Storebrand Alternative Investments S.A. SICAV-RAIF – Cubera Impact Fund I

Disclosures with respect to Regulation (EU) 2019/2088, Article 10 on Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites

1. Summary

Cubera Impact Fund I is a Sub-Fund of Storebrand Alternative Investments S.A. SICAV-RAIF, an investment company with variable capital – reserved alternative investment fund (SICAV-RAIF) incorporation in the form of a public company limited by shares (société anonyme). The Company is not subject to the supervision of the CSSF. The Sub-Fund is advised by the Investment Advisor, Cubera Private Equity AS ("Cubera"), headquartered in Oslo, Norway.

Cubera Impact Fund I plans to invest in 5 to 12 Private Equity ("PE") Impact Funds. Cubera Impact Fund I will invest in PE Impact Funds or other private market opportunities globally, offering objectives for positive environmental or social impact. These investments will be made within the investment themes of Sustainable Transition, Inclusive Growth and Disruptive Technology. Each of the Portfolio Funds will make a number of investments in companies, directly or indirectly. Consequently, Cubera Impact Fund I is expected to be invested in about 100 Portfolio Companies over its term. The largest exposure is expected to be towards Europe and North America, followed by Africa and Asia (Developing Private Equity Markets), with South America representing the smallest exposure. The main segment exposure will be towards growth capital.

Through its exposure to the Portfolio Companies, the Sub-Fund's objective is to make a measurable contribution to sustainable transition, with focus on clean transition, climate action, sustainable production and consumption and circular economy; and inclusive growth, specifically adding to that societies and communities are granted access to quality education, health services and financial services. Exposure to these horizontals can also be accessed through investments in disruptive or enabling technology which contribute to solving environmental or social challenges.

The Sub-Fund will primarily make investments in the form of commitments to new PE impact funds. This implies that the asset portfolio at the time of making a commitment is unknown; furthermore, investments in Portfolio Companies will be made at the PE Manager's discretion, given the PE Fund's mandate. This has a number of implications with respect to the methodology employed to secure the attainment of the Sub-Fund's objectives, both financial and environmental/social.

The Sub-Fund selects investments after thorough due diligence of PE Managers and their funds, including employing an Impact Assessment Framework to evaluate the potential impact of the PE Fund's investments, the measurability of such impact, monitoring and reporting, and any risks of adverse impacts to sustainability objectives. The findings will relate to the PE Manager's strategy, intent and proven capabilities.

At the time of publishing these disclosures, the Sub-Fund has not yet held its final close and capital deployment is limited – it is still early to conclude on the allocation of the fund towards the investment horizontals. Furthermore, environmental or social KPIs cannot be meaningfully established when the large majority of the portfolio is unknown, both in terms of PE Managers and strategies, and companies. Cubera will measure the extent of attainment of its objectives by measuring the PE Funds' performance against their objectives in terms of the KPIs set at the time of the investment.

2. No significant harm to the sustainable investment objective

The investment process consists of meticulous due diligence of screened PE Managers and PE Funds to ensure both that the PE Funds will contribute to the objectives of the Sub-Fund to invest in and contribute to sustainable transition and inclusive growth, and in disruptive technology; and that these investments will not do harm on any other environmental or social objectives. A commitment to a PE Fund will not be made if a material risk of significant harm to the environment or society is uncovered as part of the due diligence.

As a fund of funds, the Sub-Fund will have to rely on the policies of the screened PE Funds to ensure that their investments in turn not cause significant harm to sustainable investment objectives. For this reason, review of documentation of such policies, and capabilities to enact them, will form part of the due diligence. For funds which are subject to the SFDR, a review of the SFDR-related disclosures will form the basis for this part of the due diligence. For funds which are not subject to SFDR, similar disclosures and documentation will be requested and analyzed.

3. Sustainable investment objective

Cubera Impact Fund I's objective is to make positive environmental and social impact while maximizing long-term risk adjusted returns. Pursuing impact investments, Cubera Impact Fund I has defined the three investment horizontals where Cubera expects to be able to contribute to positive impact and generate strong financial returns. These investment horizontals also represent the impact objectives of Cubera Impact Fund I. The strategy of Cubera Impact Fund I is to invest in private equity funds or private capital investments whose objective is to generate positive environmental or social impact and being partially or fully aligned with the objectives below. By combining and investing across these three horizontals Cubera Impact Fund I will offer a diversified exposure toward environmental and social impact.

A. Sustainable Transition

Investments in solutions to accelerate the transition into a sustainable world. The main focus is on clean transition, climate action, sustainable production and consumption and circular economy.

B. Inclusive Growth

Investments in solutions that drive including growth, specifically contributing to that societies and communities are granted access to quality education, health services and financial services, which Cubera view as powerful enablers for sustainable growth.

C. Disruptive Technology

Investments in enabling innovations including electrification, foundational infrastructure and technology to evolve from big data to smart data enabling improved understanding and decision-making towards environmental and social challenges.

