ANNEX IV

**Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:**
Alken Fund – European Opportunities (the "Sub-Fund")

**Legal entity identifier:**
549300623OUMWVDRT506

# Environmental and/or social characteristics

**Did this financial product have a sustainable investment objective?**

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It made **sustainable investments with an environmental objective:** ___% | ☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 80.36% of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | ☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It made **sustainable investments with a social objective:** ___% | ☐ It promoted E/S characteristics, but **did not make any sustainable investments** |

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

The percentage of sustainable investments shown represents the sustainable investments as a proportion of the portfolio of the Sub-Fund as at the end of the reference period. This is in line with the pre-contractual disclosure for the Fund, where the Sub-Fund committed to invest at least 20% in sustainable investments.

## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promotes environmental and social characteristics by using the Investment Manager's own in-house ESG methodology and ESG due diligence sprocess. The Investment Manager's ESG methodology requires to primarly focus on the **three most material environmental and social factors identified for each sector** (and sub-sector if relevant).

For instance:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Environmental characteristics promoted for the consumer discretionary sector:**

1. Clean water and sanitation, in line with SDG6
2. Responsible consumption and production, in line with SDG12
3. Encouraging the development and diffusion of environmentally friendly technologies, in line with Principle 9 of the UNGC

**Social characteristics promoted for the same consumer discretionary sector:**

1. Decent work and economic growth, in line with SDG8
2. Industry, innovation, and infrastructure, in line with SDG9
3. Supply chain management, in line with SDG12

For each environmental and social factors identified for a particular sector, the Investment Manager successfully implemented and managed its ESG characteristics promotion process.

- Over the period, the investment manager successfully **excluded issuers** based on a number environmental and social characteristics considered to present too much risk and where companies have failed to mitigate those;
- Over the period, the investment manager successfully **categorised issuers** based on their performance on the identified environmental and social characteristics;
- Over the period, the investment manager successfully **reviewed the ESG risk profiles** of invested issuers, identifying their potential exposure to industry specific ESG concerns as well as ESG opportunities and assigning issuers an internal ESG rating;
- Over the period, the investment manager successfully **engaged** with a number of issuers in order **to foster improvements** on the **identified environmental and social characteristics** to be mitigated or improved;
- Over the period, the investment manager successfully reviewed a number of **environmental or social controversies**, analysing potential environmental or social failures and reviewing the level of risk that can be tolerated.

The following table shows the % of portfolio holdings which went through the following sustainable indicators:

| **Sustainable Indicator** | **2022** | **2023** | **2024** |
|---|---|---|---|
| 1. Excluded issuers | 100% | 100% | 100% |
| 2. Categorised issuers | 100% | 100% | 100% |
| 3. Reviewed the ESG risk profiles | 16% | 32% | 7% |
| 4. Engaged | 22% | 10% | 4% |
| 5. Reviewed environmental or social controversies | 23% | 23% | 11% |

Overall, the Investment Manager heavily relies on its data provider to review and promote the environmental and social characteristics of the product. Its internal research complements potential gaps in the data provider's information.

No indicators were submitted to an assurance process.

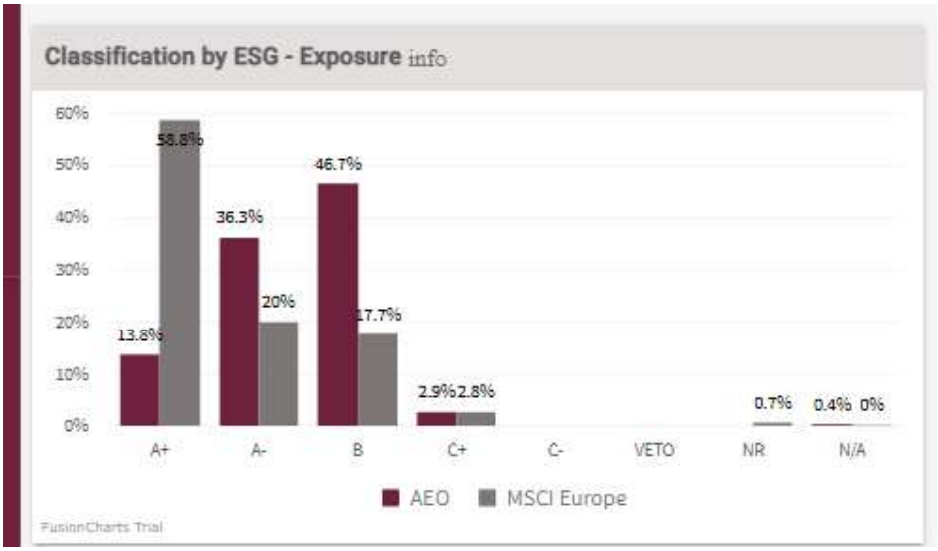
### *How did the sustainability indicators perform?*

In order to measure the level of performance of the selected environmental and social indicators of this particular product, the Investment Manager uses its internal ESG scoring methodology.

