Article 10 (SFDR)

Website disclosure for an Article 8 fund

Corentera Global Sustainable Bond Strategy (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 Sustainable Bond Strategy**	**Legal entity identifier:** **222100NMYDI2KSZZ5407**
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 60% 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

The Sub-Fund promotes environmental characteristics within the meaning of Article 8 of the SFDR and will have a strong focus on sustainable investing, and as such every selected asset will be in-line with this philosophy. To that effect, the Sub-Fund uses a best-in-class approach to adopting additional ESG criteria. This is comprised by 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 within 3 months from the securities held in portfolio of a company scoring less than 30 out of 100. In addition, the Sub-Fund aims to partially make sustainable investments (within the meaning of article 2 (17) of the SFDR) that contribute to the sustainable investment objective of climate change mitigation. Sustainable investments will represent at least 60% of the Net Asset Value of the Sub-Fund. The Sub-Fund determines that a company contributes to climate change mitigation where a company derives more than 15% of its revenue from economic activities defined as eligible under the EU Taxonomy. The "do no significant harm" principle with respect will be assessed by integrating the principal adverse impact (PAI) indicators, as described below.

In addition, the Sub-Fund aims at predominantly investing into companies with a high level of alignment with the EU Taxonomy. The proprietary quantitative algorithm is set at a minimum of 30% (including enabling and transitional activities) of sustainable investments with an environmental objective aligned with the EU

Taxonomy. Nonetheless, the “do no significant harm” principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Lastly, the Sub-Fund takes the 14 principal adverse impact (PAI) indicators into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio. This consideration of such these PAI indicators further ensure that the “do not significantly harm” principle is respected for the sustainable investments (including those with an environmental objective aligned with the EU Taxonomy) made.

Deutsche Version

Der Teilfonds unterstützt ökologische Eigenschaften im Sinne von Artikel 8 des SFDR und wird einen starken Fokus auf nachhaltige Anlagen legen, und daher wird jeder ausgewählte Vermögenswert dieser Philosophie entsprechen. Zu diesem Zweck verwendet der Teilfonds einen Best-in-Class-Ansatz zur Übernahme zusätzlicher ESG-Kriterien. Dies 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) Punkte erzielt, wird aus dem Portfolio ausgeschlossen und der Teilfonds wird innerhalb von 3 Monaten die Wertpapiere des Portfolios eines Unternehmens, das weniger als 30 von 100 Punkten erzielt, desinvestieren. Der Fonds zielt darauf ab, teilweise nachhaltige Anlagen (im Sinne von Artikel 2 (17) der SFDR) zu tätigen, die zum nachhaltigen Anlageziel der Eindämmung des Klimawandels beitragen. Nachhaltige Anlagen machen mindestens 60 % des Nettoinventarwerts des Teilfonds aus. Der Teilfonds legt fest, dass ein Unternehmen zur Eindämmung des Klimawandels beiträgt, wenn ein Unternehmen mehr als 15 % seiner Einnahmen aus wirtschaftlichen Aktivitäten erzielt, die gemäß der EU-Taxonomie als zulässig definiert sind. Der Grundsatz „keinen erheblichen Schaden anrichten“ wird durch die Integration der Hauptindikatoren für nachteilige Auswirkungen (PAI) bewertet, wie unten beschrieben.

Darüber hinaus strebt der Teilfonds an, überwiegend in Unternehmen zu investieren, die sich in hohem Maße an der EU-Taxonomie orientieren. Der proprietäre quantitative Algorithmus ist auf mindestens 30 % (einschließlich Unterstützungs- und Übergangsaktivitäten) nachhaltiger Investitionen mit einem Umweltziel festgelegt, das an der EU-Taxonomie ausgerichtet ist. Dennoch gilt das Prinzip „keinen erheblichen Schaden anrichten“ nur für die dem Teilfonds zugrunde liegenden Anlagen, die die EU-Kriterien für umweltverträgliches Wirtschaften berücksichtigen. Die dem verbleibenden Teil dieses Teilfonds zugrunde liegenden Anlagen berücksichtigen nicht die EU-Kriterien für ökologisch nachhaltige Wirtschaftstätigkeiten.

B. No sustainable investment objective

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

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Sub-Fund aims to make sustainable investments (within the meaning of article 2 (17) of the SFDR) that contribute to the sustainable investment objective of climate change mitigation.

Sustainable investments will represent at least 60% of the Net Asset Value of the Sub-Fund.

