

Annex II- website disclosure for article 8 funds

SUMMARY

AGCM's goal is to generate financial return to the investors of AGCM Fund with its sub-funds while promoting a sustainable development through the investments. Our approach is based on the belief that while aligning with goals and initiatives such as the Paris-agreement and UN Agenda 30, AGCM contributes to a more sustainable world and at the same time increases the risk-adjusted return to investors by selecting well-run companies which manage sustainability risks. AGCM seeks to invest in companies which have a positive contribution to a sustainable future and avoid companies which have a decisively negative impact on human health, the society, or the environment.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The sub-funds promote investments with Environmental and/or Social Characteristics by selecting companies contributing to a sustainable development and with good corporate governance practices. In the selection of investments, the Sub-funds seek to promote one or more of the UN Sustainable Development Goals "SDGs", of which the following are the most prevalent for the sub-funds:

- Good health and well-being
- Decent work and economic growth
- Industry, innovation, and infrastructure
- Sustainable cities and communities
- Climate action

INVESTMENT STRATEGY

The sub-funds are actively managed long-only funds which select companies based on fundamental research. In the bottom-up investment process, the aim is to select companies with strong market positions, financial strength, good corporate governance standards and strong long-term growth prospects. The strategy to focus on industry leaders usually entails picking companies which are at the forefront of formulating and adhering to high ESG standards and thereby promoting sustainability.

The sub-funds strive to select companies which contribute to one or more of the Sustainable Development Goals, which can manifest itself in several ways and often result in a combination of them. The contribution can be determined by share of revenue aligned with the goals, issuance of green bonds, financial inclusion, or engagement in voluntary activities such as promotion of rural development, or IT-literacy.

The sub-funds apply negative screening to exclude companies involved in harmful activities with a negative impact on human health, society, and the environment. The threshold for determination of negative impact is company business operations generating revenues of **more than five percent** from production or distribution of the following activities:

- Fossil fuels
- Coal

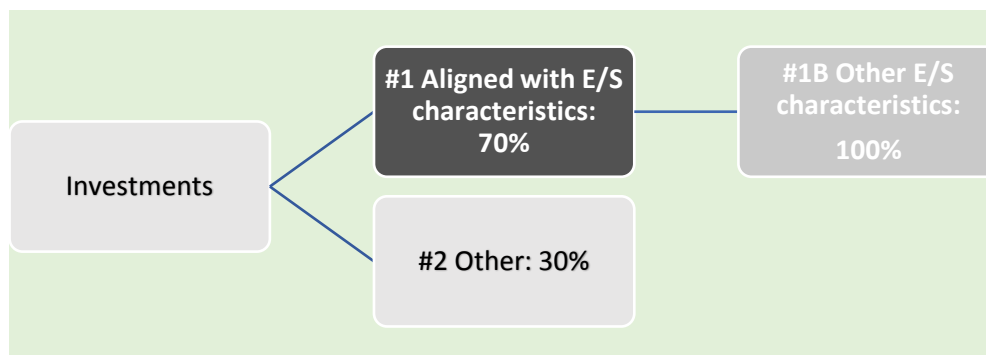
- Oil
- Palmoil
- Uranium
- Alcohol
- Tobacco
- Cannabis
- Gambling
- Pornography (0% for production, 5% for distribution)

Revenues **more than 0%** from production or distribution:

- Controversial weapons
- Nuclear weapons

The Sub-fund's policy is to assess the good governance practices of the investee companies based on adherence to international norms such as the OECD Guidelines for Multinational Enterprises and the Ten Principles of the UN Global Compact. The Sub-fund considers good corporate governance practices to be important and regularly uses its voting rights through an external proxy voting agent to this aim.

PROPORTION OF INVESTMENTS



The Sub-fund invests in stocks which are aligned with E/S characteristics based on negative screening and selection of companies which promote one or more of the UN Sustainable Development Goals. The remainder is either cash or derivatives used for currency hedging without any social or environmental characteristics

The Sub-fund will normally allocate a minimum of 70% of assets in investments with E/S characteristics.

Out of the assets aligned with E/S characteristics, 100% is Other E/S characteristics.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The sub-funds are screened for negative impact during the investment selection process both through an external ESG consultant and internal fundamental research. The negative screening is an ongoing process throughout the holding period and is performed semi-annually in cooperation with the external ESG consultant. Negative screening consists of Norm-based screening to ascertain that companies align with international norms such as the ten principles of the UN Global Compact, OECD's guidelines for multinational companies, UN's Declaration of Human Rights as well as Sector-based screening for exclusion of companies involved in harmful activities.

METHODOLOGIES

Positive screening

Positive screening is part of AGCM's bottom-up stock picking Investment process and an ongoing part of the review of investee companies' periodic reporting. The selection process is based on data and statements relating to promotions of SDGs which are normally sourced from companies' sustainability reports by AGCM's investment professionals.

Negative screening

Negative screening is done as a part of the investment selection process and is subsequently performed semi-annually in collaboration with an external ESG consultant.

DATA SOURCES AND PROCESSING

Data sources used to attain the environmental or social characteristics are the sustainability reports by the investee companies which are reviewed by the investment manager's investment professionals. The data is processed directly by the investment manager of AGCM Fund with its sub-funds. Negative screening results are obtained from an external ESG consultant, data extracted from Bloomberg, as well as the internal investment professionals' ongoing review.

LIMITATIONS TO METHODOLOGIES AND DATA

The underlying data for the measurement and assessment of Principal Adverse Impacts is sourced entirely from Bloomberg which is judged to be a reliable data provider.

DUE DILIGENCE

The assets of the AGCM Fund with its sub-funds is reviewed monthly by the Investment Manager's staff and checked for accuracy in an internal documentation which is reviewed at different times by the control functions including the risk manager, internal auditor, and the auditor.

ENGAGEMENT POLICIES

In order to influence companies to change and develop their operations in a sustainable way, AGCM collaborates with other asset owners through an ESG advisor. In case companies held by the sub-funds are involved in controversial situations, AGCM uses pooled engagement to influence them to develop in a sustainable manner. Unless a positive change can be seen, the sub-funds will sell their holdings. AGCM exerts influence on sustainability through participation at AGMs/EGMs through proxy voting by an ESG advisor.

DESIGNATED REFERENCE BENCHMARK

No index is used as a reference benchmark to measure the attainment of environmental or social characteristics promoted by the AGCM Fund with its sub-funds as the investment management is done independently from indices.