This ESG scoring system is generated from the application of the aforementioned investment ESG restrictions, ESG screening, ESG analysis and controversy review, and ESG engagement.

Each issuer's aggregated ESG score reflects the overall level of maturity and performance on the selected twelve sectorial indicators that were evaluated. The individual performance of each environmental and social indicator can be obtained directly on the Investment Manager's portal.

The below chart shows the performance of the selected environmental and social indicators aggregated at the portfolio level as of end of December 2024.




Data extracted from the Investment Manager's internal ESG portal, as of end of December 31st 2024 of the relevant year since inception, for the selected sub-fund Alken Fund European Opportunities.

With a majority of the aggregated indicator's scores showing an overall rating of "B", this means that the majority of the evaluated environmental and social indicators are reflecting the following performance:

| Internal Rating | Description | Quality |
|---|---|---|
| *B* | *Good overall ESG performance, but some reservations* | *Good overall ESG quality on the selected indicators, some improvements that can be made* |

More precisely, the "B" rating reflects the following quality level on each environmental and social indicators analyzed using the below lenses:

| | |
|---|---|
| **Disclosure** | *"**B**": The overall disclosure level is adequate on the selected environmental and social characteristics* |
| **ESG strategy** | *"**B**": Standard action plans, measures, certification, R&D projects have been undertaken on the selected environmental and social characteristics* |
| **ESG risk** | *"**B**": Measures have been indicated by the issuer in order to mitigate the potential ESG risks on the selected environmental and social characteristics* |
| **CSR culture** | *"**B**": Efforts are being made in order to promote the issuer's internal CSR DNA on the selected environmental and social characterics* |

- ***…and compared to previous periods?***

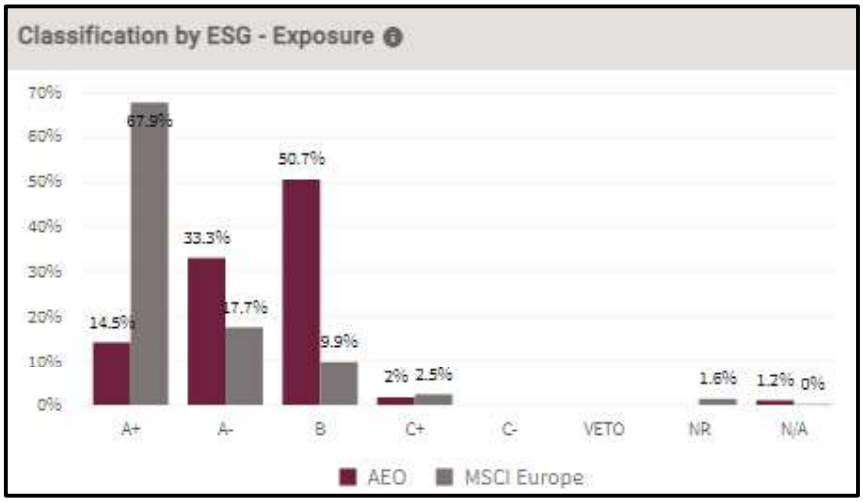
**2023**

The below chart shows the performance of the selected environmental and social indicators aggregated at the portfolio level as of end of December 2023. No material deviation in 2024 compared to 2023.

Data extracted from the Investment Manager's internal ESG portal, as of end of December 30th 2024, of the relevant year since inception, for the selected sub-fund Alken Fund European Opportunities.

**2022**

The below chart shows the performance of the selected environmental and social indicators aggregated at the portfolio level as of end of December 2022 as comparison. No material deviation in 2023 compared to 2022.




- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Overall, the contribution of the sub fund to climate change mitigation has been of: 80.36% (note that climate change mitigation was the only sustainable investment objective).

The Sub-Fund intended to invest a **minimum of 20%** of its net asset value in companies which have contributed to "**climate change mitigation**". "Contributing to climate mitigation" means encouraging the reduction of emissions of issuers and/or encouraging the stabilization of the current levels of heat-trapping greenhouse gases in the atmosphere, and whilst doing so, also encouraging issuers to publicly commit to those reduction or stabilization targets.

