



INFORMATION ON THE PROMOTION OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS AND OF SUSTAINABLE INVESTMENTS

Fondaco Lux S.A.

5 MAY 2023

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INTRODUCTION

Pursuant to Article 10 of Regulation (EU) 2019/2088 of November 27, 2019 on Sustainability Disclosures in the Financial Services Sector ("SFDR") and Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022, the required information regarding the following funds classified as Article 8 SFDR are provided below:

- FONDACO PREVIDENZA UCITS SICAV – CORPORATE BOND (A SUB-FUND OF THE FUND FONDACO PREVIDENZA UCITS SICAV);
- FONDACO PREVIDENZA UCITS SICAV – EQUITY (A SUB-FUND OF THE FUND FONDACO PREVIDENZA UCITS SICAV);
- FONDACO LUX VALUE EQUITY (A SUB-FUND OF THE FUND FONDACO SIF);
- FONDACO LUX GLOBAL CREDIT (A SUB-FUND OF THE FUND FONDACO SIF);
- THE GREENDROPS MULTIASSET MULTISTRATEGY FUND – SIF (A SUB-FUND OF THE FUND FONDACO SIF);
- MULTI – ASSET INCOME (A SUB-FUND OF THE FUND FONDACO SIF);
- FONDACO SUSTAINABLE REAL ASSETS (A SUB-FUND OF THE FUND FONDACO GLOBAL PRIVATE MARKETS FUND).

FONDACO PREVIDENZA UCITS SICAV – CORPORATE BOND

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified portfolio of corporate bonds mainly located in Europe and for a residual part in the United States rated investment grade. The portfolio management activity is delegated to external investment managers. In performing its activities, each portfolio manager will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Development Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The approach followed in the investment management process used to promote social and environmental characteristics is based on a combination on the use of an exclusion list and a best in class approach which tends to assign a higher allocation to securities issued by companies with a higher ESG score. In particular, the exclusion list approach allows to exclude the issuers ranked from the 8th to the 10th decile, that are the ones with low ESG score.

d) Investment strategy

The investment strategy considers the investment of the assets in a portfolio of corporate bonds with the goal to achieve the growth of invested capital in the long term. The portfolio invests in corporate fixed income securities issued by companies mainly located in Europe and North America and rated as investment grade, with the exchange rate risk largely hedged.

For these investments, environmental, social and governance (ESG) principles are applied at the securities selection to ensure that the investments comply with the eligible list of ESG investments.

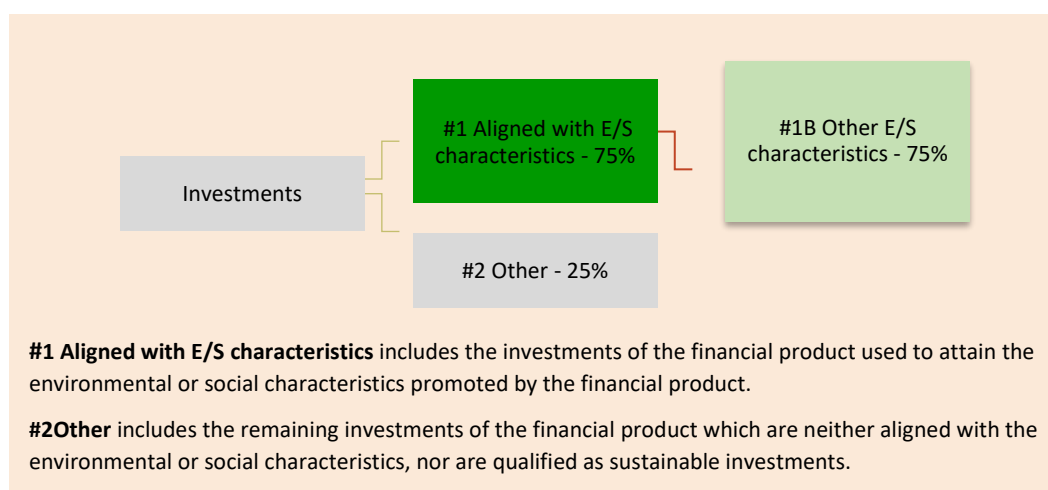
In the implementation of its investment policy, the Sub-Fund will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Development Goals) objectives. The results of the investment management activities in relation to the ESG objectives of the investments as well as the methodologies and criteria used for the selection of the investments are included in the annual report as detailed in section “Reports” of the general part of the Prospectus

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Investment Manager may, pursuant to the above investment policy, use its discretion to invest in securities not included in the benchmark in order to take advantage of specific investment opportunities. However, the ESG aspects of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the benchmark below. Under certain economic conditions, the likely impacts of sustainability risks on the returns of the Sub-Fund could be higher than those of funds that do not incorporate such considerations.

Aside from consideration regarding the environmental and social characteristics of the investee companies, from a good governance practice point of view the overall ESG score of each security is based on the governance analysis, including elements such as chairman independence, board structure, code of conduct.

e) Proportion of investments

The Sub-Fund (denominated in EUR) mainly invest in listed companies mainly located in Europe, North America and Pacific Area, as well as in units of other UCITS, other UCIs and/or ETFs with a comparable investment policy. As the Investment Manager is not seeking to make sustainable investments, all investments will have other E/S characteristics. The planned asset allocation for the fund is shown in the following chart:



f) Monitoring of environmental or social characteristics

As part of the investment process, the investment managers integrate environmental, social and governance ("ESG") factors into their analysis. Through this process, the investment managers use a defined ESG framework to score companies in which they invest. The ESG scores are based on the fundamental analysis for each company from a governance, social and environmental point of view, assigning a dedicated rating for each of the three aspects and an overall rating. The investment managers use the ESG framework to select and monitor companies. Further information about the ESG framework are available at the website of the management company:

<https://fondacogroup.it/en/lux/sustainability/policies/>

g) Methodologies

The Sub-Fund is subject to the Investment Manager's ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund. The objectives set are:

- (i) to build a portfolio with an overall ESG rating above the market average;
- (ii) to continuously monitor the ESG performance of portfolios over time; and
- (iii) to integrate ESG criteria into classical financial analysis, with the aim of improving the risk/return ratio of investments.

The Investment Manager's ESG methodology is also formalised by the Investment Manager in a dedicated policy which in turn is also compliant with the relevant Management Company's policy.

The binding element is represented by a list of all securities included in the benchmark with the ESG valuation for each of them. The securities are classified based on the ESG valuation in a decreasing way and only the securities from the first to the seventh decile are investable. Such list is periodically available to the investment managers. The Investment Managers, can select its investment from the list, maximizing the average ESG score of the portfolio and minimizing the tracking error relative to the benchmark. In case of units of UCITS, other UCIs and/or ETFs the binding element is that the third-party funds and ETFs are selected in a way such that at least 75% of them are themselves classified Art. 8 or Art. 9 SFDR, without compromising its adherence to the investment strategy.

h) Data sources and processing

The list of all securities included in the benchmark with the ESG valuation for each of them is the basis for the exclusion list and it represents the source of data for the calculation of the ESG score of the portfolio relative to the benchmark. Such list is provided to the Investment Managers and it is also available to the Management Company in order to perform controls on the quality and the completeness of the data and to perform controls on the portfolio management activities. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company performs due diligence on the Investment Managers in order to ensure the correctness of the data usage and the timely application of the ESG data in the investment process. The Management Company also controls ex-post the investment limits and ESG profile of the portfolio. There is a constant interaction between the Management Company and the Investment Managers on the topic in order to ensure cooperation and data exchange.

k) Engagement policies

The engagement policies are is public and available on the website, along with the Sustainable Investment Policy:

<https://fondacogroup.it/lux/about/policies-and-documentation/>

I) Designated reference benchmark

The indexes BARCAP PAN EUROPEAN AGGREGATE CORPORATE EURO HEDGED INDEX and BARCAP PAN US CORPORATE EURO HEDGED INDEX adjusted for the ESG filter are used as reference benchmark.

