



Article 10 (SFDR)

Website disclosure for an Article 8 fund

Corentera Global Megatrends (the “Sub-Fund”)

Version	Date of publication	Date of update (if any)	Explanation (if any)
3	22/08/2023		Fossil gas/nuclear energy
4	31/07/2026		Update to Corentera branding

Product name: Corentera Global Megatrends		Legal entity identifier: 2138001SZ9C2LAKB5459	
Does this financial product have a sustainable investment objective?			
☐ Yes		☒ No	
☐ It will make a minimum of sustainable investments 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		☐ It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments ☐ with an environmental objective in economic activities that 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 will make a minimum of sustainable investments with a social objective: ____%		☒ It promotes E/S characteristics, but will not make any sustainable investments	



A. Summary

English Version

ESG (Environment, Social and Governance) scoring is a complement to the fundamental analysis. The Management Company's approach to adopting ESG criteria comprises a "best-in-universe" approach with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices. An internal scoring system for securities held within the portfolio is used, based on proprietary analysis and external databases. For that purpose, the appointed portfolio managers use the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the portfolio managers by providing them on a daily basis with a list containing potential target investments scored in terms of ESG criteria (the "ESG Score"). Any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Sub-Fund will disinvest as soon as possible (within three months) from the securities held in portfolio of a company scoring less than 30 (out of 100). The resulted portfolio is afterwards optimized by applying the proprietary quantitative algorithm taking into account the ESG Score.

This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG scores and is used to ensure a certain overall ESG quality level of the portfolio.

While this Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investment” within the meaning of the SFDR or the Taxonomy Regulation.

Deutsche Version

Das ESG-Scoring (Environment, Social and Governance) ergänzt die Fundamentalanalyse. Der Ansatz der Verwaltungsgesellschaft zur Übernahme von ESG-Kriterien umfasst einen „Best-in-Universe“-Ansatz mit besonderem Augenmerk auf Umwelt, Humankapital und Unternehmensführung, der die Entwicklung und Verbesserung von bereits bewährten Praktiken begünstigt. Es wird ein internes Bewertungssystem für im Portfolio gehaltene Wertpapiere verwendet, das auf eigenen Analysen und externen Datenbanken basiert. Zu diesem Zweck verwenden die beauftragten Portfoliomanager die vom Marktführer Arabesque S-Ray bereitgestellten Daten, um die ESG-Konformität von Anlagen zu bewerten. Arabesque S-Ray unterstützt die Portfoliomanager, indem es ihnen täglich eine Liste mit potenziellen Zielanlagen zur Verfügung stellt, die nach ESG-Kriterien bewertet wurden (der „ESG-Score“).

Jedes Unternehmen, das weniger als 30 (von 100) erzielt, wird aus dem Portfolio ausgeschlossen, und der Teilfonds wird so bald wie möglich (innerhalb von drei Monaten) aus den Wertpapieren des Portfolios eines Unternehmens, das weniger als 30 (von 100) erzielt, desinvestieren.

Das hieraus resultierende Portfolio wird anschließend durch Anwendung des proprietären quantitativen Algorithmus unter Berücksichtigung des ESG-Scores optimiert.



B. No sustainable investment objective

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



C. Environmental or social characteristics of the financial product

What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the Sub-Fund consist of applying a best-in-class approach (with special attention to the environment, human capital and corporate governance favouring the development and improvement of best practices) through investing in companies demonstrating outstanding performance on the ESG scoring system provided by the market leader Arabesque S-Ray.

The fund utilizes 2 sets of scores:

- (i) Global Compact Scores: A normative assessment of each company based on the core principles of the United Nations Global Compact. The sub-scores are Human Rights, Labor Rights, Environment, Anti-Corruption
- (ii) ESG Scores: A sector-specific analysis of each company's performance on financially material environmental, social, and governance (ESG) issues. The sub-scores: Environment, Social, Governance

The scores are further split into the component scores through which, the fund promotes environmental and social characteristics by measuring the performance of the investee companies in terms of Product Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure.

