

## ESG Report of the Fund Q2 2025

The Fund incorporates ESG aspects into investment decisions through its financial impact on the company, but also by considering non-quantifiable governance matters and social practices. The investment strategy is based on bond and stock selection and a negative screening applies thorough the ESG integration process. The analysis is performed by the portfolio management team with data sourced from leading service providers (**Sustainalytics**) and by an in-house ESG team. Sustainalytics ESG Risk scores range between 0 and 100 (0 being the best and 100 being the worst).

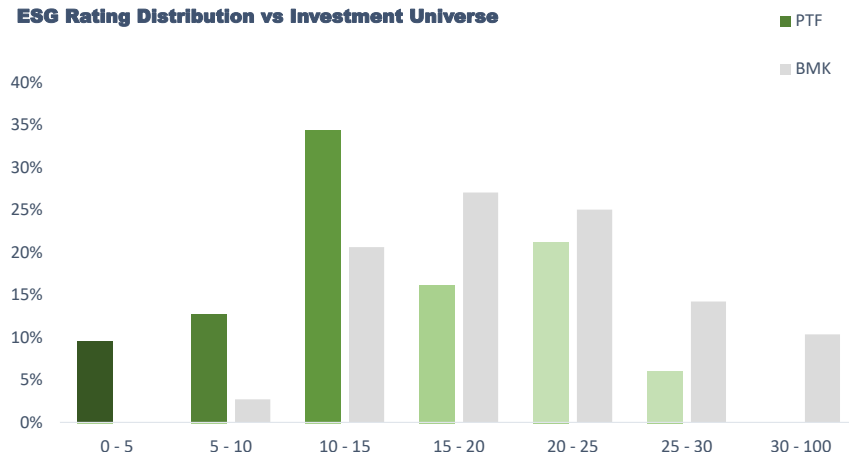
SFDR Classification	Art 8
Avg Corporate ESG Rating (0 being the best, 100 the worst)	16.4
Avg Country ESG Rating (100 being the best, 0 the worst)	62.0
Portfolio Coverage*	74%
Nummus Compliant	YES
Morningstar Sustainability Rating	

Within Valori AM ESG policy a company is excluded if:

- Its ESG Score **exceeds 50** (0-100, 0 being the best and 100 being the worst).
- It has **Severe Controversies** in place (Level 5)
- It derives above a certain percentage of the revenues from **forbidden activities** (e.g. Predatory lending more than 10% of revenues, Controversial Weapons more than 0% of Revenues)
- Aftern having determined the Investable Universe of each fund we consider uninvestable the **worst 5% of the universe** in terms of ESG Score

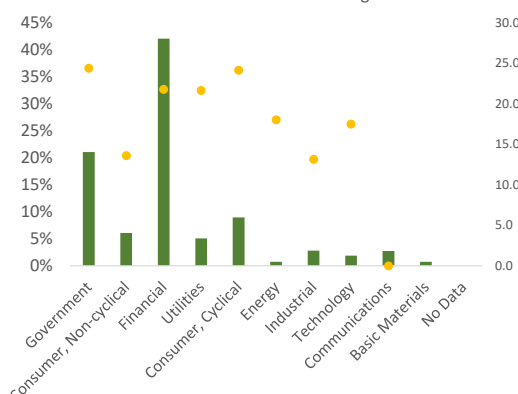
Within Valori AM ESG policy a country is excluded if its rating is in the lower 3rd decile according to Valori AM proprietary Country ESG Score.