4. Investment strategy

The Sub-Fund will invest in PE Impact Funds, normally structured as limited partnerships or equivalent, each managed separately by a PE Manager. In Cubera's opinion, investing in a relatively concentrated portfolio of PE Impact Funds should normally create an impactful and financially diversified exposure. Each of the PE Impact Funds will make a number of investments in companies, directly or indirectly. Consequently, Cubera expects that the Sub-Fund will be invested in around 100 Portfolio Companies over its term.

The Portfolio Funds will be selected among the best PE Managers within the above horizontals that are raising new funds within the investment period of three years. The three investment horizontals will generate a portfolio of Portfolio Funds with different styles and strategies to create an impactful and financially diversified exposure. Cubera expects that the geographical exposure will be diversified across the globe, although with a weight towards OECD Developed Countries. Cubera Impact Fund I will seek investment opportunities across the private equity space of venture, growth and buyout capital, yet it is expected that it will deploy its capital to PE Impact Funds mainly within the segment of growth capital. Cubera Impact Fund I will be largely diversified across industries, yet it is expected to have a general weight towards industries where solution-enabling technologies create a disruption or improvement for sustainability (e.g. agriculture, waste management, aquaculture, transportation) or industries that have an inherent positive impact (e.g. clean energy, healthcare, education).

Cubera Impact Fund I can also invest in secondary opportunities, and co-investment opportunities directly in Portfolio Companies managed by PE Managers.

5. Proportion of investments

Proportion of sustainable investments

100% of investments are expected to be sustainable for the following reasons. Firstly, the investment horizontals mentioned above all have the aim of contributing to attaining environmental or social improvement. Secondly, the Sub-Fund will not make investments where due diligence uncovers material risk of harm to the environment or society. This is a fundamental principle of the Sub-Fund's investment strategy. Thirdly, selected PE Managers will have proven track record and ability of ensuring good governance practices throughout their portfolio at the asset level.

It is important to note that the Sub-Fund will only make investments which are aligned with its objectives to contribute to sustainable transition and inclusive growth, or investments in disruptive technology enabling these same objectives.

The asset allocation is not clear with respect to whether investments will contribute to environmental or social objective. The Sub-Fund does aim at investing in both environmentally and socially sustainable investments, but the allocation to these buckets will depend on the available pipeline and the quality of PE Funds screened within each bucket.

6. Monitoring

Monitoring activities of existing Portfolio Funds and PE Managers is an important source of potential new investment opportunities. Monitoring work during the deployment period allows for a more qualified opinion and clarity regarding timing of the next fund raising by the PE Manager. Less obvious, but nevertheless important, through this work Cubera can engage with the PE Manager, its associates and other investors, to understand, reference and be introduced to other PE Managers, be it direct peers or PE Managers that invest up or down the food chain.

Initially, focus will be on monitoring that deployment by the Portfolio Fund meets the expectations and conforms to the spirit of the investment objectives and strategy. As investments mature, Cubera will review individual portfolio companies' performance relative to original plan, which over time enables Cubera to establish a view on the expected return of the Portfolio Fund. The monitoring process consists of periodic desktop reviews based on quarterly and annual reports and review of deal memos received at the time of investments and realizations. This work is supplemented with follow-up meetings with the PE Manager – typically a combination of attending formal annual investor meetings and private review meetings with the underlying PE Managers in their offices or on calls. Cubera will also review changes to investment agreements, including Portfolio Fund restructuring proposals and make recommendations to the AIFM.

During the life of a fund, Cubera may at times uncover negative deviations such as situations of underperformance, unintended concentration of exposure, ESG issues or adverse impact on sustainability factors in portfolio companies or team turnover that will result in an elevated risk level and ultimately impact the outcome of the Portfolio Fund. When negative deviations are identified by the Cubera team, the level of monitoring is typically increased and becomes more targeted in scope. Cubera may recommend that Cubera Impact Fund I disposes of its investment in the secondary market or, in extreme cases, together with other investors, intervene in the management of the Portfolio Fund.

7. Methodologies

In order to measure how the sustainable investment objectives and how the sustainability indicators are met Cubera has developed the Cubera Impact Assessment Framework. The framework builds on leading industry standards such as the Impact Management Project, the UN Sustainability Development Goals and SFDR on how to measure, assess and report impact on people and environment. Both qualitative and quantitative methodologies will be used to measure the attainment of the investment objectives.

The assessment framework considers the following six dimensions of impact:

1. Objective and intent
    a. Revenue=impact. The main activities (products or services) of the strategized investments drives positive outcomes.
    b. Contribution and outcomes in historical, current and pipeline investments
    c. Qualifications, experience and prerequisites to achieve objective
2. Beneficiary
    a. Environment / social
    b. Scope (local or global)
3. Contribution
    a. Disruption / displacement
    b. Scale
    c. Urgency of problem
    d. Significance of solution
    e. Product mix
    f. Stage
4. Measurement and reporting
    a. Measurement methodology
    b. KPIs / Sustainability indicators
    c. Reporting adequacy
    d. Transparency
    e. Commitments to reporting standards, organizations and networks
5. SDG alignment
6. Value beyond return
    a. Alignment to Cubera Impact's objectives

8. Data sources and processing

Cubera will to the extent possible rely on reported data from the PE Managers. Assessment of reporting capabilities are part of the due diligence, and Cubera expects to receive high-quality data on relevant sustainability KPIs from the PE Managers.