Characteristics	E/S/G	Description
Emissions	E	Contribution of business activities to the emission of greenhouse gases and other air pollutants
Environmental Management	E	Mechanisms and policies to manage the overall environmental performance of the business
Environmental Solutions	E	Environmental impact of products and services and contribution towards sustainable consumerism
Environmental Stewardship	E	Impact of business activities on biodiversity and animal welfare
Resource Use	E	Efficient use of energy and other natural resources (incl. land and materials)
Waste	E	Generation of waste and other hazardous output as part of business activities
Water	E	Efficient and responsible use of water throughout company operations
Capital Structure	G	Relative level of leverage and how it might take away from a long-term focus in decision making
Corporate Governance	G	Procedures and mechanisms to ensure proper long-term control and management of the corporation
Forensic Accounting	G	Overall earnings quality or the degree to which reported earnings properly represent a company's financial health
Transparency	G	Level of transparency and disclosure of critical information about the business
Community Relations	S	Level of community involvement and public trust
Compensation	S	Fair and equal compensation of staff and board members
Diversity	S	Representation of and equal opportunity for women and minorities in the workforce and on the board

Employment Quality	S	Working conditions and employee satisfaction
Human Rights	S	Adherence to and promotion of human rights throughout all business activities, incl. the supply chain
Labor Rights	S	Compliance with internationally recognized labour standards, both in-house and across the supply chain
Occupational Health and Safety	S	Workplace-related health and safety performance
Product Access	S	Providing access to products and/or services for disadvantaged communities
Product Quality and Safety	S	Quality and safety of products and services and level of customer satisfaction
Training and Development	S	Opportunities and programs to enable and support learning across employees and the supply chain

No reference benchmark has been designated for the purposes of attaining either environmental or social characteristics promoted by the Sub-Fund.



D. Investment strategy

What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

The Sub-Fund uses a best-in-class approach to adopting ESG criteria. An internal scoring system for securities held within the portfolio is used, based on a proprietary analysis and external databases.

For that purpose, the Management Company uses the data provided by the market leader Arabesque S-Ray, to assess the ESG compliance of investments. Arabesque S-Ray assists the Management Company by providing them on a daily basis with a list containing potential target investments scored in terms of ESG criteria (the “ESG Score”).

Any company scoring less than 30 (out of 100) will be excluded from the portfolio and the Sub-Fund will disinvest as soon as possible (within three months) from the securities held in portfolio of a company scoring less than 30 (out of 100). The resulted portfolio is afterwards optimized by applying the proprietary quantitative algorithm taking into account the ESG Score. This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG scores.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding elements investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Sub-Fund are:

- Exclusion of all companies having any Environmental, Social or Global Compact component scores (Human Rights, Labor Rights, Environment, Anti-Corruption) less than 30 out of 100. By doing so, the fund removes a significant number of companies considered to not be in alignment of a robust ESG and Global Compact sustainability framework as described above.

- Use of the ESG score in the investment strategy as an integral part of the proprietary quantitative algorithm, where the mathematical optimisation ensures that the portfolio is tilted towards the higher ESG ranked companies with the best risk and return outlook. All companies must have an ESG score of at least 30 out of 100 otherwise they will be excluded from the portfolio or disinvested within 3 months.

Hence, the investment strategy is bound to select securities only from an investment universe, where all companies meet certain quality requirements in all relevant sustainability characteristics. On top of that, mathematical optimisation ensures that the companies with the highest sustainability ranking are preferred during the portfolio construction process leading to portfolios that promote the environmental and social characteristics.

What is the policy to assess good governance practices of the investee companies?

All the companies in the universe must have ESG score more than 30 which ensures minimum governance standards (G component) based on Arabesque S-ray. When it comes to governance score component, S-ray considers business ethics, corporate governance, transparency, forensic accounting and capital structure.