Each security included in the benchmark received an ESG valuation as consequence of the ESG filter methodology. The securities are classified based on the ESG valuation in a decreasing way and only the securities from the first to the seventh decile are investable. Such list is periodically available to the investment managers.

The investment managers receive the benchmark, adjusted for the ESG scoring methodology, on a monthly basis and each investment decision is based on the adjusted benchmark available.

The designated index methodology is provided and calculated by Bloomberg.

<https://assets.bbhub.io/professional/sites/27/US-Intermediate-Credit-Index.pdf>

<https://assets.bbhub.io/professional/sites/27/Pan-European-Aggregate-Index.pdf>

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified portfolio of stocks mainly located in Europe, North America and Pacific area. The portfolio management activity is delegated to external investment managers. In performing its activities, each portfolio manager will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Developments Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The approach followed in the investment management process used to promote social and environmental characteristics is based on a combination on the use of an exclusion list and a best in class approach which tends to assign a higher allocation to securities issued by companies with a higher ESG score. In particular, the exclusion list approach allows to exclude the issuers ranked from the 8th to the 10th decile, that are the ones with low ESG score.

d) Investment strategy

The investment strategy considers the investment of the assets in a portfolio of listed companies with the goal to achieve an high increase of invested capital in the long term. The portfolio invests in listed companies mainly located in Europe ,North America and Pacific Area, with the exchange rate risk largely hedged.

For these investments, environmental, social and governance (ESG) principles are applied at the securities selection to ensure that the investments comply with the eligible list of ESG investments.

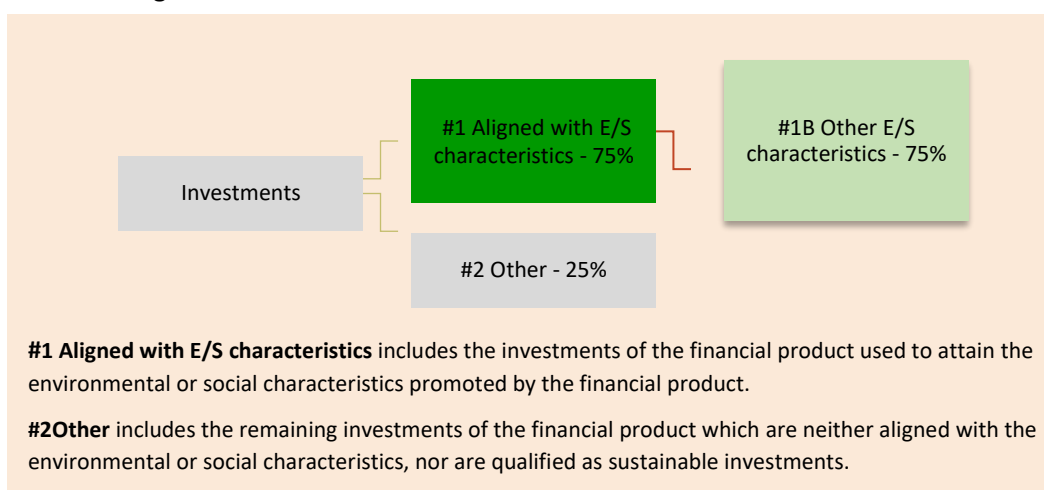
In the implementation of its investment policy, the Sub-Fund will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Developments Goals) objectives. The results of the investment management activities in relation to the ESG objectives of the investments as well as the methodologies and criteria used for the selection of the investments are included in the annual report as detailed in section “Reports” of the general part of the Prospectus

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Investment Manager may, pursuant to the above investment policy, use its discretion to invest in securities not included in the benchmark in order to take advantage of specific investment opportunities. However, the ESG aspects of the investment objective and policy may have the effect of limiting the extent to which the portfolio holdings will deviate from the benchmark below. Under certain economic conditions, the likely impacts of sustainability risks on the returns of the Sub-Fund could be higher than those of funds that do not incorporate such considerations.

Aside from consideration regarding the environmental and social characteristics of the investee companies, from a good governance practice point of view the overall ESG score of each security is based on the governance analysis, including elements such as chairman independence, board structure, code of conduct.

e) Proportion of investments

The Sub-Fund (denominated in EUR) mainly invest in listed companies mainly located in Europe, North America and Pacific Area, as well as in units of other UCITS, other UCIs and/or ETFs with a comparable investment policy. As the Investment Manager is not seeking to make sustainable investments, all investments will have other E/S characteristics. The planned asset allocation for the fund is shown in the following chart:



f) Monitoring of environmental or social characteristics

As part of the investment process, the investment managers integrate environmental, social and governance ("ESG") factors into their analysis. Through this process, the investment managers use a defined ESG framework to score companies in which they invest. The ESG scores are based on the fundamental analysis for each company from a governance, social and environmental point of view, assigning a dedicated rating for each of the three aspects and an overall rating. The investment managers use the ESG framework to select and monitor companies. Further information about the ESG framework are available at the website of the management company:

<https://fondacogroup.it/en/lux/sustainability/policies/>

g) Methodologies

The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund. The objectives set are:

- (i) to build a portfolio with an overall ESG rating above the market average;
- (ii) to continuously monitor the ESG performance of portfolios over time; and
- (iii) to integrate ESG criteria into classical financial analysis, with the aim of improving the risk/return ratio of investments.

The Sub-Fund incorporates ESG considerations during the entire Sub-Fund's Term. The sustainability framework is meant to be applied for securities election purposes, monitoring of the investments and reporting of sustainability advancements to the Shareholders.

The Investment Manager's ESG methodology is also formalised by the Investment Manager in a dedicated policy which in turn is also compliant with the relevant Management Company's policy.

The binding element is represented by a list of all securities included in the benchmark with the ESG valuation for each of them. The securities are classified based on the ESG valuation in a decreasing way and only the securities from the first to the seventh decile are investable. Such list is periodically available to the investment managers. The Investment Managers, although are not obliged to track the benchmark, can select its investment from the list, maximizing the average ESG score of the portfolio in case of units of UCITS, other UCIs and/or ETFs the binding element is that the third-party funds and ETFs are selected in a way such that at least 75% of them are themselves classified Art. 8 or Art. 9 SFDR, without compromising its adherence to the investment strategy.

h) Data sources and processing

The list of all securities included in the benchmark with the ESG valuation for each of them is the basis for the exclusion list and it represents the source of data for the calculation of the ESG score of the portfolio relative to the benchmark. Such list is provided to the Investment Managers and it is also available to the Management Company in order to perform controls on the quality and the completeness of the data and to perform controls on the portfolio management activities. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company performs due diligence on the Investment Managers in order to ensure the correctness of the data usage and the timely application of the ESG data in the investment process. The Management Company also controls ex-post the investment limits and ESG profile of the portfolio. There is a constant interaction between the Management Company and the Investment Managers on the topic in order to ensure cooperation and data exchange.

k) Engagement policies

The engagement policies are public and available on the website, along with the Sustainable Investment Policy:

<https://fondacogroup.it/lux/about/policies-and-documentation/>

l) Designated reference benchmark

The indexes MSCI DAILY NET TR NORTH AMERICA EURO , MSCI DAILY NET TR EUROPE EURO and MSCI DAILY NET TR PACIFIC EURO adjusted for the ESG filter described above are used as reference benchmark.

