

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 worst).

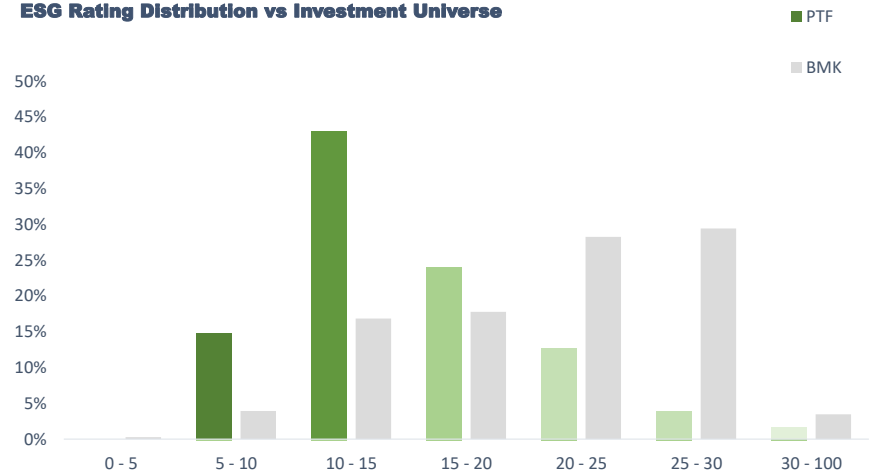
SFDR Classification	Art 8
Overall Avg Corporate ESG Rating	13.11
Portfolio Coverage*	85%
Nummus Compliant	YES
Morningstar Sustainability Rating	

Within Valori AM ESG policy a company is excluded if:

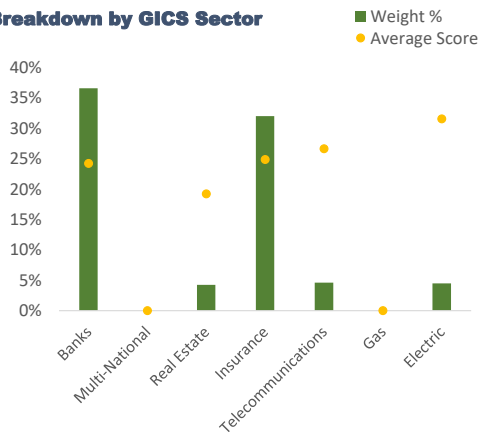
- Its ESG Score **exceeds 50** (0-100, 0 being the best and 100 being the worst).
- It has **Severe Controversies** in place (Level 5)
- It derives above a certain percentage of the revenues from **forbidden activities** (e.g. Predatory lending more than 10% of revenues, Controversial Weapons more than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

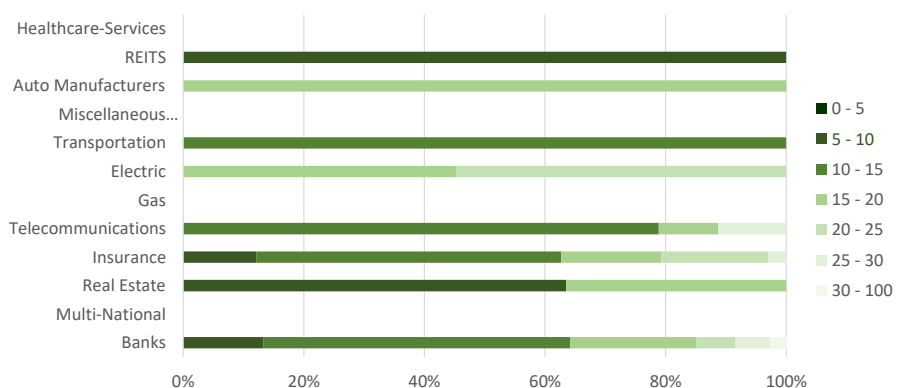
ESG Rating Distribution vs Investment Universe