In order to select companies which contributed to "climate change mitigation" as described above, the Investment Manager set up **the pass/fail approach** which methodology and thresholds are being detailed in the below.

The measurement of the sustainable investments which contributed to the defined environmental objective is organised as follows:

**a) Companies have demonstrated a climate mitigation intent:**

For this the investment manager uses companies' disclosures of their carbon reduction targets to established climate platforms or outside:

- MSCI' CDP disclosures, looking for the "YES" indicator OR
- MSCI SBTi disclosures SBTI APPROVED, looking for the "YES" indicator OR
- MSCI' carbon emissions reduction targets, looking for anything but the "No target"

⇨ **Quantitative threshold: the Investment Manager considered that a YES to any of those three conditions qualifies as a PASS.**

**b) On top of their commitments, companies have demonstrated concrete actions to climate mitigation:**

For this the investment manager used companies' carbon reduction KPIs. At least one of those four conditions were needed to qualify as a PASS.

1. Companies that have an above average taxonomy alignment (using MSCI' taxonomy alignment estimated revenues)
⇨ Quantitative threshold: any percentage above 20% of taxonomy alignment qualifies as a PASS
2. Companies that have reduced or mitigated their carbon risk exposure (using MSCI' Carbon Emissions Management Score).
⇨ Quantitative threshold: any score above 2/10 would qualifies as a PASS
3. Companies that are using alternative energy as a percentage of their revenues (using MSCI's field on alternative energy. This indicator is a percentage).
⇨ Quantitative threshold: any percentage above 20% qualifies as a PASS
4. Companies has embedded the use of energy from renewable sources within their business strategy (using MSCI's renewable energy use indicator. This field is a YES/NO indicator).
⇨ Quantitative threshold: any YES to this indicator qualifies as a PASS.

Both sections a) and b) shall be PASSED to be considered contributing to the investment manager's sustainable investment.

A number of contributing companies shall also successfully pass the Step 2 (DNSH Test) and Step 3 (good corporate governance practices). Those meeting all steps 1, 2 and 3 can be considered as a sustainable investment in the portfolio.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager relied on a number of indicators provided by its external data provider to ensure that those climate change mitigation contributing issuers were not at the same time causing harm to any other environmental or social sustainable objective (STEP 2 mentioned above).

The section below details which indicators were chosen and implemented to identify any potential harm that could have been caused by issuers.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Extracted from the Investment Manager's internal portal, the below indicators were used to monitor and identify any of the following potential adverse impacts on the contributing issuers.

a) **No harm shall be caused to mandatory PAI 1:** The investment manager ensured that the company's economic activities are not part of the worst sectorial performers when it comes to their level of carbon emissions.
b) **No harm shall be caused to mandatory PAI 13:** The company's economic activities shall not be part of the worst sectorial performers when it comes to ensuring a minimum level of female directors on the Board.
c) **No tolerance to high degree of ESG risks:** The company's economic activities shall not be part of the worst global performers when it comes to general E, S and G matters, using our internal ESG scoring. Note we have identified the worst performers to be the internal category: RED/ C-. Also note companies subject to this category can be upgraded according to a strict internal process.
d) **No tolerance to high degree of controversy:** The company's economic activities shall not be part of the worst performers when it comes to being subject to controversies.

e) **No tolerance to controversial weapons:** The company's economic activities shall be immune from any type of involvement with controversial weapons.
f) **No tolerance to large fossil fuel revenue share exposures:** The company's economic activities shall be capped at 30% maximum of revenues generated by thermal coal or shale oil activities.

Note on the Investment Manager's choice of PAIs as DNSH:

As of the end of the reference period, the Investment Manager decided again not to collect all the 14 mandatory PAI indicators as we believe that this is not what the obligation is and the intention of the regulator.

Today, our opinion is that a number of PAIs shall be used to meet the definition of DNSH, but not the 14 mandatory PAI specifically.

Why so? We believe that requesting the 14 mandatory PAI would in effect prevent strategies which are oriented towards "transition" from in fact investing in the high-emitting sectors, which have more capacity to in fact meet the long-term transition goals and achieve a meaningful percentage of Taxonomy Alignment, but which also have short-term PAIs. As such, we believe that the regulator does not in fact expect firms to stop investing in such sectors, on the opposite.

**Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

The Investment Manager used its external data provider's research in order to be alerted about any serious controversy on notable failures or events which it believed would include issues relating to the OECD Guidelines for Multinational Enterprises and to the UN Guiding Principles on Business and Human Rights.