## ESG Rating Distribution vs Investment Universe

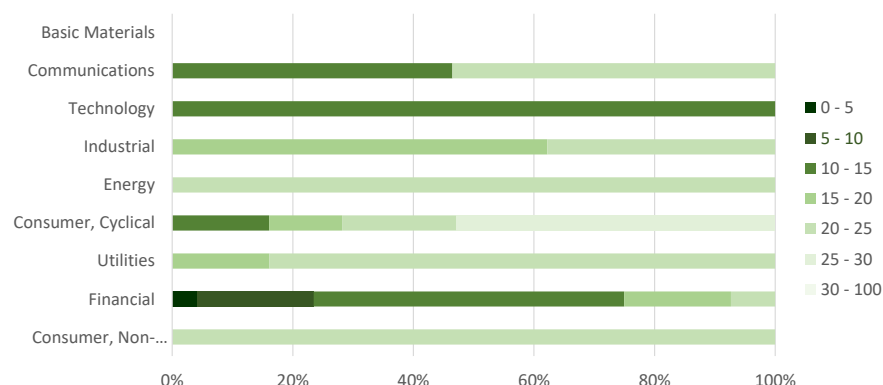


## Breakdown by GICS Sector

■ Weight %  
 ● Average Score 6.71810477



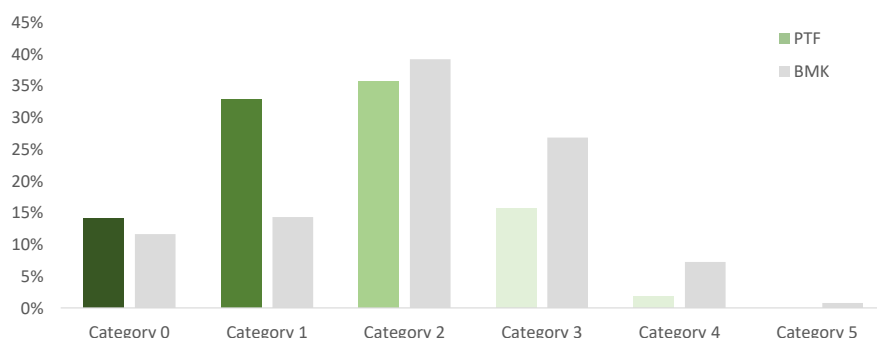
## Weights within GICS Sector



Controversies represent an important part of portfolio construction limiting the Investable Universe with the objective to exclude those companies that might incur in short term volatility due to **Severe Controversies**. This approach proved in the past effective avoiding underperformers such as Credit Suisse and Bayer.

Issues with High Controversy	%	Category
Deutsche Bank AG	0.9%	Category 4

## Controversy Level 0-5 (0 No Controversy - 5 Severe) vs Investment Universe



## Valori Asset Management & the Principles For Responsible Investing (PRI)

Valori became a signatory of the United Nations' Principles for Responsible Investing (PRI) in 2018. As the PRI are becoming the global standard in responsible investing, it was a natural framework for Tendercapital to adopt those principles in order to further strengthen its on-going commitment to responsible investing and ESG matters generally. A strong ESG proposition can enhance investment returns by allocating capital to more promising and more sustainable opportunities (for example, renewables, waste reduction, innovative materials...). When it comes to ESG, it's important to bear in mind that a do-nothing

Signatory of:



VALAM will exclude any company from the investment universe that is involved in **detrimental activities or sectors**. VALAM uses a “**level of involvement**” in certain activities, which is an indicator based on the percentage of the revenues, the production, the distribution and the significant ownership that a company may have to the following activities. Controversial Weapons has 0% revenues threshold while other activities (e.g. Gambling, Tobacco etc) have a 10% of revenues threshold to determine the exclusion.

Activity	Weight	Company	Weight	Business Involvement Exposure
Controversial Weapons	0.0%	Deutsche Lufthansa AG	1%	Tobacco Products
Predatory Lending	0.0%	Vivendi SE	1%	Tobacco Products
Gambling	0.0%	INEOS Ltd	1%	Tobacco Products
Arctic Oil & Gas	0.0%	Repsol SA	1%	Tobacco Products, Shale Energy
Oil Sands	0.0%	Centrica PLC	1%	Shale Energy
Tobacco Products	4.1%	Aumarche SAS	1%	Tobacco Products
Shale Energy	1.4%	BT Group PLC	1%	Adult Entertainment Production
Adult Entertainm.	0.6%			