Each security included in the benchmark received an ESG valuation as consequence of the ESG filter methodology. The securities are classified based on the ESG valuation in a decreasing way and only the securities from the first to the seventh decile are investable. Such list is periodically available to the investment managers.

The investment managers receive the benchmark, adjusted for the ESG scoring methodology, on a monthly basis and each investment decision is based on the adjusted benchmark available.

The designated index methodology is provided and calculated by MSCI.

https://www.msci.com/eqb/methodology/meth_docs/MSCI_IndexCalcMethodology_July2022.pdf

FONDACO LUX VALUE EQUITY

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified portfolio of stocks selected on global basis. The portfolio management activity is delegated to an external investment manager. In performing its activities, the portfolio manager will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Developments Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The fund promotes certain minimal environmental and social standards applying the exclusion criteria provided in the exclusion list as supplied by the management company with regards to the target investments (including United Nations Global Compact- UNGC- violations). The fund assesses the risk profile of companies integrating ESG risks with other fundamental factors.

d) Investment strategy

The Investment Manager employs a value driven investment approach. It rests on the proposition that Investors systematically overreact to adversity (a behavioural bias known as loss aversion), unduly depressing the price of the affected assets, thereby producing investments with above-average risk-adjusted returns. The source of adversity may be company specific in nature, or may affect entire industries or asset classes. The objective of the Investment Manager's research is to identify which assets are subject to such pressures and, in particular, identify those for which the pressure will prove transitory. It is that subset of investments where the Investment Manager believes that unusual opportunity is typically present.

The Investment Manager sources investments for the portfolio of the Sub-Fund from predominantly large capitalization stocks in all parts of the global capital markets, although some mid capitalization stocks may be included. Investments may include common and preferred stock, convertible preferred stock, GDRs, ADRs, ETFs, and REITs. No leverage, commodities, currency hedging or other derivatives are used. Maximum borrowing limit will be 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund will be actively managed.

The portfolio of the Sub-Fund ("Portfolio") shall consist primarily of listed medium and large cap equities.

The Sub-Fund's assets may be invested in units of other UCITS and/or other UCIs up to 10%.

The Sub-Fund will seek to maximise its return in a manner consistent with the principles of environmental, social and governance "ESG" focused investing. The Sub-Fund aims to promote both environmental and social characteristics in accordance with the principles set forth by article 8 of the SFDR but does not invest only in sustainable investments within the meaning of article 2 (17) of the SFDR.

The investment process is ESG Aware by incorporating sustainability considerations into fundamental research and risk considerations (Sustainability Risks and Adverse Sustainability Impacts) to enhance risk-weighted returns.

One of the criteria analysed for the calculation of the overall ESG score of each security is based on the governance analysis, including elements such as chairman independence, board structure, code of conduct. In particular such analysis determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for Article 8 and 9 products.

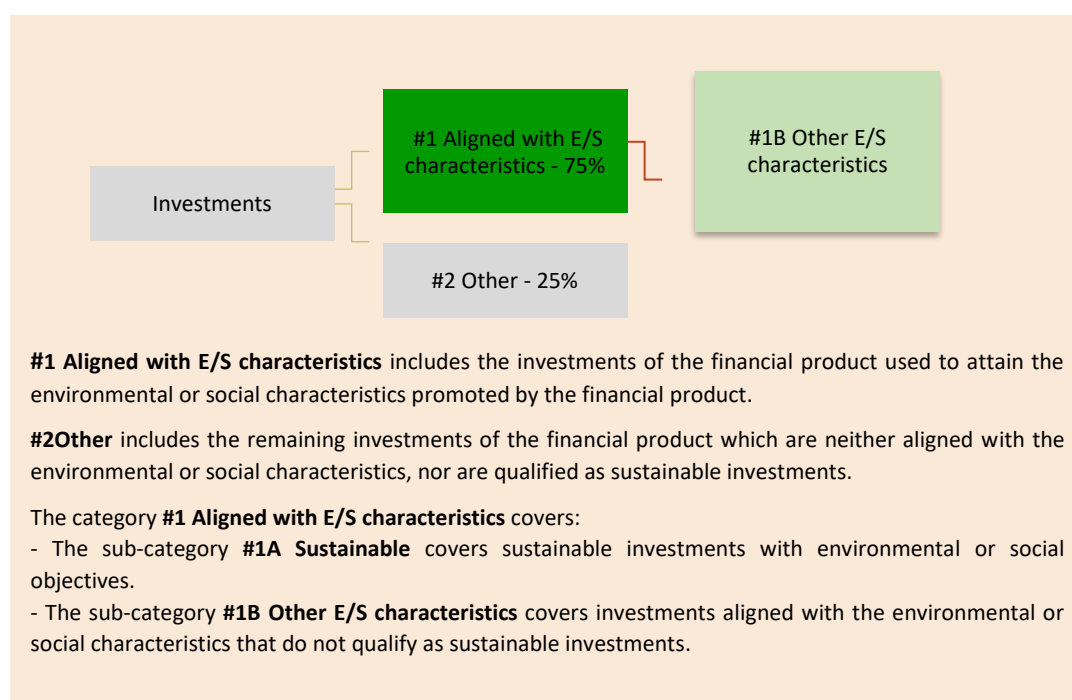
e) Proportion of investments

Subject to the principle of risk diversification the Sub-Fund (denominated in EUR) mainly invests in Listed medium and large cap equities on a global basis with the goal to generate positive return and limited volatility on the medium/long term (3-5 years) time horizon. .

Considering that due to the specific nature of the assets or to the fact that some issuers are not covered with a rating, not all the financial instruments have an ESG rating, at least 75% of the securities that fall in the investment universe must have a rating in order for the portfolio to meet ESG criteria.

As the Investment Manager is not seeking to make sustainable investments, all investments will have other E/S characteristics.

The planned asset allocation for the Sub-Fund is shown in the following chart:



f) Monitoring of environmental or social characteristics

The Sub-Fund has the following sustainability indicators:

1. The number of securities in the broader investment universe that are part of the Exclusion list supplied by the management company. Such exclusion list is constructed taking into consideration revenues of each analysed companies that are generated by activities in violation with the UNGC or by other controversial activities; and
2. The number of companies that are in violation of UNGC.

g) Methodologies

The Sub-Fund is subject to the Investment Manager's ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund. The objectives set are:

- (i) to continuously monitor the ESG performance of portfolios over time; and
- (ii) to integrate ESG criteria into classical financial analysis, with the aim of improving the risk/return ratio of investments.

The Sub-Fund's portfolio complies with Exclusion list that is based on exclusion criteria with regards to products and business practices that the Management Company believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Sub-Fund has 0% exposure to excluded securities, taking into account a grace period.

All investors are constantly informed of the ESG profile of the portfolio via the regulatory disclosure that are included in the annual report.

h) Data sources and processing

The Management Company provides to the investment manager the exclusion list which is based in the information collected by specialized service provider engaged by the Management Company. The same information are also used by the Management Company to analyze the portfolio from an ESG perspective and to monitor the investment management activity perform by the delegate.

The Management Company introduced internal procedures to verify the reliability and completeness of the data. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company performs due diligence on the Investment Managers in order to ensure the correctness of the data usage and the timely application of the ESG data in the investment process. The Management Company also controls ex-post the investment limits and ESG profile of the portfolio. There is a constant interaction between the Management Company and the Investment Managers on the topic in order to ensure cooperation and data exchange.

k) Engagement policies

The engagement policies are public and available on the following websites:

<https://www.sanderscapital.com>

<https://fondacogroup.it/lux/about/policies-and-documentation/>

l) Designated reference benchmark

There is no reference benchmark designated.

