

**ESG Report of the Fund Q4 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

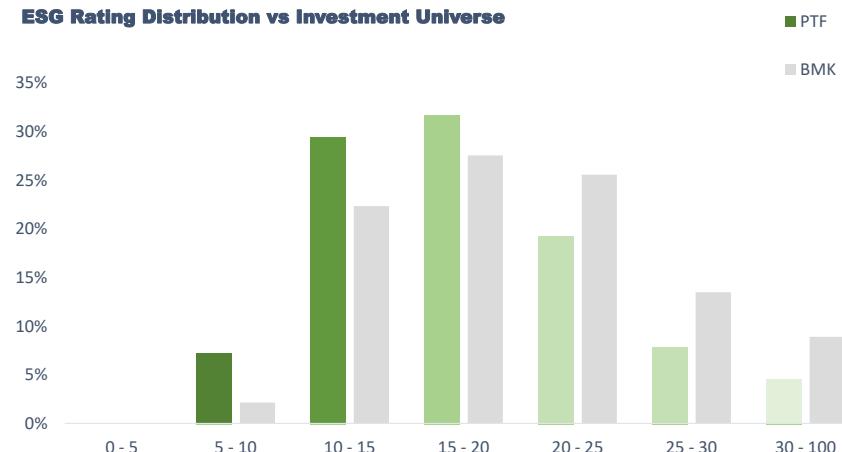
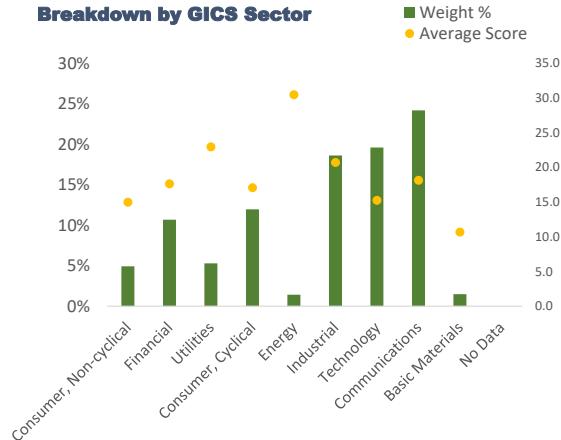
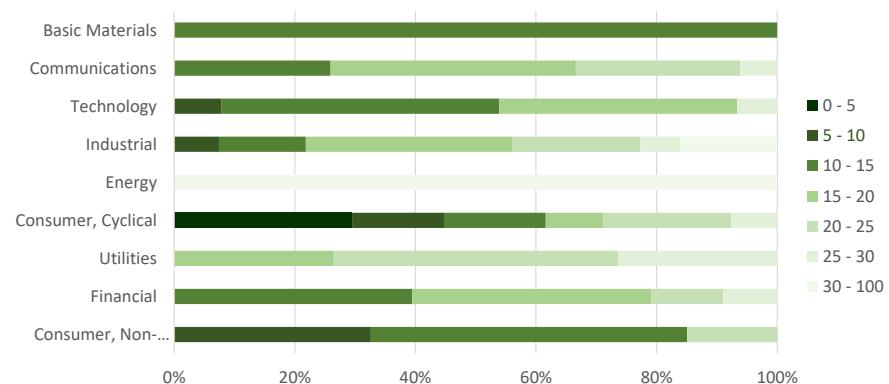
SFDR Classification	Art 8
Avg Corporate ESG Rating Equity	17.7
Portfolio Coverage*	97%
Morningstar Sustainability Rating	



Within Valori AM ESG policy a company is excluded if:

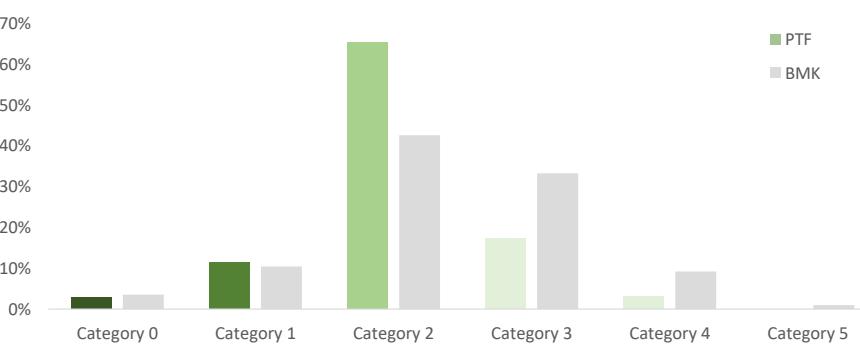
- Its ESG Score **exceeds 50** (0-100, 0 being the best and 100 being the worst).
- It has **Severe Controversies** in place (Level 5)
- It derives above a certain percentage of the revenues from **forbidden activities** (e.g. Predatory lending more than 10% of revenues, Controversial Weapons more than 0% of Revenues)
- After 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	%
Alphabet Inc	1.6%
Meta Platforms Inc	1.5%

**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 Valori 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	6.9%
Arctic Oil & Gas	0.0%
Oil Sands	1.4%
Tobacco Products	4.0%
Shale Energy	1.4%
Adult Entertainm.	2.8%

Company	Weight	Business Involvement Exposure
Apple Inc	1.5%	Gambling
Amazon.com Inc	1.5%	Adult Entertainment Production
NVIDIA Corp	1.5%	Gambling
BP PLC	1.4%	Gambling, Oil Sands, Tobacco Products, Shale Energy
LVMH Moet Hennessy Louis Vuitton	1.3%	Tobacco Products
Orange SA	1.3%	Gambling, Adult Entertainment Production
Alibaba Group Holding Ltd	1.2%	Gambling
Procter & Gamble NV	1.2%	Tobacco Products

TOP ESG ISSUERS	ESG Rating	Momentum
Schneider Electric SE	7.1	-2.9
RELEX PLC	8.1	0.3
Moncler SpA	8.5	0.1
ASML Holding NV	8.9	0.5
Kering SA	9.7	-2.7
Linde PLC	10.7	-1.0
SAP SE	11.2	-3.1
Advanced Micro	11.6	-2.0
adidas AG	11.9	-4.0
Palo Alto Networks Inc	12.1	-0.9

WORST ESG ISSUERS	ESG Rating	Momentum
UBTech Robotics Corp	40.4	-
General Electric Co	32.1	-0.5
BP PLC	30.4	-2.8
Constellation Energy	27.6	-0.9
Hitachi Ltd	27.1	0.8
BYD Co Ltd	26.3	0.5
SoftBank Group Corp	26.0	1.7
Coinbase Global Inc	25.7	-2.1
Nebius Group NV	25.6	-0.1
Meta Platforms Inc	24.7	-8.1

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.

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.

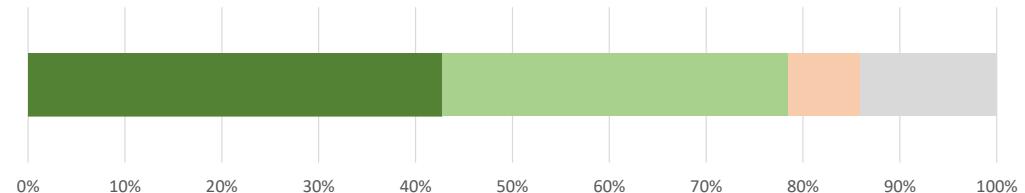
ESG RELATIVE SCORES	Weight	Subindustry
Basic Materials	1%	1.0
Communications	24%	21.5
Consumer, Cyclical	12%	11.9
Consumer, Non-cyclical	5%	10.2
Diversified	0%	
Energy	1%	16.9
Financial	11%	22.8
Industrial	19%	14.0
Technology	20%	11.1
Utilities	5%	20.8

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.

#### ESG momentum of the portfolio

■ ESG Positive Momentum ■ ESG Stable Momentum ■ ESG Negative Momentum ■ Data Not Available



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