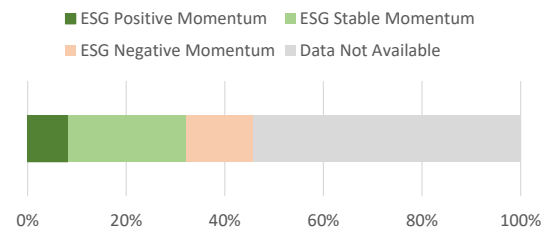
TOP ESG ISSUERS	ESG Rating	Momentum	WORST ESG ISSUERS	ESG Rating	Momentum	Positive Momentum Holdings		Negative Momentum Holdings	
Unibail-Rodamco-	4.1	-0.6	Volkswagen AG	27.5	0.6	Clariane SE	-6.1	Barry Callebaut AG	9.3
European Investment	5.0	0.4	Ford Motor Co	27.4	4.9	Barclays PLC	-5.1	Valeo SE	8.9
European Bank for	7.0	-	Deutsche Lufthansa	25.6	-1.6	La Scogliera SpA	-5.1	Grupo Antolin Holdco SA	6.4
Fredensborg 1994 AS	7.9	0.2	Clariane SE	25.0	-6.1	Societe Generale SA	-2.4	Ford Motor Co	4.9
Asian Development	8.2	0.0	Centrica PLC	24.9	-0.3	UniCredit SpA	-2.4	SSE PLC	4.9
French Republic	9.0	-0.2	Repsol SA	24.1	0.0	Banco Santander SA	-2.1	ASR Nederland NV	4.3
Intesa Sanpaolo SpA	9.5	0.2	Barry Callebaut AG	23.8	9.3	Air France-KLM	-2.0	Volksbank Wien AG	4.0
Aroundtown SA	10.1	0.0	Deutsche Bank AG	23.6	0.3	Infrastrutture Wireless Ital	-2.0	Enel SpA	3.1
UniCredit SpA	10.5	-2.4	Alstom SA	22.8	3.1	Deutsche Lufthansa AG	-1.6	Alstom SA	3.1
KBC Group NV	10.9	2.1	Air France-KLM	22.3	-2.0	Deutsche EuroShop AG	-1.3	Nationwide Building Society	3.0

Average ESG Risk Score of portfolio securities compared to their subindustry with 1 representing the company with the best ESG Risk Score and 100 the company with the worst.

ESG RELATIVE SCORES	Weight	Subindustry
Basic Materials	1%	0.0
Communications	3%	10.8
Consumer, Cyclical	9%	16.4
Consumer, Non-cy	0%	
Diversified	0%	
Energy	1%	1.0
Financial	42%	7.1
Industrial	3%	8.3
Technology	2%	6.7
Utilities	5%	12.8

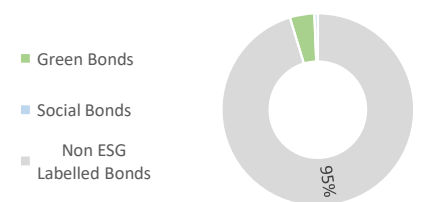
We monitor the **ESG momentum** of our holdings to have exposure to Issuers that are improving their ESG profile. A positive momentum is associated with inflows in the asset. Positive momentum securities show a reduction of **at least 1 point** in the Sustainalytics score over a 1-year period.

#### ESG momentum of the portfolio



**Green Bonds** and **Social Bonds** link the use of proceed to certain activities that we deem aligned with the principles of our Investment Products.

#### Social and Environmental Debt as % of total Debt



Integrating the UN Sustainable Development Goals (SDGs) into a portfolio is crucial as it aligns investments with global sustainability efforts, potentially enhancing long-term returns while addressing critical social and environmental challenges. This approach not only supports ethical investing but also meets growing investor demand for responsible and impactful financial strategies

In the table the first data is the percentage of coverage within the portfolio and the second one is the impact on the SDG of that portion of the portfolio.

1 NO POVERTY	13.2%	5 GENDER EQUALITY	41.2%	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	46.5%	13 CLIMATE ACTION	18.5%	17 PARTNERSHIPS FOR THE GOALS	0.5%
	18.7%		-50.4%		43.7%		-68.2%		0.3%
2 ZERO HUNGER	1.0%	6 CLEAN WATER AND SANITATION	22.8%	10 REDUCED INEQUALITIES	45.4%	14 LIFE BELOW WATER	19.0%		
	-5.7%		-5.6%		-49.0%		-59.9%		
3 GOOD HEALTH AND WELL-BEING	44.9%	7 AFFORDABLE AND CLEAN ENERGY	4.3%	11 SUSTAINABLE CITIES AND COMMUNITIES	50.7%	15 LIFE ON LAND	16.5%		
	-52.4%		76.9%		-31.9%		-58.9%		
4 QUALITY EDUCATION	5.9%	8 DECENT WORK AND ECONOMIC GROWTH	23.2%	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	60.1%	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	32.6%		
	89.2%		22.5%		-58.4%		-55.2%		

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