The Sub-Fund determines that a company contributes to climate change mitigation where such company derives more than 15% of its revenue from economic activities defined as aligned under the EU Taxonomy, whilst at the same time ensuring 'do no significant harm' on the remaining revenue. For this measure MSCI's Taxonomy data is used. This data provides for each company the percentage of revenue aligned with the Taxonomy, where in the annual statement for the Fund, the portion of the fund with an alignment larger than 15% will be reported as part of periodic reporting requirements.

The Sub-Fund will have an average minimum of 30% of the revenue in the portfolio (including enabling and transitional activities) of sustainable investments with an environmental objective aligned with the EU taxonomy. The definition used is the MSCI methodology mentioned above.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Sub-Fund:

(i) takes into account all the mandatory indicators for PAI; and

(ii) ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, both as further outlined below.

In addition the MSCI ESG Controversies and Global Norms are used to provide an assessment of companies' involvement in events that constitute violations of global norms and pose risks to society and the environment. MSCI ESG Controversies also assess the severity of environmental violations and idiosyncratic events that pose a significant harm to the environment.

The MSCI ESG Controversies takes the following into consideration:

Issuers with revenue derived from environmental, social or governance controversies are removed from the portfolio based on the following criteria:

MSCI ESG Factor Name	MSCI ESG Factor Identifier and Criteria
Environment – Controversy Score	ENVIRONMENT_CONTROVERSY_SCORE = 0 OR ENVIRONMENT_CONTROVERSY_SCORE = 1
Social – Controversy Score	SOCIAL_CONTROVERSY_SCORE = 0
Governance – Controversy Score	GOVERNANCE_CONTROVERSY_SCORE = 0

Hence, any company doing harm to Environment, Social or Governance has been excluded from the investable universe.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The 14 PAI indicators will be taken into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio:

Climate and other environment-related indicators		
	1. GHG Emissions	The Sub-Fund will use metrics on the amount of carbon emissions and the intensity of carbon
	2. Carbon Footprint	

Greenhouse gas emissions	3. GHG Intensity of investee companies	emission compared to the company's revenue to target companies that emit less CO2
	4. Exposure to companies active in the fossil fuel sector	The Sub-Fund will exclude all companies with active exposure to the fossil fuel sector.
	5. Share of non-renewable energy consumption and production	The Sub-Fund will take into account the amount and intensity of the company's energy consumption and the percentage of consumption that is renewable.
	6. Energy consumption intensity per high impact climate sector	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	The Sub-Fund excludes companies who have operations located in biodiversity sensitive areas and are involved in controversies with severe impact on the environment.
Water	8. Emissions to water	The Sub-Fund will take into account the amount of tons of emission to water, and penalise those companies with high emissions or no disclosure.
Waste	9. Harzadous waste ratio	The Sub-Fund will take into account the amount of hazardous waste, and penalise those companies with much waste or no disclosure.
Social and employee, respect for human rights, anti-corruption and anti-bribery matters		
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	The Sub-Fund will exclude all companies where there is evidence of severe adverse impact on society and environment indicating violation of Global Norms.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	The Sub-Fund will take into account if the companies have appropriate processes and mechanisms, and will penalise those who have not, or have no disclosure.
	12. Unadjusted gender pay gap	The Sub-Fund will take into account the gap in median average payments between male and female employees relative to average median pay to male employees. Companies who deviate from zero in any direction is penalised.
	13. Board Gender Diversity	The Sub-Fund will take into account the female to male ratio of their board composition. Companies who deviate from equal representation in any direction are penalised.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	The Sub-Fund will exclude all companies with active exposure to controversial weapons.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

PAI indicators 10 and 11 in the above table directly align the Sub-Fund's portfolio with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, where companies are either excluded from the investment universe, or their effect in the total portfolio is minimised.

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

Furthermore, the Sub-Fund partially commits to make sustainable investments with an environmental objective as further described below.

Environmental and social characteristics are also indirectly promoted via taking the 14 Principle Adverse Impact ("PAI") indicators into account which allows to ensure the 'do no significant harm' principle is respected and exclude harmful companies from the investable universe.

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 use 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). This extra-financial scoring system impacts the overall portfolio structure by excluding exposure to companies exhibiting low ESG scores and is used to ensure "do no significant harm" and attain a certain overall ESG quality level of the portfolio.

In addition, the Sub-Fund invests at least 60% of its Net Asset Value in sustainable investments that contribute to the sustainable investment objective of climate change mitigation, as described above.

Moreover, the Sub-Fund aims at predominantly investing into companies with a high level of alignment with the EU Taxonomy. The proprietary quantitative algorithm used by the Sub-Fund is set at a minimum of 30% of sustainable investments (including enabling and transitional activities) with an environmental objective aligned with the EU Taxonomy.

Lastly and as further descried above, the Sub-Fund takes the 14 PAI indicators into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio.