*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

Besides, the Investment Manager's ESG internal assessment included a number of elements raised by the OCED Guidelines and by the UN Guiding Principles. For instance, the internal review has from times

to times required to verify the respect of human rights and the compliance with minimum international labour rights.

## How did this financial product consider principal adverse impacts on sustainability factors?

The negative impact of investments on sustainability factors has been taken into consideration as an integrated part of the investment process.

The Investment Manager has used its ESG material map to assess whether an investee company has caused or could cause principal adverse impacts, or whether it has contributed or could contribute to principal adverse impacts, or whether principal adverse impacts are or would be directly linked with the investee company's operations, products, or services as far as relevant data can be obtained.

The below table details the results obtained through the years, at product level:

**Summary**

**Alken FUND EUROPEAN OPPORTUNITIES** considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of AFFM.

This statement on principal adverse impacts on sustainability factors covers the reference period from **1 January 2024 to 31 December 2024[1].**

[1] Note that for the below table, the following metrics have been used:

PAI 1: Scope 1 GHG emissions in tons of CO2 equivalent
PAI 1:Scope 2 GHG emissions in tons of $CO_2$ equivalent
PAI 1: Scope 3 GHG emissions in tons of $CO_2$ equivalent
PAI 1: Total GHG emissions in tons of $CO_2$ equivalent
PAI 2: Carbon footprint in tons of $CO_2$ equivalent per million EUR invested
PAI 3: GHG intensity of investee companies in tons of $CO_2$ equivalent per million EUR of sales
PAI 4: Share of investments in companies active in the fossil fuel sector
PAI 5: Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources
PAI 6: Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
PAI 7: Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas
PAI 8: Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
PAI 9: Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average
PAI 10: Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
PAI 11: Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
PAI 12: Average unadjusted gender pay gap of investee companies
PAI 13: Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
PAI 14: Share of investments in investee companies involved in the manufacture or selling of controversial weapons
Optional PAI: Share of investments in companies without a policy to address deforestation
Optional PAI: Number of incidents of discrimination reported in investee companies expressed as a weighted average
Optional PAI: Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour exposed to hazardous work in terms of geographic areas or type of operation
Optional PAI: Share of investments in entities without policies on anti-corruption and antibribery consistent with the United Nations Convention against Corruption

| | | INDICATORS APPLICABLE TO INVESTMENTS IN INVESTEE COMPANIES | | | | |
|---|---|---|---|---|---|---|
| **Adverse sustainability indicator** | | **Metric** | **Impact 2024** | **Impact 2023** | **Impact 2022** | **Actions taken, and actions planned and targets set for the next reference period** |
| | | **CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS** | | | | |
| Greenhouse gas emissions | 1. GHG Emissions | Scope 1 GHG emissions in tons of CO2 equivalent | 157,785.71 | 157,161.49 | 142,514.21 | The metrics have been integrated into our internal PAI monitoring process, they are reviewed and approved by investment team leaders on ESG, and they may be subject to engagement discussions with our issuers. |
| | | Scope 2 GHG emissions in tons of $CO_2$ equivalent | 12,204.66 | 25,241.58 | 22,795.60 | |
| | | Scope 3 GHG emissions in tons of $CO_2$ equivalent | 764,846.32 | 923,434.19 | 929,780.84 | |
| | | Total GHG emissions in tons of $CO_2$ equivalent | 924,874.64 | 1,105,837.25 | 1,095,090.65 | |
| | 2. Carbon footprint | Carbon footprint in tons of $CO_2$ equivalent per million EUR invested | 739.79 | 1,200.43 | 1,204.03 | |
| | 3. GHG intensity of investee companies | GHG intensity of investee companies in tons of $CO_2$ equivalent per million EUR of sales | 1,669.81 | 1,679.59 | 1,844.73 | |
| | 4. Exposure to companies active in the fossil fuel sector | Share of investments in companies active in the fossil fuel sector | 12.13% | 14.89% | 20.22% | |
| | 5. Share of non-renewable energy consumption and production | Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources | 68.21% | 75.76% | 77.92% | |
| | 6. Energy consumption intensity per high impact sector | Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector | NACE Code A: N/A<br>NACE Code B: 0.38<br>NACE Code C: 0.48<br>NACE Code D: 1.28<br>NACE Code E: N/A<br>NACE Code F: 0.03<br>NACE Code G: N/A | NACE Code A: N/A<br>NACE Code B: 0.43<br>NACE Code C: 1.08<br>NACE Code D: 1.08 | NACE Code A: N/A<br>NACE Code B: 0.44<br>NACE Code C: 0.76<br>NACE Code D: 0.72 | |

