


## 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).

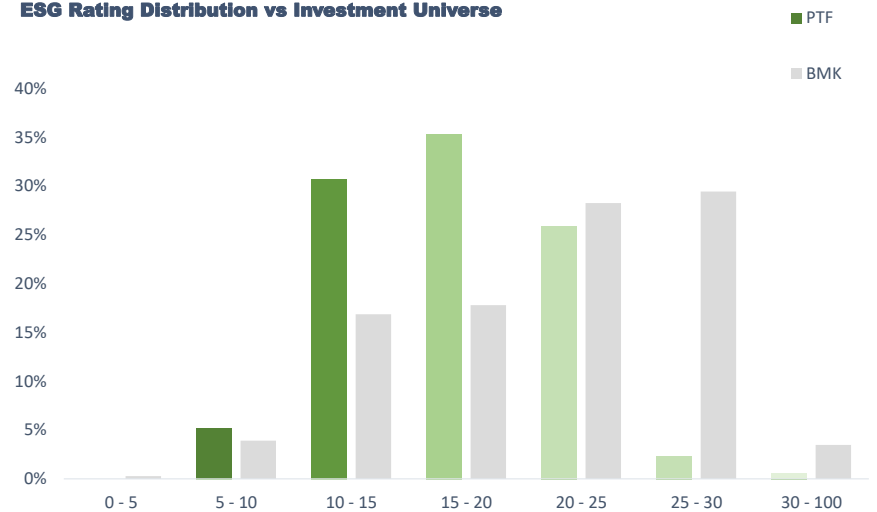
SFDR Classification	Art 8
Overall Avg Corporate ESG Rating	14.38
Portfolio Coverage*	85%
Nummus Compliant	YES
Morningstar Sustainability Rating	

Within Valori AM ESG policy a company is excluded if:

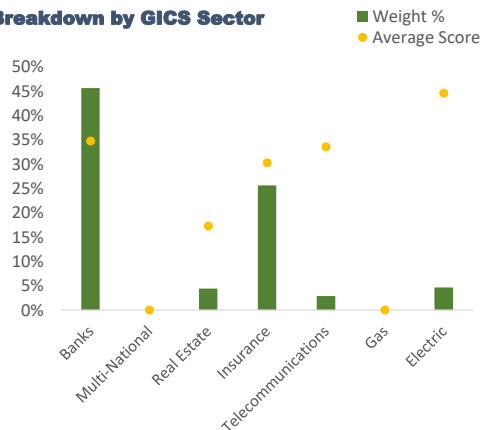
- Its ESG Score **exceeds 50** (0-100, 0 being the best and 100 being the worst).
- It has **Severe Controversies** in place (Level 5)
- It derives above a certain percentage of the revenues from **forbidden activities** (e.g. Predatory lending more than 10% of revenues, Controversial Weapons more than 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.

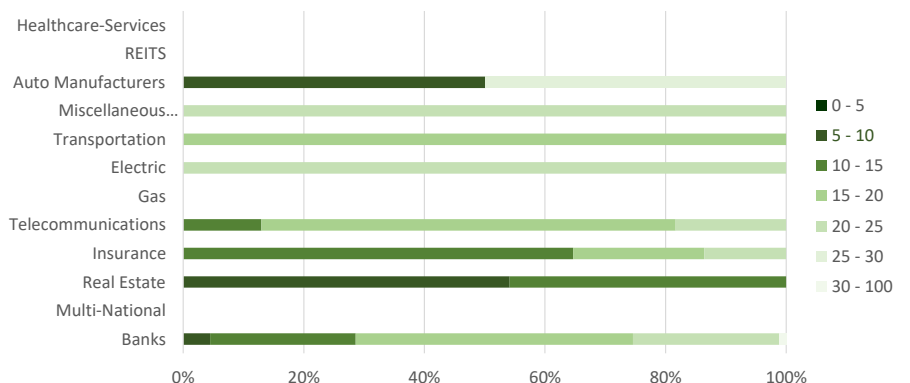
### ESG Rating Distribution vs Investment Universe



### Breakdown by GICS Sector



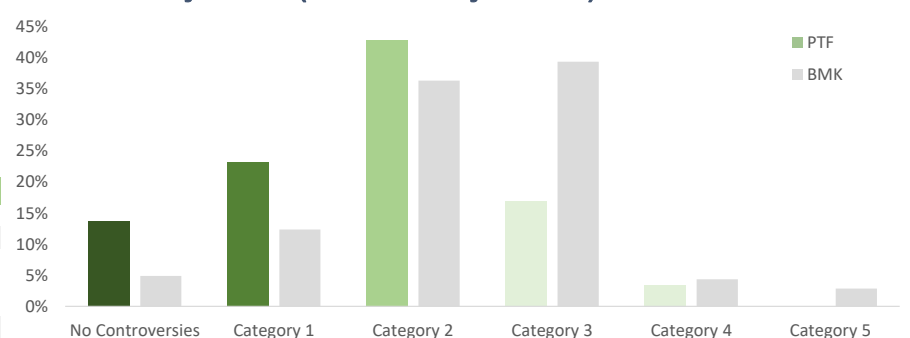
### Weights within GICS Sector



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	%	
Deutsche Bank AG	1.9%	Category 4
Deutsche Bank AG	1.0%	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
Controversial Weapons	0.0%
Predatory Lending	0.0%
Gambling	0.8%
Arctic Oil & Gas	0.0%
Oil Sands	0.0%
Tobacco Products	2.5%
Shale Energy	0.7%
Adult Entertainm.	2.5%