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified portfolio of corporate bond selected on global basis. The portfolio management activity is delegated to an external investment manager. In performing its activities, the portfolio manager will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Developments Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The Sub-Fund promotes the following environmental and social characteristics:

1. certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices considered as detrimental to society and incompatible with sustainable investment strategies;
2. having a lower environmental footprint than that of the general market index;
3. adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization's (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles; and
4. having a weighted average ESG score that is better than that of the general market index.

d) Investment strategy

The Sub-Fund is an actively managed fund that invests systematically in predominantly investment grade credits. The selection of these stocks is based on a quantitative model as described in the Investment policy strategy paragraph in Appendix I of this prospectus. The Sub-Fund focuses on offering exposure to a number of quantitative strategies in a diversified way, such as, but not limited to, a strategy focusing on bonds with (Low volatility); on bonds with an attractive valuation (Value) and a strategy focusing on bonds of companies with a medium term attractive performance trend (Momentum). The strategy integrates sustainability indicators on a continuous basis as part of the stock selection process. Amongst others, the Sub-Fund applies norms-based and activity-based exclusions and the good governance policy elaborated by the delegated portfolio manager Robeco. In

case of a rebalancing of the portfolio, the portfolio may temporarily, but no longer than 72 hours, deviate from its binding elements, with the exception of adherence to the exclusion policy that applies at all times.

The Sub-Fund will seek to maximise its return in a manner consistent with the principles of environmental, social and governance “ESG” focused investing. The Sub-Fund aims to promote both environmental and social characteristics in accordance with the principles set forth by article 8 of the SFDR but does not invest only in sustainable investments within the meaning of article 2 (17) of the SFDR.

The investment process is ESG Aware by incorporating sustainability considerations into fundamental research and risk considerations (Sustainability Risks and Adverse Sustainability Impacts) to enhance risk-weighted returns.

Robeco has a Good Governance policy to assess governance practices of companies. The policy describes how Robeco determines if and when a company does not follow good governance practices and is therefore excluded from the initial investment universe for Article 8 and 9 products. Robeco’s Good Governance policy applies to the Sub-Fund and tests on a set of governance criteria that reflect widely recognized industry- established norms and include topics as employee relations, management structure, tax compliance and remuneration. A link to the good governance test is made available in the final section of this document.

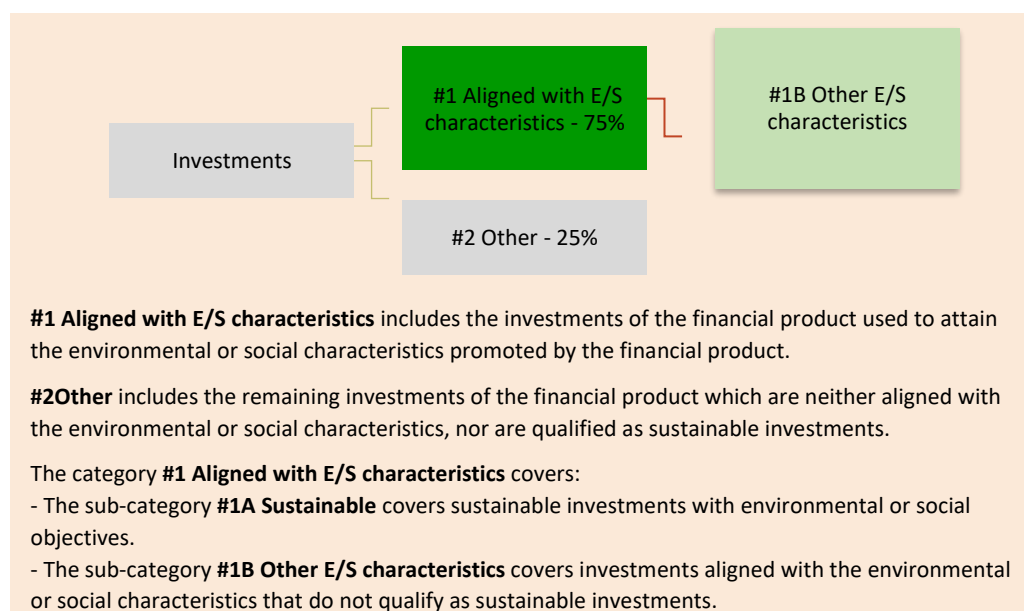
e) Proportion of investments

Subject to the principle of risk diversification, the Sub-Fund (denominated in EUR) mainly invest in Investment grade corporate bonds on a global basis with the goal to generate positive return and limited volatility on the medium/long term (3-5 years) time horizon.

Considering that due to the specific nature of the assets or to the fact that some issuers are not covered with a rating, not all the financial instruments have an ESG rating, at least 75% of the securities that fall in the investment universe must have a rating in order for the portfolio to meet ESG criteria.

As the Investment Manager is not seeking to make sustainable investments, all investments will have other E/S characteristics.

The planned asset allocation for the Sub-Fund is shown in the following chart:



f) Monitoring of environmental or social characteristics

The Sub-Fund has the following sustainability indicators:

1. The percentage of investments in securities that are on the Exclusion list elaborated by the delegated portfolio manager Robeco, as result of the application of Robeco's Exclusion policy;
2. The environmental footprint of the Sub-Fund compared to the general market index;
3. The number of companies that are in violation of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises and hence are a part of the Enhanced Engagement program;
4. The Sub-Fund's weighted average ESG score as compared to the general market index.

g) Methodologies

The Sub-Fund has the following binding elements:

1. The Sub-Fund's portfolio complies with Exclusion Policy (<https://www.robeco.com/docm/docu-exclusion-policy.pdf>) elaborated by the delegated portfolio manager Robeco, that is based on exclusion criteria with regards to products and business practices that Robeco believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Sub-Fund has 0% exposure to excluded securities, taking into account a grace period. Information with regards to the effects of the exclusions on the Sub-Fund's universe can be found at <https://www.robeco.com/docm/docu-exclusion-list.pdf>;
2. The Sub-Fund's portfolio also complies with the Manco specific Exclusion List;
3. The Sub-Fund's carbon, water and waste footprint score is better than that of the general market index;
4. The Sub-Fund scrutinizes investment in companies that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. If a company in the portfolio breaches one of the international guidelines during the investment period, the company will become part of the Enhanced Engagement program. When engagement is deemed highly unlikely to succeed, the company might be excluded directly;
5. The Sub-Fund's weighted average ESG score is better than that of the general market index and the Sub-Fund will not invest in companies classified as 'severe risk' by the Sustainalytics ESG Risk Rating (40+ score).

h) Data sources and processing

The Management Company provides to the investment manager the exclusion list which is based in the information collected by specialized service provider engaged by the Management Company. The same information are also used by the Management Company to analyze the portfolio from an ESG perspective and to monitor the investment management activity perform by the delegate.

The Management Company introduced internal procedures to verify the reliability and completeness of the data. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency

of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company performs due diligence on the Investment Managers in order to ensure the correctness of the data usage and the timely application of the ESG data in the investment process. The Management Company also controls ex-post the investment limits and ESG profile of the portfolio. There is a constant interaction between the Management Company and the Investment Managers on the topic in order to ensure cooperation and data exchange.

k) Engagement policies

The engagement policies are public and available on the following websites:

- More product-specific information can be found on the website:
<https://www.robeco.com/en/funds/>
- Robeco's PAI Statement can be accessed via the following link:
<https://www.robeco.com/docm/docu-robeco-principal-adverse-impact-statement.pdf>
- Robeco's Good Governance test can be accessed via the following link:
<https://www.robeco.com/docm/docu-robeco-good-governance-policy.pdf>
- <https://fondacogroup.it/lux/about/policies-and-documentation/>

l) Designated reference benchmark

There is no reference benchmark designated.