| | | | | | |
|---|---|---|---|---|---|
| | | | NACE Code H: 5.34<br>NACE Code L: 0.28 | NACE Code E: 4.39<br>NACE Code F: 0.08<br>NACE Code G: 0.49<br>NACE Code H: 5.99<br>NACE Code L: 0.33 | NACE Code E: N/A<br>NACE Code F: 0.09<br>NACE Code G: 0.24<br>NACE Code H: 5.48<br>NACE Code L: 0.31 |
| Biodiversity | 7. Activities negatively affecting biodiversity-sensitive areas | Share of investments in investee companies with sites/operations located in or near to biodiversitysensitive areas where activities of those investee companies negatively affect those areas | 14.04% | 0.00% | 20.54% |
| Water | 8. Emission to water | Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average | 0.00% | 0.00% | 0.00% |
| Waste | 9. Hazardous waste and radioactive waste ratio | Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average | 2.02% | 67.22 | 102.61 |
| Social and employee matters | 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises | Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 0.00% | 1.43% | 0.00% |

| | | | | | | |
|---|---|---|---|---|---|---|
| | 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises | Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises | 3.16% | 17.27% | N/A | |
| | 12. Unadjusted gender pay gap | Average unadjusted gender pay gap of investee companies | 7.46% | 13.14% | N/A | |
| | 13. Board gender diversity | Average ratio of female to male board members in investee companies, expressed as a percentage of all board members | 39.23% | 39.92% | N/A | |
| | 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons) | Share of investments in investee companies involved in the manufacture or selling of controversial weapons | 0.00% | 0.00% | N/A | |
| | | | **OTHER INDICATORS FOR PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS** | | | |
| | **15. Deforestation (E FACTOR)** | Share of investments in companies without a policy to address deforestation | 87.02% | 89.35% | 88.45% | Same as above. |
| | **7. Incidents of discrimination (S FACTOR)** | Number of incidents of discrimination reported in investee companies expressed as a weighted average | 0 | 0 | 0 | |

| | | | | | |
|---|---|---|---|---|---|
| | **12. Operations and suppliers at significant risk of incidents of child Labour (HR FACTOR)** | Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour exposed to hazardous work in terms of geographic areas or type of operation | 4.84% | 17.97% | 23.85% |
| | **15. Lack of anti-corruption and anti-bribery policies (G FACTOR)** | Share of investments in entities without policies on anti-corruption and antibribery consistent with the United Nations Convention against Corruption | 0.00% | 0.00% | 0.00% |

The list includes the investments constituting **the greatest proportion of investments** of the financial product, with a value extracted at the end of each quarter during the reference period which is 1 Jan. until 31 Dec. 2024.

The Responsible Investor and Impact Statement Report available on the Investment Manager's website also elaborates on the methodologies to identify and manage PAIs: Alken Asset Management | Legal (alken-am.com).

## What were the top investments of this financial product?

Calculating at regular intervals, with a value extracted at the end of each quarter, during the reference period, the top 15 investments were:

| Largest investments | Sector | % Assets |
|---|---|---|
| ZEGONA COMMUNICATIONS | ELECTRONICS & SEMICONDUCTORS | 8.41% |
| VALLOUREC | MACHINERY & APPARELS | 6.63% |
| RHEINMETALL | VEHICLES | 5.75% |
| RWE | ENERGY & WATER SUPPLY | 5.25% |
| TECHNIP ENERGIES | ENERGY & WATER SUPPLY | 4.44% |
| ENERGEAN OIL & GAS | PETROLEUM | 4.20% |
| BFF BANK | BANK & OTHER CREDIT INSTITUTIONS | 4.04% |
| RYANAIR HOLDINGS | TRAFFIC & TRANSPORTATION | 3.55% |

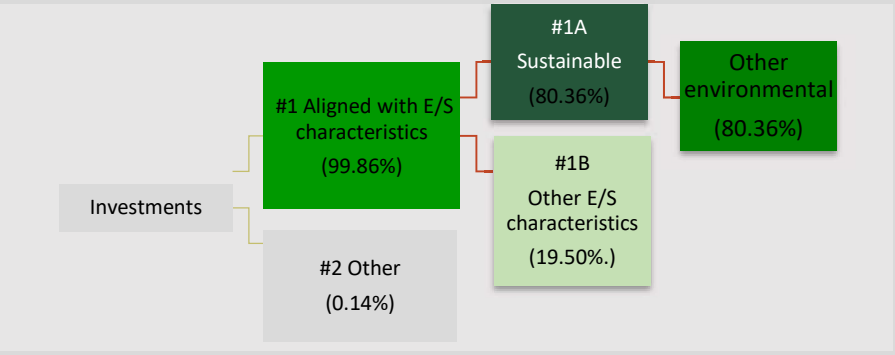
| | | |
|---|---|---|
| PUBLICIS GROUPE | GRAPHICS PUBLISHING & PRINTING MEDIA | 3.29% |
| VUSIONGROUP | MISCELLANEOUS SERVICES | 3.10% |
| RENAULT | VEHICLES | 2.77% |
| NOVO NORDISK 'B' | PHARMACEUTICALS AND COSMETICS | 2.73% |
| ALD | HOLDING & FINANCIAL TRUST | 2.19% |
| ASR NEDERLAND | INSURANCE | 2.09% |
| IPSOS | GRAPHICS PUBLISHING & PRINTING MEDIA | 1.93% |