Additionally, the mathematical optimisation in the portfolio construction tilts the portfolio towards the highest-ranking companies in terms of sustainability, which also contains the governance component.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☒ No

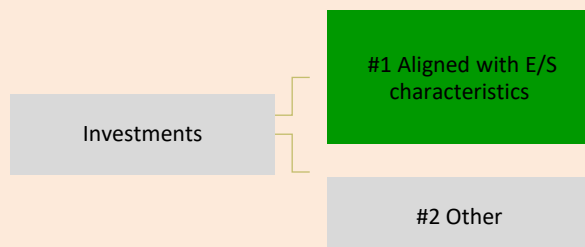


E. Proportion of investments

What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest 60% of its Net Asset Value in companies that are aligned with the E/S characteristics promoted (#1 Aligned with E/S characteristics). The Sub-Fund does not commit to making any sustainable investments (0% in #1A Sustainable, 100% in #1B Other E/S characteristics).

A maximum of 40% of its Net Asset Value will be in cash and other investments without an ESG Score (#2 Other).



#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.

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

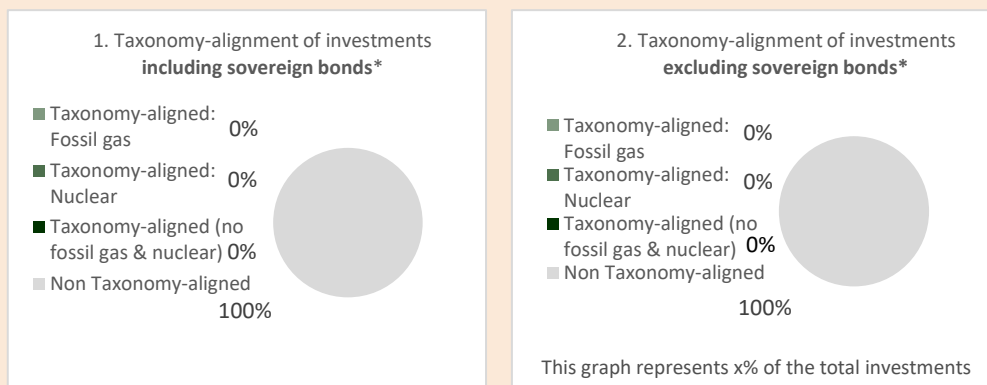
Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

The two graphs below show in green the minimum percentage of investments that are 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 investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Cash held on an ancillary basis. As such, they do not apply any minimum safeguards.

¹ 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. 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.

The Sub-fund also invests in Emerging Markets equities and bonds via broadly diversified mutual Funds and ETFs to efficiently improve the diversification of the Sub-fund. These investments do not have minimum environmental or social safeguards.



F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Sub-Fund uses the ESG and Global Compact (GC) scores as top-level sustainability indicators to measure the attainment of the environmental and social characteristics promoted.

To compute aggregate ESG and GC scores, each of the underlying sustainability characteristics (Product, Quality and Safety, Human Rights, Water, Environmental Management, Labour Rights, Compensation, Employment Quality, Emissions, Environmental Stewardship, Resource Use, Environmental Solutions, Waste, Diversity, Occupational Health and Safety, Training and Development, Product Access, Community Relations, Business Ethics, Corporate Governance, Transparency, Forensic Accounting, Company Capital Structure) are utilised.

For each characteristic, a quantitative sustainability indicator or feature score, is constructed as follows:

- Two types of feature sub-scores are constructed based upon the frequency or timing of data input i.e. based upon a recent controversy in the immediate term versus data from an annual report.
- Two sets of sub-scores are thus calculated:
 - i. Data received on a frequent basis i.e. based on newsworthy events, controversies and NGO campaigns ("Short-term correction")
 - ii. Less frequent data i.e. annual report data ("Long-term trend").
- The sub-scores are calculated by only considering the features within each of the ESG themes.
- Total ESG scores are then calculated as a weighted sum of the underlying sustainability indicators (feature scores) using materiality-based weights.

The GC Score is used to approximate reputational risk facing companies with lower scores correlating with a higher likelihood of a company being involved in a major scandal or controversy related to sustainability.