THE GREENDROPS MULTIASSET MULTISTRATEGY FUND – SIF

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified multi-asset portfolio whose investments are selected on global basis among single securities and funds or ETFs. In performing its activities, the Management Company will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Development Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Management Company’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The Fund invests a predominant part of its assets in investments that contribute to relevant environmental and social characteristics. The Fund aims to promote these environmental (e.g. positively impacting environmental opportunities) and social (e.g. fostering social opportunities) characteristics, by investing in equity, fixed income including government, corporate and emerging markets bonds and in units of other UCITS and/or other UCIs, listed (e.g. ETF) or unlisted selected through an ESG approach.

d) Investment strategy

The investment manager implements a multi-asset multi-strategy investment policy and to keep well-balanced portfolio among asset classes, mainly investing in other funds and ETF and keeping a high diversified portfolio, with the goal to achieve an investment return in a medium-long term.

The Sub-Fund will seek to maximise its return in a manner consistent with the principles of environmental, social and governance “ESG” focused investing. The Sub-Fund aims to promote both environmental and social characteristics in accordance with the principles set forth by article 8 of the SFDR but does not invest only in sustainable investments within the meaning of article 2 (17) of the SFDR.

The investment process is ESG Aware by incorporating sustainability considerations into fundamental research and risk considerations (Sustainability Risks and Adverse Sustainability Impacts) to enhance risk-weighted returns.

One of the criteria analysed for the calculation of the overall ESG score of each security is based on the governance analysis, including elements such as chairman independence, board structure, code of conduct.

The Investment Manager relies on the ESG ratings of industry-leading data providers that includes a specific governance rating component contributing greatly to the the overall score considered for assesing the component.

The selection of the ESG rating providers are performed in order to have the governance practices of the company as a major component of the overall assestment of the company score.

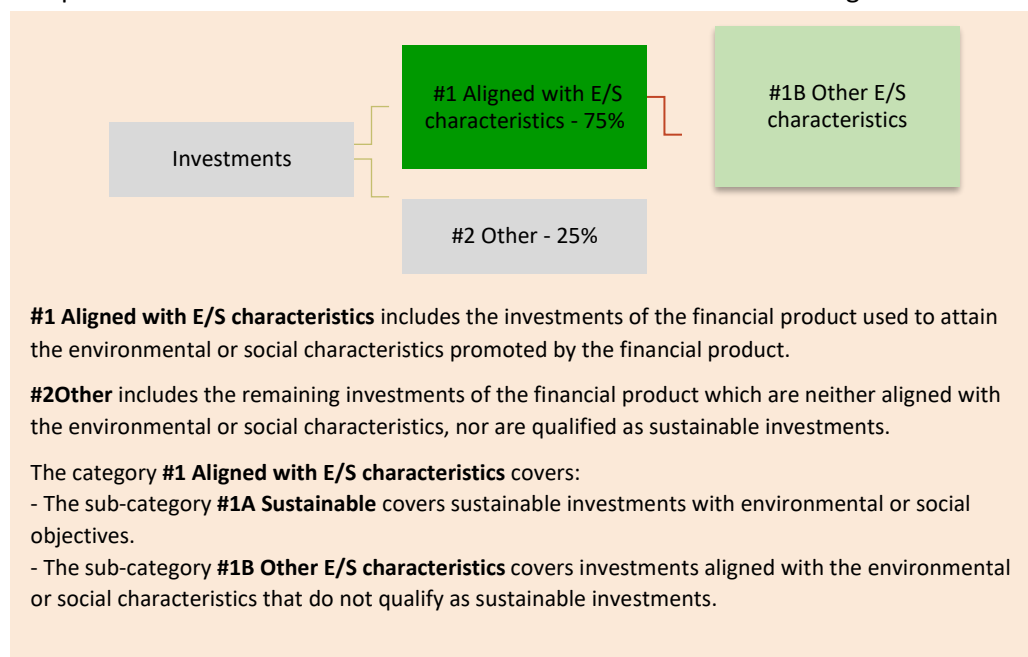
e) Proportion of investments

Subject to the principle of risk diversification, the Sub-Fund (denominated in EUR) mainly invests in units of other UCITS and/or other UCIs, listed (e.g. ETF) or unlisted implementing both traditional and alternative strategies and into other Sub-Funds of this Fund.

Considering that due to the specific nature of the assets or to the fact that some issuers are not covered with a rating, not all the financial instruments have an ESG rating, at least 75% of the securities that fall in the investment universe must have a rating in order for the portfolio to meet ESG criteria.

As the Investment Manager is not seeking to make sustainable investments, all investments will have other E/S characteristics.

The planned asset allocation for the Sub-Fund is shown in the following chart:



f) Monitoring of environmental or social characteristics

As part of its investment process, the Investment Managers integrate environmental, social and governance ("ESG") factors into its analysis. Through this process, the Investment Managers use a defined ESG framework to score companies in which they invest. The ESG scores are based on the qualitative analysis. The Investment Managers use the ESG framework to select and monitor companies.

g) Methodologies

The Investment Manager invest mainly in of units of UCITS, other UCIs and/or ETFs and the binding element is that the third-party funds and ETFs are selected in a way such that at least 75% of them are themselves classified Art. 8 or Art. 9 SFDR, without compromising its adherence to the investment strategy.

The Sub-Fund could, in a residual way ,invest in securities(equity and Fixed Income). and from the point of view of ESG integration, the selection is carried out on the basis of the target security rating (publicly available information and scores from third-party providers).

h) Data sources and processing

The Management Company selects target investments and monitor on a continuous basis the portfolio based on information available by different providers, according to the nature of the target investments (which may be single securities in the equity and fixed income space, third party funds or other funds managed by the Management Company). The same information are also used by the Management Company to analyze the portfolio from an ESG perspective and to monitor the investment management activity perform by the delegate.

The Management Company introduced internal procedures to verify the reliability and completeness of the data. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company periodically controls the data availability on the instruments in the portfolio and controls ex-post the investment limits and ESG profile of the portfolio.

k) Engagement policies

The engagement policies are is public and available on the website, along with the Sustainable Investment Policy:

<https://fondacogroup.it/lux/about/policies-and-documentation/>

l) Designated reference benchmark

There is no reference benchmark designated.

MULTI – ASSET INCOME

Information ex art. 10(1) of the SFDR, as integrated by Article 24 of the Regulation (EU) 2022/1288 of April 6, 2022

a) Summary

The Sub-Fund investment strategy is based on the construction of a diversified multi-asset portfolio whose investments are selected on global basis among single securities and funds or ETFs. The portfolio management activity is delegated to an external investment manager. In performing its activities, the portfolio manager will aim at pursuing sustainability and responsibility in investments in line with the main industry standards and, in particular, the so-called ESG (Environmental, Social and Governance) principles as well as, possibly, the so-called SDG (Sustainable Developments Goals) objectives.