The list above represents the average of the Fund's holdings at quarter end of the reference period.

## What was the proportion of sustainability-related investments?

The proportion of sustainable investments made over the reference period was 80.36%.

### *What was the asset allocation?*




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The remaining proportion is used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives. Minimum safeguards are not considered for investments included under this category.

| Asset Allocation | 2022 | 2023 | 2024 |
|---|---|---|---|
| #1 Aligned with E/S characteristics | 100.00% | 100.00% | 99.86% |
| #2 Other | 0.00% | 0.00% | 0.14% |
| #1A Sustainable | 92.45% | 90.35% | 80.36% |
| #1B Other E/S characteristics | 7.55%. | 9.65%. | 19.50% |
| Other environmental | 92.45% | 90.35% | 80.36% |

*For the asset allocation table, please note explaining that the methodology has been updated. Therefore the proportion are different from the FS 2022. We have modified the calculation to provide **unadjusted exposure** for sustainability investments, unless the portfolio exposure exceeds **100%**, in which case we scale it down to **100%**.*

### *In which economic sectors were the investments made?*

**Asset allocation** describes the share of investments in specific assets.

| Economic Sector | |
|---|---|
| AEROSPACE TECHNOLOGY | 3.12% |
| AGRICULTURE AND FISHING | 0.05 % |
| BANK & OTHER CREDIT INSTITUTIONS | 9.08 % |
| BUILDING MATERIALS & BUILDING INDUSTRY | 0.07 % |
| Cash | -0.75 % |
| CHEMICALS | 1.10 % |

| | |
|---|---|
| ELECTRICAL APLLIANCES & COMPONENTS | 1.97 % |
| ELECTRONICS & SEMICONDUCTORS | 10.78 % |
| ENERGY & WATER SUPPLY | 9.68% |
| ENVIRONMENTAL SERVICES & RECYCLING | 0.04% |
| GRAPHICS PUBLISHING & PRINTING MEDIA | 5.22% |
| HOLDING & FINANCIAL TRUST | 6.19% |
| INSURANCE | 3.24% |
| INTERNET, SOFTWARE & IT SERVICES | 1.51% |
| LODGING & CATERING IND., LEISURE FACILITIES | 0.35% |
| MACHINERY & APPARELS | 7.20% |
| MINING, COAL & STEEL INDUSTRY | 2.39% |
| MISC. CONSUMER GOODS | 0.44% |
| MISCELLANEOUS SERVICES | 6.76% |
| MISCELLANEOUS TRADING COMPANIES | 1.17% |
| NON-CLASSIFIABLE/NON-CLASSIFIED INST. | 0.07% |
| NON-FERROUS METALS | 0.67% |
| PETROLEUM | 8.76% |
| PHARMACEUTICALS AND COSMETICS | 3.23% |
| REAL ESTATE | 1.59% |
| RETAIL TRADE & DEPARTEMENT STORES | 1.14% |
| TELECOMMUNICATION | 0.39% |
| TIRES & RUBBER | 0.01% |
| TRAFFIC & TRANSPORTATION | 4.11% |
| VEHICLES | 10.43% |

*Sector allocation by average of the EOQ 2024*

The list above represents the average of the Fund's holdings at quarter end of the reference period.