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 Sub-Fund has the following binding elements:

(i) A minimum average portfolio revenue of 30% alignment with EU Taxonomy standards
(ii) 60% of the assets in the portfolio has a minimum of 15% of their revenue aligned with the EU Taxonomy standards and doing no significant harm on the remaining revenue
(iii) Exclusion of any company having a score of less than 30 on the Arabesque S-Ray ESG Score methodology.
(iv) Exclusion of any company that does not respect the exclusion criteria based on the integration of PAI indicators.
(v) Exclusion of any company that does significant harm based on the MSCI Controversies Methodology

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

(i) Majority of the portfolio will be invested in companies with EU taxonomy alignment of more than 0%, which by MSCI definition of 'do no significant harm' excludes all the companies with governance controversies related to bribery, fraud and governance structures.

(ii) 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.

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

☒ Yes, as per the PAI table above, the 14 PAI indicators will be taken into account by implementing individual metrics to each PAI, and either excluding the companies from the investment universe, or minimizing their effect in the total portfolio.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

☐ No

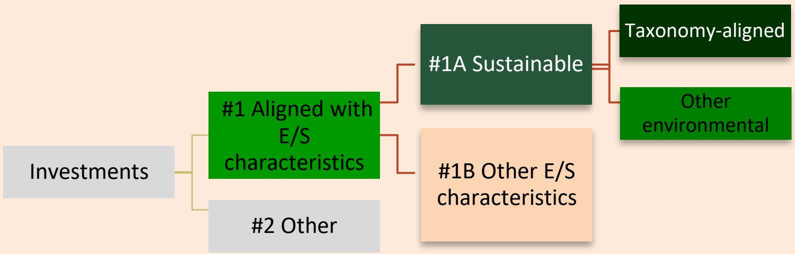
E. Proportion of investments

What is the asset allocation planned for this financial product?

The Sub-Fund is expected to invest 90% of its Net Asset Value in companies that are either sustainable or have other E/S characteristics and are thus aligned with E/S characteristics (#1 Aligned with E/S characteristics).

The Sub-Fund further commits to invest at least :

(i) 60% of its Net Asset Value in sustainable investments within the meaning of article 2 (17) of the SFDR (#1A Sustainable) that contribute to an environmentally sustainable investment objective (Other environmental) and
(ii) 30% of its Net Asset Value in sustainable investments with an environmental objective aligned with the EU Taxonomy (Taxonomy-aligned).
(iii) The proportion of investments aligned with the E/S characteristics which do not qualify as "sustainable" is expected to be maximum 30% of the Sub-Fund's Net Asset Value (#1B Other E/S characteristics).
(iv) A maximum of 10% of its Net Asset Value will be in cash (#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.

The category **#1 Aligned with E/S characteristics** covers:

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

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Compliance of the investments with the taxonomy is expected to be subject to assurance by our internal audit, Ernst & Young, at some point in future dependent upon the audit plan.

An ongoing assumption will be to maintain 0% of investments that consist of sovereign exposures where the extent of taxonomy-alignment cannot be assessed.

Taxonomy alignment is measured via revenue or turnover in accordance with the RTS as opposed to CapEx or OpEx where either alternative requires justification as to how they are instead appropriate.

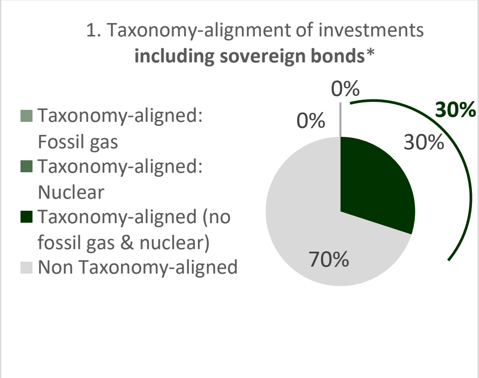
The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU Criteria.

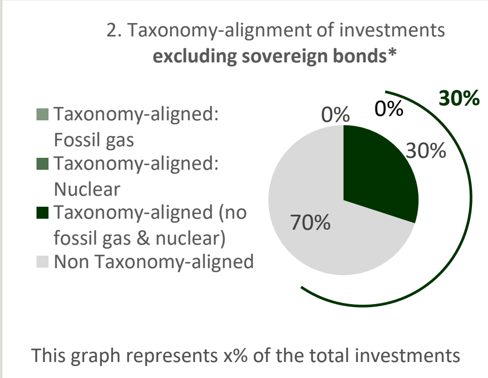
The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the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

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

Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy[1]?
☐ 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 is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund invests at least 60% of its Net Asset Value in environmentally sustainable investments. The Sub-Fund further commits to invest at least 30% of its Net asset Value in sustainable investments with an environmental objective in economic activities that are Taxonomy-aligned. The Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

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.