Breakdown by GICS Sector



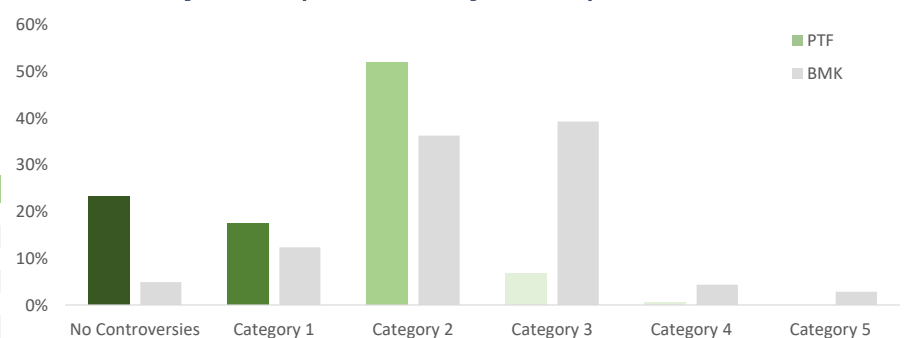
Weights within GICS Sector



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	%	
UBS	0.4%	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	0.7%
Arctic Oil & Gas	0.0%
Oil Sands	0.0%
Tobacco Products	0.7%
Shale Energy	0.0%
Adult Entertainm.	3.8%

Company	Weight	Business Involvement Exposure
Telefonica SA	2%	Adult Entertainment Production
Vodafone Group PLC	2%	Adult Entertainment Production
Accor SA	1%	Gambling, Tobacco Products
Kingdom of Belgium	0%	Adult Entertainment Production

TOP ESG ISSUERS	ESG Rating	Momentum
Unibail-Rodamco-	7.0	2.9
Abertis HoldCo SA	7.3	0.6
Intesa Sanpaolo SpA	8.1	-1.3
Fredensborg 1994 AS	8.1	0.2
Aroundtown SA	8.7	-1.4
Deutsche Bank AG	9.0	-15.8
BRANICKS Group AG	9.6	3.9
Banco Bilbao Vizcaya Argentari	9.6	-7.6
Banco Santander SA	9.9	-7.2
Vereniging Achmea	9.9	-4.4

WORST ESG ISSUERS	ESG Rating	Momentum
Optima bank SA	36.1	-4.0
Harbour Energy PLC	32.6	6.7
Montepio Geral	29.7	0.0
Chesnara PLC	27.3	-3.9
Bank of Cyprus Holdings PLC	27.2	-0.9
SoftBank Group Corp	26.0	1.7
Credit Agricole Group	24.4	0.3
AG2R La Mondiale SGAM	24.2	3.1
Sgam Aema Groupe	23.8	-2.8
Legend Holdings Corp	23.1	-0.2

Positive Momentum Holdings	
Deutsche Bank AG	-15.8
UBS	-12.6
Banca Monte dei Paschi d	-12.4
Barclays PLC	-10.4
BNP Paribas SA	-8.4
Phoenix Group Holdings F	-7.9
Commerzbank AG	-7.8
Banco Bilbao Vizcaya Argentari	-7.6
Banco Santander SA	-7.2
Societe Generale SA	-5.7

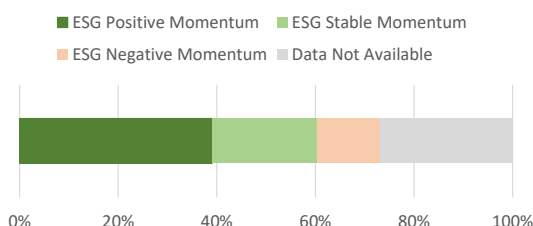
Negative Momentum Holdings	
Harbour Energy PLC	6.7
French Republic	5.2
BRANICKS Group AG	3.9
Accor SA	3.5
AG2R La Mondiale SGAM	3.1
Unibail-Rodamco-Westfield	2.9
Banco BPM SpA	2.8
Allianz SE	2.6
BPER Banca SPA	2.2
Fundacion Bancaria Ibercaja	2.1

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.

ESG RELATIVE SCORES	Weight	Subindustry
Basic Materials	1%	9.0
Communications	5%	12.0
Consumer, Cyclical	3%	11.8
Consumer, Non-cy	0%	
Diversified	0%	
Energy	0%	16.0
Financial	75%	14.5
Industrial	4%	9.7
Technology	0%	
Utilities	5%	8.4

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 Sustainability score over a 1-year period.

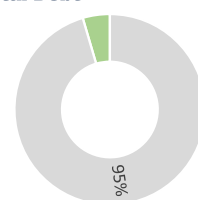
ESG momentum of the portfolio



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

Green Bonds
Social Bonds
Non ESG
Labelled Bonds



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.



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