Cubera expects that the PE Managers are best qualified to deliver quality data on the impact of their investments, as they sit closest to the portfolio companies, are in an ownership position to influence the companies' measuring and reporting practices to meet stakeholder expectations, and they are best suited to report the data back to their investors, among which the Sub-Fund.

Cubera buys estimated GHG emission data for its entire portfolio, including Cubera Impact I. If reported data is not available or not of high quality, estimated data will be used.

9. Limitations to methodologies and data

Both qualitative and quantitative methodologies will be used to measure the attainment of the investment objectives. Ultimately, Cubera relies on data reported by the PE Funds in the portfolio in order to track the attainment of the environmental/social investment objectives of each investment.

The PE Managers responsible for the fund reporting will provide Cubera with impact reporting in accordance with the respective PE Funds' mandates and contractual commitments. The type of data, level of granularity of data and frequency of reporting may vary from investment to investment, based on a number of factors including but not limited to: The agreed reporting frequency; the strategy employed by the PE Fund; and the sectors covered by the PE Fund. Furthermore certain data may be bound by confidentiality, which may place restrictions on reporting from time to time.

To the extent that Cubera's reporting requires additional data to that supplied by the PE Managers, Cubera will attempt to obtain these data from third parties where material. It must however be stressed that ESG and impact data in private markets does not benefit from the same level of consistency as do public market data. Even if data are collected by PE managers, the way different managers collect data from different companies may vary, and where standards do exist, they will not necessarily be consistently applied throughout the global portfolio which the Sub-Fund will be exposed to. For this reason, data acquired from third parties is expected to consist of a blend of measurements, estimates and proxies.

As far as GHG emissions are concerned, there will be limitations on the accuracy of scope 3 emissions. Few companies are ready to measure and report the full scope of their emissions. Furthermore, avoidance of emissions achieved by the products or services, are difficult to measure. Cubera see avoidance of emissions as an important impact factor, however there will be limitations on reporting these.

10. Due diligence

A due diligence team of two members of Cubera, a deal sponsor and a deal manager, will formally be appointed. The team is tasked to go on site at the PE Manager, typically for a day of commercial and operational due diligence. Cubera uses case reviews and career reviews extensively as an effective way to discover patterns and inconsistencies in multiple areas. The information is paired with in-depth topical reviews of strategy, impact objectives, investment process, organization and ESG. Combining qualified but subjective observations from these interviews with updated objective data on performance and organization will allow Cubera to form an opinion of the manager's likeliness to succeed with the deployment of the next fund.

Each investment opportunity is screened through the lens of the Cubera Impact Assessment Framework. The Framework builds on leading industry standards such as the Impact Management Project ("IMP"), the UN Sustainable Development Goals and the SFDR of how to assess and measure impact on people and the environment. The Framework guides assessment along the following five dimensions:

1. Objective
    a. Impact intent and objective
    b. Expected impact
    c. Manager's qualifications, experience and prerequisites to achieve objective
2. Beneficiary
    a. Scope of impact

    b. Social or environmental benefits
3. Measurement and reporting
    a. Measurement methodology
    b. Sustainability indicators or KPIs applied
    c. Manager reporting adequacy and frequency
    d. Transparency
    e. Commitment and alignment to relevant regulations and reporting standards
4. Contribution
    a. Disruption (changing the status quo)
    b. Sustainability indicators used
5. SDG Alignment
    a. Target or alignment with Sustainable Development Goals

In addition to applying the Framework, a qualitative assessment is made of the PE Fund's manager's ability to develop and execute the ESG policies of the portfolio companies.

11. Engagement policies

Cubera monitors the investments of the Sub-Fund closely and periodically using relevant sources, such as portfolio reports and other communications from the GPs, and information in the public domain. Periodically, Cubera will interact with existing manager relations to obtain updates on the

Monitoring efforts may uncover negative or questionable events which require a reaction by Cubera, normally beginning with an investigation of the matter through dialogue with the GP. The intention is to press for the rectification of any harm caused by negative incidents or the improvement of processes whose shortcomings may have led to such incidents; and to control the GP's ability to act effectively when issues arise in the portfolio.

Given that the attainment of the Sub-Fund's objectives is tied to the portfolio PE Fund's attainments on its objectives, monitoring and engagement ultimately seeks to ensure that the portfolio funds are on track to meeting these.

12. Attainment of the sustainable investment objective

12.1 – Reference Benchmark

The Sub-Fund has not designated an index as a reference benchmark.

12.2 – Reduction in Carbon Emissions

Not applicable. The Sub-Fund does not have an emissions reduction objective.