Please find below the proportion of investments during the period covered that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council, as of 31/12/2024:

| | |
|---|---|
| Integrated Oil & Gas | 0.80 % |
| Oil & Gas Exploration & Production | 1.96 % |
| Diversified Metals & Mining | 0.68 % |

## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[2]?**

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective -

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are** activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

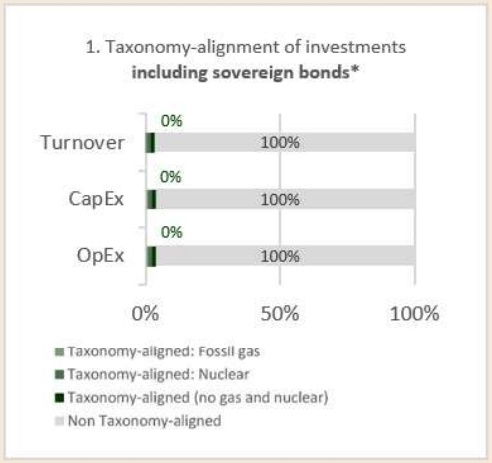
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

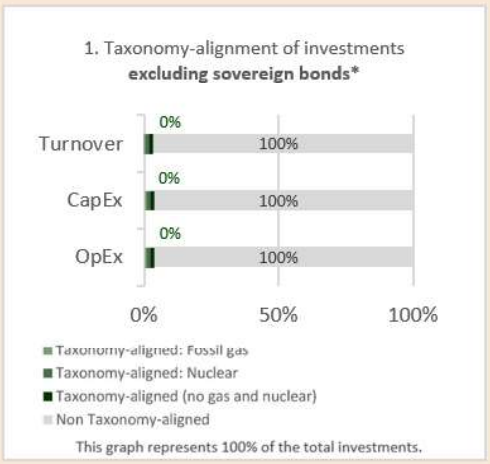
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

[ ] Yes:
[ ] In fossil gas [ ] In nuclear energy

[x] No

***The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.***




**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What was the share of investments made in transitional and enabling activities?***

*N/A*

- ***How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?***

*N/A*

**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The share of sustainable investment with an environmental objective and not aligned with the EU Taxonomy is 80.36%. It is considered that EU Taxonomy alignment of issuers is not sufficiantly mature and available yet to commit to a minimum alignment for the product.

**What was the share of socially sustainable investments?**

see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*N/A*

## What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The above '#2 Other' refers to Investments that were not expected to promote environmental and/or social characteristics, as well as ancillary assets such as cash and other balance sheet items.
These remaining proportion could be used for investment purposes, or for instruments which are mainly used for liquidity or for risk balancing purposes, efficient portfolio management, and/or hedging purposes, notably cash, deposits and derivatives.
Minimum environmental or social safeguards were not considered for investments included under this category.

## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

During the reference period the Investment Manager took the following engagement actions in order to ensure the environmental and social characteristics were adequately promoted:

- Action 1: The Investment Manager focused on some of the "**controversial sectors**", i.e. by engaging with companies belonging to the defense sector or to the fossil fuel industry.
    - As for an example, Rheinmetall, a defense company was contacted several times in 2024 regarding their potential exposure to white phosphorus following a recent company acquisition. The different engagements aimed to ensure this exposure was planned to end.
    - As for another example, the ESG Officer attended a dedicated ESG Conference organized by T.E. last Q2 2024 in Paris, in order to meet the IR and the rest of the management team, including the CEO, where discussions prioritized on the different aspects of T.E.'s environmental strategy, and in particular the controversial EACOP project. The company even invited the Investment Manager's ESG Officer to join an ESG group to visit the project on-site in Uganda, in order to check the environmental and social safeguards implemented onsite.
- Action 2: The Investment Manager also used its engagement strategy in order to cross check a number of potential controversies or perceived heightened ESG risks, for instance focusing on the 14 PAIs or on controversies as highlighted by external sources.
    - Regarding a **controversy check**, L'Oreal was for instance contacted regarding a potential controversy and more precisely regarding on-going allegations pertaining to the following products: L'Oréal's Softsheen Carson Optimum Salon Haircare Amla Legend No-Mix No-Lye Relaxer (company acquired by L'Oreal back in 2000); L'Oreal's Dark &

Lovely; Revlon's Creme of Nature. The Investment Manager requested to shed some light on the on-going lawsuit (not looking for anything confidential of course), as publicly available research seem to highlight that the aforementioned products did indeed contain 'lithium hydroxide'. Additionally, the Investment Manager requested to reiterate the company' strategy in order to avoid using any harmful substances, and what the processes are put in place when it comes to ensuring such protection. After reminders sent, the Investment Manager received confirmation from L'Oréal itself that their highest priority is the health and wellbeing of all our consumers. The Investment Manager was explained that L'Oreal's products are subject to a rigorous scientific evaluation of their safety by experts who also ensure that we strictly follow all regulations in every market in which we operate. L'Oreal went on explaining their research and explained why they were confident that there was no finding of a causal connection between the use of those products and any conditions alleged by the plaintiffs.