Company	Weight	Business Involvement Exposure
Telefonica SA	2%	Adult Entertainment Production
Deutsche Lufthansa AG	1%	Tobacco Products
Accor SA	1%	Gambling, Tobacco Products
Repsol SA	1%	Tobacco Products, Shale Energy
BT Group PLC	1%	Adult Entertainment Production

TOP ESG ISSUERS	ESG Rating	Momentum
Abanca Holding	7.3	0.9
Fredensborg 1994 AS	7.9	0.2
French Republic	9.0	-0.2
Adecco Group AG	9.2	1.4
Intesa Sanpaolo SpA	9.5	0.2
Renault SA	9.7	1.2
Aroundtown SA	10.1	0.0
UniCredit SpA	10.5	-2.4
Banco de Credito Social Cooper	10.8	0.8
KBC Group NV	10.9	2.1

WORST ESG ISSUERS	ESG Rating	Momentum
Optima bank SA	40.1	-
Volkswagen AG	27.5	0.6
Deutsche Lufthansa	25.6	-1.6
Credit Agricole Group	24.4	0.3
AG2R La Mondiale SGAM	24.2	3.1
Banco Comercial Portugues SA	24.1	-7.5
Repsol SA	24.1	0.0
French Republic	24.1	3.4
Bankinter SA	23.9	4.2
Commerzbank AG	23.7	-0.7

Positive Momentum Holdings	
Banco Comercial	-7.5
BNP Paribas SA	-6.5
Barclays PLC	-5.1
Banco Bilbao Vizcaya Arge	-4.6
French Republic	-3.3
NatWest Group PLC	-3.1
Unicaja Banco SA	-3.0
GRENKE AG	-2.9
Societe Generale SA	-2.4
UniCredit SpA	-2.4

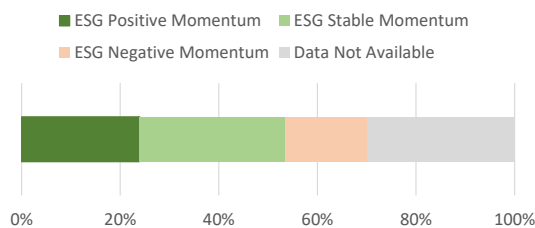
Negative Momentum Holdings	
SSE PLC	4.9
AIB Group PLC	4.5
ASR Nederland NV	4.3
Bankinter SA	4.2
Volksbank Wien AG	4.0
French Republic	3.4
Enel SpA	3.1
AG2R La Mondiale SGAM	3.1
Alstom SA	3.1
BT Group PLC	3.0

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	0%	
Communications	3%	12.2
Consumer, Cyclical	5%	16.2
Consumer, Non-cy	0%	
Diversified	0%	
Energy	1%	0.6
Financial	76%	13.5
Industrial	5%	7.0
Technology	0%	
Utilities	5%	11.8

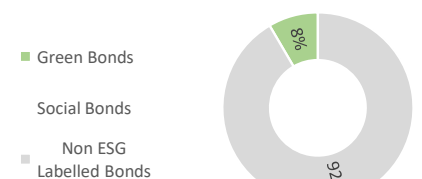
We monitor the **ESG momentum** of our holdings to have exposure to Issuers that are improving their ESG profile. A positive momentum is associated with inflows in the asset. Positive momentum securities show a reduction of **at least 1 point** in the Sustainalytics score over a 1-year period.

#### 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.



This information has been issued by Valori Asset Management, which is authorised and regulated for the conduct of investment business in Luxembourg and Italy. This material is provided to you by Valori Asset Management solely for informational purposes, is intended for your use only and does not constitute an offer or commitment, a solicitation of an offer or commitment, or any advice or recommendation, to enter into or conclude any transaction (whether on the indicative terms shown or otherwise). This material has been prepared by Valori Asset Management based on assumptions and parameters determined by it in good faith. The assumptions and parameters used are not the only ones that might reasonably have been selected and therefore no guarantee is given as to the accuracy, completeness or reasonableness of any such quotations, disclosure or analyses. A variety of other or additional assumptions or parameters, or other market factors and other considerations, could result in different contemporaneous good faith analyses or assessment of the transaction described above. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Opinions and estimates may be changed without notice. The information set forth above has been obtained from or based upon sources believed by Valori Asset Management to be reliable, but Valori Asset Management does not represent or warrant its accuracy or completeness. This material does not purport to contain all of the information that an interested party may desire. In all cases, interested parties should conduct their own investigation and analysis of the transaction(s) described in these materials and of the data set forth in them. Valori Asset Management may, from time to time, participate or invest in other financing transactions with the issuers of the securities referred to herein, perform services for or solicit business from such issuers, and/or have a position or effect transactions in the securities or derivatives thereof.