

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment. Social and governance characteristics are measured and monitored by the Fund at a country level.

f) Monitoring of environmental or social characteristics

The Investment Manager maintains a live-list of countries that form the current and prospective investment universe. Data feeds for social and governance sustainability factors are acquired from specialized data providers, and these are then fed into the Investment Manager's proprietary ESG scoring model. The output from the model is then used in the investment process, whereby countries with low social and governance sustainability scores are subject to additional scrutiny.

Es findet eine halbjährliche Überprüfung des Index statt. Titel, die den Anforderungen im Bereich des ESG Corporate Rating nicht mehr genügen, werden ausgetauscht. Schwere Verstöße gegen die Ausschlusskriterien führen zum sofortigen Austausch des betreffenden Titels.

g) Methodologies

Data is obtained for each of the social characteristics, namely Social Safety, Health, food insecurity and poverty, and Education. The individual sources comprising these characteristics are then then weighted before being aggregated with corresponding environmental and governance characteristics to provide an overall score. These scores are then used in the Investment Manager's investment process.

h) Data sources and processing

Data used to feed the Investment Manager's proprietary ESG Model are acquired from specialist data providers.

Data source providers are reviewed periodically to ensure quality and relevance. The primary data sources are the IMF and World Bank.

Data is received electronically and fed into the Investment Manager's proprietary ESG model.

No estimates are used in the Investment Manager's ESG model.

i) Limitations to methodologies and data

The Investment Manager has appointed specialist data providers to provide the necessary data for its proprietary ESG model.

Changes may not be reflected immediately in the data given the inevitable lag between the occurrence of the event and the source data being updated by the data provider. This limitation is mitigated by significant events being considered separately during the investment process, where this is not yet reflected in the source data.

j) Due diligence

The Fund's due diligence process for investments is set out in the PPM. It commences with an identification process based on a combination of proprietary macroeconomic framework combined with six key strategic comparative relative value dynamic metrics followed by a detailed visit to the target investment country to make the investment case for the sovereign risk as well as local currency risk and/or term risk.

ISS-ESG schlägt geeignete Titel nach Anwendung der definierten Auswahlkriterien vor. Ein unabhängiger Beirat mit hochkarätigen Mitgliedern überprüft und berät u.a. hinsichtlich der finalen Auswahl geeigneter Unternehmen.

k) Engagement policies

N/A

l) Designated reference benchmark

N/A