    - Regarding the PAIs, a **"PAI campaign"** was launched end of 2023 and went on through 2024. Companies such as Publicis Groupe, K+S or Vallourec responded and provided a number of insightful elements which could complement information received from the Investment Manager's data provider. A number of other companies, despites several reminders sent, did not respond.

- **Action 3:** A third layer of action undertaken by the Investment Manager can be to engage with investee companies in order to cross check information which are **lacking or not clear, from the face of the data provider**. For instance, engagement can be requested to obtain ESG information where no ESG report is to be found. This action was not used for this specific strategy over 2024.

- **Action 4:** The Investment Manager also uses **collaborative partnerships** in order to support a number of environmental and/or social characteristics that it wishes to promote. As such, as of December 2024, the below highlights a number of partnerships which have been undertaken and are still up and running:
    - *Investor Statement Support of Robust EU Forced Labor Regulation*
    - *Investor Coalition on Food Policy*
    - *Investor Letters for US deforestation-free letters*
    - *Business Call for a UN Treaty on Plastic Pollution*

- **Action 5: Voting** is also a channel to promote some E/S/G characteristics. As such, AFFM commits to vote to 100% of the AGM, using its proxy voting provider GlassLewis. The below is an extract from 2024 voting, extracted from GlassLewis:

| Control Number | Decision S | Security C | Deadline I | Meeting D | Record Da | Meeting Ty | Shares |
|---|---|---|---|---|---|---|---|
| 1000228368091 | Voted | GR | 1/16/2024 | 1/24/2024 | 1/18/2024 | Special | 115973 |
| 1000232285433 | Voted | DK | 3/5/2024 | 3/13/2024 | 3/6/2024 | Annual | 101994 |
| 8000230743151 | Voted | DK | 3/13/2024 | 3/21/2024 | 3/14/2024 | Annual | 99800 |
| 4000231270206 | Voted | FR | 3/27/2024 | 4/2/2024 | 3/26/2024 | Mix | 14020 |
| 5000233604866 | Voted | SE | 4/2/2024 | 4/11/2024 | 4/3/2024 | Annual | 57650 |
| 1000238524235 | Voted | BR | 4/8/2024 | 4/16/2024 | 4/11/2024 | Annual | 2759784 |
| 1000238525390 | Voted | BR | 4/8/2024 | 4/16/2024 | 4/11/2024 | Special | 2759784 |
| 0000237908744 | Voted | IT | 4/8/2024 | 4/17/2024 | 4/8/2024 | Mix | 115969 |
| 5000241335992 | Voted | IT | 4/9/2024 | 4/18/2024 | 4/9/2024 | Mix | 1323905 |
| 0000237906536 | Voted | FR | 4/18/2024 | 4/24/2024 | 4/19/2024 | Mix | 283712 |
| 9000241994245 | Voted | NL | 4/16/2024 | 4/25/2024 | 3/28/2024 | Annual | 91572 |
| 2000234400862 | Voted | ES | 4/19/2024 | 4/25/2024 | 4/19/2024 | Ordinary | 93703 |
| 4000241006918 | Voted | DE | 4/15/2024 | 4/26/2024 | 4/4/2024 | Annual | 4891 |
| 8000242154601 | Voted | LU | 4/22/2024 | 4/30/2024 | 4/16/2024 | Annual | 121344 |
| 6000240932188 | Voted | LU | 4/23/2024 | 5/2/2024 | 4/18/2024 | Annual | 434411 |
| 6000240931718 | Voted | SE | 4/22/2024 | 5/2/2024 | 4/23/2024 | Annual | 640983 |
| 7000237462719 | Voted | DE | 4/22/2024 | 5/3/2024 | 4/11/2024 | Annual | 628593 |
| 8000242154093 | Voted | FR | 5/1/2024 | 5/7/2024 | 5/2/2024 | Mix | 93185 |
| 8000242153976 | Voted | FR | 5/1/2024 | 5/7/2024 | 5/2/2024 | Mix | 18192 |
| 4000243706421 | Voted | NO | 4/30/2024 | 5/7/2024 | 4/29/2024 | Annual | 97817 |

- Conclusion: Overall, the Investment Manager is satisfied with its engagement strategy and will continue to dedicate resources in order to have meaningful engagements.

**How did this financial product perform compared to the reference benchmark?**

*N/A*

- ***How does the reference benchmark differ from a broad market index?***

  *N/A*

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  *N/A*

- ***How did this financial product perform compared with the reference benchmark?***

  *N/A*

- ***How did this financial product perform compared with the broad market index?***

  *N/A*