In accordance with the principles set forth by article 8 of the SFDR, the Sub-Fund will seek to combine the maximisation of its financial return with the promotion of environmental, social and governance “ESG” principles. The Sub-Fund is subject to the Investment Manager’s ESG methodology, which measures the ESG level of its investments and sets minimum thresholds to be met in order to be considered a sustainable fund, as further described in the rest of the document.

b) No sustainable investment objective

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

c) Environmental or social characteristics of the financial product

The Fund invests a predominant part of its assets in investments that contribute to relevant environmental and social characteristics. The Fund aims to promote these environmental (e.g. positively impacting environmental opportunities) and social (e.g. fostering social opportunities) characteristics, by investing in equity, fixed income including government, corporate and emerging markets bonds and in units of other UCITS and/or other UCIs, listed (e.g. ETF) or unlisted selected through an ESG approach.

The Fund does not seek to invest in sustainable investments within the meaning of article 2(17) of the Sustainable Finance Disclosure Regulation (“SFDR”) nor in sustainable investments within the meaning of article 2(1) of the EU Taxonomy Regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

This financial product does not have a unique reference benchmark at portfolio level, but it applies the process as above and considers different thresholds for each investment category.

d) Investment strategy

In order to keep well-balanced portfolio among asset classes, the Sub-Fund invests its assets among other in equity, fixed income and commodity instruments including government, corporate and emerging markets bonds and in units of other UCITS and/or other UCIs, listed (e.g. ETF) or unlisted implementing both traditional and alternative strategies. With regard to the investments in ETF, the Sub-Fund will predominantly invest in conventional ETF.

The ESG strategy, as previously outlined, takes into account the positive screening (ESG rating methodology) depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics.

Valeur Capital selects ESG rating providers in order to have the governance practices of the company as a major component of the overall assessment of the company score.

Subject to the principle of risk diversification, the strategy of the Sub-Fund has the objective to maximize the appreciation of the assets invested by investing in a balanced portfolio.

As outlined in the Investment Manager ESG policy, Valeur Capital does not just analyse the absolute value of the aggregate ESG score considered for each investment category, but compares it with an ad hoc benchmark, a peer group or a specific threshold with the aim to maintain the portfolio ESG score above the market average.

The diagram shows a flow from 'Investments' to two categories: '#1 Aligned with E/S characteristics - 75%' and '#2 Other - 25%'. The '#1 Aligned with E/S characteristics - 75%' category is further broken down into '#1A Sustainable' and '#1B Other E/S characteristics'.

```
graph LR; Investments[Investments] --> C1["#1 Aligned with E/S characteristics - 75%"]; Investments --> C2["#2 Other - 25%"]; C1 --> C1A["#1A Sustainable"]; C1 --> C1B["#1B Other E/S characteristics"];
```

#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 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.

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The Investment Manager Valeur Capital relies on the ESG ratings of industry-leading data providers such as, but not limited to, RobecoSAM, MSCI and Sustainalytics (and monitors the relevant metrics of the invested companies that are available on Bloomberg). Such data are elaborated by companies external to the delegated investment Manager and provided to Valeur via dedicate commercial agreements. The Fund applies the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1. #1 Aligned with E/S characteristics – Postive Selection criteria: ESG Rating

The ESG scores used for each investment category, being the result of the aggregation of different indicators at portfolio level focusing on multiple ESG issues, represent comprehensive measures that enable the Investment Manager to identify the overall level of ESG compliancy of an issuer.

With regards to fixed income securities, Valeur Capital assesses the ESG score from the relevant industry-leading data providers selected and builds a benchmark that appropriately tracks the market ESG performance. However, since the relevance which the ESG metrics have is dependent on the specific typology of the companies, sectors or industry considered, Valeur Capital decided to compare the ESG performance of the Fixed Income securities also to comparable companies that have been adequately selected according to specific criteria. Consequently, the threshold is represented by the ESG score of both the market benchmark and the reference peers.

Any investment that is not assessed by either one of the external data providers is no longer considered in the assessment of the portfolio's ESG score and not considered for the assets allocation aligned to E/S characteristics.

With reference to Equity investments and Investment Funds, Valeur Capital considers the ESG rating from an industry-leading data provider selected, setting a minimum target threshold that equals a level indicating that the company/fund displays a medium degree of ESG integration and a good ESG risk management.

In the case of Government Bonds, Valeur Capital takes the ESG Rating from an industry-leading data provider at country level (Country ESG Score), setting the minimum threshold a level assigned to a country which denotes a medium ability to manage ESG themes (e.g. freedom, corruption, social condition, envitornmental impact, political risks, etc.).

Once all the ESG scores are computed for each instrument category and then compared to the established minimum target threshold at cathogory level, Valeur Capital builds a synthetic indicator which summarizes all the ESG performances previously calculated and compares it to a final threshold level.

The methodology which Valeur Capital adopts to compute the synthetic indicator and the assessment against the final criterium are presented below:

1. For each instrument category, Valeur Capital computes the percentage difference between the Valeur ESG score and the target thresholds;
2. With reference to Fixed Income securities, the overall percentage deviation is computed as the simple mean of the 4 percentage deviations between the weighted average score of the fixed income securities andthe ESG values of the market benchmark and the reference peers from industry-leading data providers;
3. Regarding Funds and Equity Investments, the scale from an industry-leading data provider is converted into numbers (ranging from 1 to 7), so as to allow to compute the percentage difference as defined at point 1, with the threshold equal to 4.

Once the percentage deviations of the three categories are available (Equities/Funds, Government Bonds and Fixed Income securities), these are then used to compute the portfolio weighted average rating (i.e. synthetic indicator), weighted in such a way to reflect the composition of the financial product.

In order to be considered compliant to the ESG standard as defined by Valeur Capital, the weighted average of the percentage differences must be equal or higher than 5% (i.e. final criterium), displaying thus a robust ESG performance.

Moreover, considering that due to the specific nature of the security or to the fact that some issuers are not covered by the research team of the provider considered, not all the financial instruments have an ESG rating, at least 65% of the securities that fall in the 3 categories above must have a rating in order for the portfolio to be compliant with the Art. 8 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council.

As outlined in the Investment Manager ESG policy, Valeur Capital does not just analyse the absolute value of the aggregate ESG score considered for each investment category, but compares it with an ad hoc benchmark, a peer group or a specific threshold with the aim to maintain the portfolio ESG score above the market average.

g) Methodologies

The Investment Manager's procedure to measure the portfolios ESG parameters and achieve the minimum requirements defined consists of three (3) main steps: i) Calculation of the weighted average rating of the various investment categories (Corporate bonds, Equities/Mutual Funds; Government bonds); ii) Definition of specific minimum threshold for each investment category; and iii) Calculation of the deviation between the Sub-Fund and the threshold of each investment category. In order to be considered compliant with the ESG standards defined by the Investment Manager, the weighted average deviation shall be higher than the minimum threshold limits established by the Investment Manager. The underlying single ratings as well as the synthetic average ESG ratings are periodically updated.

In addition to the investment limits outlined in the investment policy of the prospectus at least 65% of the instruments included in the portfolio which may be subject to a rating must be rated by the relevant provider. The financial instruments that due to their specific nature do not present any ESG ratings are not considered in the assessment of the portfolio ESG score. As outlined in the Prospectus, in order to be compliant with Art. 8 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council, the overall ESG score of the portfolio must be higher than a specific threshold, calculated as per the Investment Manager ESG policy outlined on the Investment Manager website.

h) Data sources and processing

The Investment Manager selects target investments and monitor on a continuous basis the portfolio based on information available by different providers, according to the nature of the target investments (which may be single securities in the equity and fixed income space, other funds). The same information are also used by the Management Company to analyze the portfolio from an ESG perspective and to monitor the investment management activity performed by the delegate.