F. Monitoring of environmental or social characteristics

[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.

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 following sustainability indicators to measure the attainment of the environmental and social characteristics promoted:

(i) ESG score of investee companies (30+ out of 100)

Within the score the following indicators are taken into consideration: 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.

The Sub-Fund will report the following in the annual statement of the Fund as part of periodic reporting requirements :

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

(ii) Exposure to companies that meet the exclusion criteria based on the integration of PAI indicators will be 0%.

(iii) Minimum percentage of revenue of sustainable investments (including enabling and transitional activities) with an environmental objective aligned with the EU Taxonomy with a portfolio averaging revenue of 30%. The annual statement of the Fund will report the average percentage of revenue in the portfolio that is Taxonomy aligned as part of periodic reporting requirements.

The companies in the portfolio will for the majority have a high level of revenue aligned with the EU taxonomy, and by definition 'do no significant harm'. The MSCI methodology used to measure the Taxonomy alignment takes the following indicators in to consideration:

Climate Change Mitigation	Alternative Energy Carbon Energy and Efficiency Green Building Sustainable Agriculture (e.g., forest management, no-deforestation provisions) Sustainable Water (e.g., smart metering) Pollution Prevention (e.g., waste treatment)
Climate Change Adaptation	Carbon Energy and Efficiency (e.g., insulation solution) Green Building Sustainable Water
Sustainable Use and Protection of Water and Marine Resources	Sustainable Water Pollution Prevention & Control

Transition to a Circular Economy	Sustainable Water Pollution Prevention & Control (e.g., recycling)
Pollution Prevention and Control	Pollution Prevention & Control Sustainable Water
Protection and Restoration of Biodiversity and Ecosystems	Sustainable Water Sustainable Agriculture Pollution Prevention & Control

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 sustainability indicators. Any detected changes resulting into violating sustainability limits trigger disinvests as soon as possible. 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 Sub-fund follows 3 methodology approaches:

(i) *ESG score of Arabesque S-Ray*: 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.

(ii) EU Sustainable Finance Taxonomy (EU Taxonomy): To measure the estimated alignment to EU taxonomy, maximum percentage of revenue addressing environmental objectives is utilized to assess and rank companies. The data is provided by MSCI where this estimate removes companies with environmental, social and governance controversies as failing to meet the Do Not Significant Harm and Minimum Social Safeguards criteria of the EU Taxonomy. Companies dealing with tobacco and involved in controversial weapons are removed as well. The data field ranges from 0 to 100, where 100 is optimal.

The following criteria is applied as part of our methodology and in accordance with the prospectus :

- *More than 60% of the portfolio should have a score above 15*
- *The weighted average portfolio score should be above 30*

(iii) Sustainable Finance Disclosure Regulation (SFDR): The 14 principal adverse impact (PAI) indicators are taken into account by implementing individual metrics to each PAI. Based upon a resultant rank, the companies are either included, excluded or their effect minimized in the resultant portfolio.

The methodology implemented seeks to :

- *Exclude companies that have exposure or associated with PAIs relating to :*
  - *Exposure to companies active in the fossil fuel sector*
  - *Activities negatively affecting biodiversity-sensitive areas*
  - *Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises*
  - *Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)*

- *Rank companies according to a proprietary method in relation to each of the remaining 10 PAIs, where applicable.*
- *The range of scores is from 0 to 100 with 100 being optimal.*
- *Across each of the 10 PAIs, companies with the lowest rank are removed from the asset universe.*

Finally, an internal restriction combining EU Taxonomy and PAI scores is also applied. Companies are excluded from the asset universe when there is 0% EU Taxonomy alignment coupled with a low overall PAI rank.

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 leaders:

(i) *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) in order calculate ESG score.

(ii) *MSCI ESG Research,* who collects vast amount of data Company websites, company annual reports and regulatory filings, government financial agencies and disclosures, financial data providers, media and periodicals, non-governmental organization (NGO) reports and websites to quantify the requirements of EU Taxonomy and SFDR.

The Sub-fund utilizes data from Arabesque, one of the ESG data leaders, which ensures high degree of quality controls. The ESG-assessments are 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.

S-Ray relies purely on reported data and hence no data points are estimated.

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 and/or be assessed in terms of EU Taxonomy and SFDR. To address this limitation, both data providers (Arabesque and MSCI) do not limit the data to only the company reports, but also leverage on the news articles and NGO activities. As a result, only a limited number of companies do not receive a reliable sustainability assessment 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

Corentera FUNDS

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