The GC scores are also built from the feature scores but combined in a way to reflect GC principles. Initially, each GC category is equally weighted however with the passage of time, if an individual category moves below a score of 50 out of 100 (i.e. increasing likelihood of reputational risk), the weight of the relevant GC category is increased.

Concurrently, the weights of the other GC categories are reduced. The effect of this leads to a heavier bias towards the GC category with increasing likelihood of reputational risk that seeks to ensure an accurate and up to date total GC Score on an ongoing basis.

For a company to perform well in their total GC Score, they must perform well in every GC category.

Total ESG and Global Compact Scores are scaled between 0 and 100, with higher scores indicating higher attainment. All investee companies must have an ESG score of at least 30 out of 100.

ESG and Global Compact sets of scores are complementary to each other making the sustainability approach more robust. ESG scores are sector-specific and favour companies that stand out in terms of the environmental, social and governance characteristics. On the other hand, Global Compact scores provide normative assessment based on core principles of United Nations Global Compact.

The Sub-Fund will utilise both these scores and report in the annual statement :

- Average level of ESG scores throughout the reporting period
- Average level of Global Compact scores throughout the reporting period
- Average percentage of companies in the portfolio that scored less than 30 out of 100 throughout the reporting period

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The Sub-fund is monitored on a frequent basis in terms of ESG score of investee companies. Any company falling below ESG score of 30 is disinvested as soon as possible (within three months). The level of monitoring is not dependent on the lifecycle of the financial product.

As an internal control mechanism, a new dashboard has been developed to monitor the portfolio holdings of an Article 8 Sub-fund. The dashboard tracks each holding's adherence to internal limits as well as limits documented in the prospectus. The same dashboard also flags when a holding should be excluded or disinvested based upon the configuration of PAI exclusion rules.



G. Methodologies

What is the methodology used to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The attainment is measured using ESG score of investee companies. The ESG score is calculated as a weighted sum of the underlying feature scores using materiality-based weights. The E (environmental), S (social) and G (governance) pillar sub-scores are calculated by considering only the features within each of these themes. The three-pillar scores and the total ESG Score are scaled between 0 and 100, with higher scores indicating higher attainment.



H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that are estimated?

The Sub-fund leverages on the data provided by the market leader Arabesque S-Ray, who collects vast amount of data grouped into:

- Report-based metrics (company reported metrics)
- News-based controversies (variety of news sources more than 100 countries)
- NGO-based activity (both positive and negative NGO campaigns)

The Sub-fund utilizes data from only top-of-the-class data providers, which ensures high degree of quality controls. The Arabesque S-ray ESG-assessments is data-driven and uses algorithmic processes, which are supervised by human analysts. As such, the rules based, objective approach limits the potential for human bias to skew assessments, while the ex-post human supervision ensures the algorithms have resulted in accurate assessments. For MSCI, the initial company research and analysis is followed by a rigorous quality assurance process. Data accuracy and company profiles are peer-reviewed by a second MSCI analyst, then sent to content leads for final approval.

S-ray relies purely on reported data and hence no data points are estimated. For the MSCI, there is a portion of the data that must be estimated to turn company reported revenues into EU Taxonomy and SFDR business classification. The portion of the estimated data is not fixed and improves over time as more and more companies start reporting in greater detail on the sustainability topics.



I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and any actions taken to address such limitations)

General limitation is the underlying sustainability data availability, as without enough data a company cannot receive ESG score in the S-Ray framework. To address this limitation, the ESG score is not limited only to the company-reported data, but also leverages on news articles and NGO activities. As a result, only a limited number of companies cannot receive a reliable ESG score and hence the limitation does not affect the attainment of the environmental and social characteristics.



J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls on that due diligence?

The due diligence related to the sustainability matters is ensured by at least weekly updating of the ESG scores and EU Taxonomy and SFDR data inputs for investee companies. The controls are in place to ensure that each company is assessed at least weekly.



K. Engagement policies

Is engagement part of the environmental or social investment strategy?

- ☐ Yes
☒ No



L. Reference benchmark

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

- ☐ Yes
☒ No