The Management Company introduced internal procedures to verify the reliability and completeness of the data. The data processing by the Management Company is based on internal systems, which are also used for reporting purposes.

i) Limitations to methodologies and data

The main limitation is linked with the availability of data from target issuers in the list, due to the low standardization for the time being of the information provided, the type of the data and the frequency of the update. For this reason it become necessary to use models for estimating some data and to use proxy.

j) Due diligence

The Management Company performs due diligence on the Investment Managers in order to ensure the correctness of the data usage and the timely application of the ESG data in the investment process. The Management Company also controls ex-post the investment limits and ESG profile of the portfolio. There is a constant interaction between the Management Company and the Investment Managers on the topic in order to ensure cooperation and data exchange.

k) Engagement policies

The engagement policies are public and available on the following websites:

Sustainability-related disclosures: <http://valeur-group.com/en/sustainability-related-disclosures/>

ESG Policy: <http://valeur-group.com/en/esg-policy/>

<https://fondacogroup.it/lux/about/policies-and-documentation/>

l) Designated reference benchmark

There is no reference benchmark designated.

Information pursuant to Art. 10(1) of EU Regulation 2019/2088 SFDR, as specified by Art.24 of EU Delegated Regulation 2022/1288.

a) Summary

The Fund promotes environmental and social characteristics but will not make any sustainable investments according to article 2 paragraph 17 of Regulation 2019/2088.

The Fund promotes the following environmental and social characteristics:

- 1) Sustaining progress and innovation in the energy, urban and digital systems.
 - Decarbonized and efficient energy systems.
 - Enhanced cities and urban spaces.
 - Connected communities.
- 2) Enabling social, economic and environmental impacts in Italy and in the rest of Europe.
 - Quality employment at the project level.
 - Improved living standards for citizens and communities.
 - Regional and local economic development.
 - Low carbon and resource efficient ecosystems.

The Fund intends to promote such characteristics by investing, amongst others, in five high impact sectors:

- Renewables.
- Energy efficiency.
- Social infrastructure.
- Urban regeneration.
- Digital infrastructure.

No reference benchmark has been defined.

The SRA Fund deploys institutional investors' capital, sectoral and technical expertise with a dedicated and skilled team to build a diversified portfolio of real assets that:

- Target innovation driven projects
- Focus on Italy, especially for direct investments.
- Ensure efficient project execution.
- Manage environmental, social and governance (ESG) risks.

b) No sustainable investment objective

This financial product promotes environmental and social characteristics but will not make any sustainable investments.

c) Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

1. Sustaining progress and innovation in the energy, urban and digital systems.
 - Decarbonized and efficient energy systems: Through its investments in renewable power plants and energy efficiency the Fund contributes to the transformation of the energy system, tackling both the supply (clean production) and the demand side (reduced consumption).
 - Enhanced cities and urban spaces: Through its investments in social infrastructure and urban regeneration the Fund aims to contribute to reshaped cities' profiles that address communities needs by (i) converting existing urban areas and (ii) developing new social infrastructure.
 - Connected communities: Through its investments in digital infrastructure the Fund aims to bring improved connectivity services to citizens and enterprises, with a particular focus on underserved areas.

2. Enabling social, economic and environmental impacts in Italy and in the rest of Europe.
 - Quality employment at the project level: With its investments, the SRA Fund aims to support quality employment at the project level, both during the construction and the operation phase. Quality employment refers to high safety standards, good working conditions, and stable and fair pay. In more pragmatic terms, we define quality employment as jobs with a written contract that pay a living wage.
 - Improved living standards for citizens and communities: The direct beneficiaries of the Fund's investments are citizens and communities gaining access to better living standards as a result of the developed infrastructure. Investments in social infrastructure or urban regeneration, for instance, can provide access to better education or healthcare services. Energy efficiency projects may contribute to increased households' savings related to their reduced energy consumption. Finally, improved digital connectivity can benefit citizens in their remote schooling or smart working activities.
 - Regional and local economic development: Beyond the direct communities, infrastructure investments generally enable socio-economic development. In the specific case of the SRA Fund's investment universe this is especially the case for deals in digital infrastructure, as they are likely to have a positive effect on private sector output and productivity.
 - Low carbon and resource efficient ecosystems: It is an explicit intention of the SRA Fund to contribute to a transition towards a climate neutral and resilient economy. Projects actively contributing to this objective within the Fund's investment universe are those in the renewable and energy efficiency sectors (reduced GHG emissions) as well as in urban regeneration (protected biodiversity and remediation of polluted land). In addition, for projects related to the development of new infrastructure, the Fund actively aims to reduce the waste and reuse construction materials.

The Fund intends to promote such characteristics by investing, amongst others, in five high impact sectors:

- Renewables: Investments in the development of power plants for renewable energy production through wind, solar, hydro, biomass, and geothermal technologies.
- Energy efficiency: Investments in technologies or companies positively contributing to the ratio of output of performance, service, goods, or energy, to input of energy.

- Social infrastructure: Investments in the development of facilities that accommodate social services, such as education (schools, universities), healthcare (hospitals, nursing homes) or affordable housing (student housing, social housing).
- Urban regeneration: Investments aiming at reshaping cities' profile, through the remediation and conversion of existing buildings to multiple uses aligned with specific needs of the local communities.
- Digital infrastructure: Investments for the development of digital assets such as data centres or fibre networks.

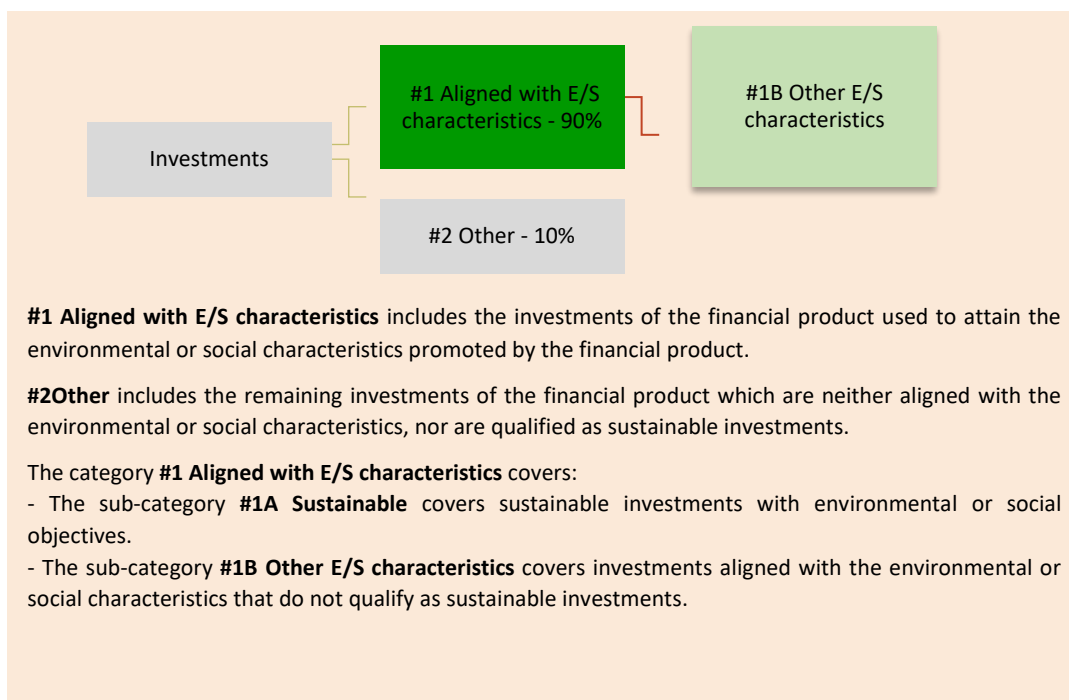
d) Investment strategy

The SRA Fund deploys institutional investors' capital, sectoral and technical expertise with a dedicated and skilled team to build a diversified portfolio of real asset.

- Targets innovation driven projects: the SRA Fund steers for investments that integrate innovative approaches. An innovative approach refers in this context to projects that can deliver commercial, environmental, or social outcomes in an efficient and effective way. From an environmental perspective, it refers to making efficient use of raw materials or other natural resources, or emission efficiency. Finally, on the social dimension a project is defined efficient when it offers a significant scaling potential and reach a large number of beneficiaries given the capital inputs.
- Focusses on Italy, especially for direct investments: the Fund aims to identify and implement investment opportunities in Italy. It does so by selecting international managers with a proven interest towards the Italian market and co-investing with them. While the Italian market is a key focus area, the SRA Fund will build a portfolio spanning beyond the country borders through investments in fund managers across Europe.
- Ensures efficient project execution: the Fund actively select managers and partners who are expected to be highly efficient in project execution. To do so, the Fund seeks to have leverage to influence decision making in the projects it finances.
- Manages environmental, social and governance (ESG) risks: the Fund applies high ESG standards to its direct and indirect investments. The Fund is committed to implement sector specific approaches across the entire investment cycle, from screening to due diligence, monitoring and reporting.
- Invests across five high impact sectors:
 - Renewables: Investments in the development of power plants for renewable energy production through wind, solar, hydro, biomass and geothermal technologies.
 - Energy efficiency: Investments in technologies or companies positively contributing to the ratio of output of performance, service, goods or energy, to input of energy.
 - Social infrastructure: Investments in the development of facilities that accommodate social services, such as education (schools, universities), healthcare (hospitals, nursing homes) or affordable housing (student housing, social housing).
 - Urban regeneration: Investments aiming at reshaping cities' profile, through the remediation and conversion of existing buildings to multiple uses aligned with specific needs of the local communities.
 - Digital infrastructure: Investments for the development of digital assets such as data centres or fibre networks.

e) Proportion of investments

The chart below illustrates the asset allocation planned for the Fund:



f) Monitoring of environmental or social characteristics

Post investment the SRA Fund monitors the ESG compliance and the impact performance of its investees.

The monitoring of ESG performance primarily happens through the regular reporting from the fund/co-investment. The frequency of this reporting is agreed at the time of signing the legal agreements and could range from annual to as frequent as quarterly reporting.

The ESG monitoring may differ between funds and co-investments: Depending on what has been agreed with a fund, they may provide as much ESG annual data as the SRA Fund requests from its co-investments. However, given that there are often several LPs involved, and the need to mainstream and make the reporting somewhat efficient for the GP, compromises might be needed. To align with other GPs, the actual content, as well as the frequency of reporting may differ from what the SRA Fund would expect in ideal cases. The starting point should however be that the SRA Fund gets as complete reporting as it does from its co-investments.

In other aspects, the ESG monitoring of funds and co-investments is more similar, namely when it comes to i) serious incidents, and ii) occasional site visits.

Regular reports should be submitted with agreed frequency (annual or more often). However, in the case of so-called serious incidents, defined as those that result in loss of life, material effect on the environment, or material breach of law, immediate reporting by the fund or co-investment to the SRA Fund is required. This should happen without any delay (normally within 24-48 hours).

The initial contact may be a phone call or email, while a more complete report using the Serious incidents reporting template is required. The SRA Fund may also opt to visit its investees from time to time and for different reasons. This may be due to recent serious incidents, to follow up on ESG Action Plans, or for other reasons.

g) Methodologies

The fund intends to invest mainly in other funds which are classified under Article 8 or 9 under SFDR, besides making co-investments with them on specific projects.

The SRA Fund expects its fund managers to:

- assess ESG risks and opportunities of all new investments as an integral part of the investment process;
- determine for each new investment the adequate level of management and monitoring;
- evaluate compliance with the fund manager's ESG Policy/requirements and, if required, develop an appropriate action plan to reach compliance in a verifiable manner within a reasonable timeframe;
- encourage the managers of portfolio companies to work towards continuous improvements in these areas, with targets for improvements as appropriate;
- encourage the managers of portfolio companies to adopt and implement policies relating to ESG matters, particularly where businesses entail significant ESG risks;
- monitor portfolio companies' performance on ESG matters and their progress towards relevant action plans and targets for improvements; and
- monitor and record incidents involving portfolio companies that result in loss of life, material effect on the environment, or material breach of law, promote appropriate corrective actions, and provide immediate reporting to the SRA Fund on such matters.

The investable universe of the Fund is restricted to the opportunities that do not fall within the following exclusion list.

Category	Exclusion criteria	Revenue limit
	Serious breach of UN Global Compact Principles on human rights, labour standards, environmental protection and anti-corruption.	Any
Controversial weapons	Companies with revenues from the production of controversial weapons: <ul style="list-style-type: none"> - Cluster munition - Anti-personnel landmines - Nuclear, chemical and biological weapons 	Any
Weapons	Companies with revenues from the production of conventional arms, key parts or services for weapons: <ul style="list-style-type: none"> - Production of ammunition and weapons - Military sales - Production of military Aircraft - Production of armoured vehicles and military tanks - Production of fighter Aircraft 	30%
Tobacco	Companies with revenues from tobacco-related products: <ul style="list-style-type: none"> - Cigarettes, cigars and electronic cigarettes, etc. - Tobacco farming 	10%
Gambling	Companies with revenues from gambling-related or transactions: <ul style="list-style-type: none"> - Gambling 	20%

	<ul style="list-style-type: none"> - Gambling Hotel - Gambling Software Providers 	
Coal	<p>Companies with revenues from coal-related operations or coal mining:</p> <ul style="list-style-type: none"> - Coal-fired power generation - Coal mining 	20%
Adult entertainment	<p>Companies with revenues from the production, distribution, or sale of pornographic content:</p> <ul style="list-style-type: none"> - pornographic products - Adult entertainment facilities 	20%

h) Data sources and processing

As a source on ESG and impact KPIs, Fondaco relies on data received from the invested funds, that aggregate data from the respective portfolio companies. When access of key information on the environmental and social characteristics of the underlying companies is not guaranteed by the invested fund policy and LPA, Sustainable Real Asset fund require commitment to reporting on a list of indicators through a side letter.

The data are collected, processed and aggregated at portfolio level by the investment team, with the support of the Sustainable Investing function. The frequency of data collection depends on the frequency of the invested fund reporting to investors, at least annually.

i) Limitations to methodologies and data

The main limitation of the methodologies is the lack of disclosure of ESG data by invested managers, which is mitigated by our pre-investment due diligence of their ESG Management System, reinforced by side-letter requirement of reporting commitment, if necessary.

j) Due diligence

In the Due diligence process of the target investments, the key elements analysed are related to a well-structured ESG Management System and include the following:

- Policy.
- ESG Risk and Opportunity Identification.
- Organisational Capacity and Competency.
- Processes.
- Performance Management and Monitoring.
- Reporting.

k) Engagement policies

Fondaco Lux engagement policies are public and available on the website, as well as the Sustainable Investment Policy.

<https://fondacogroup.it/wp-content/uploads/2021/01/SRDII-Politica-di-Impegno-Sintesi.pdf>

<https://fondacogroup.it/wp-content/uploads/2023/02/ESG-investment-policy-2.pdf>

l) Designated reference benchmark

There is no reference benchmark designated.

HISTORY

27 March 2023	Date of publication
5 May 2023	Update to the Regulation (EU) 2022/1288 of 6 April 2022