

ESG Report of the Fund IQ 2026

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 throughout 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

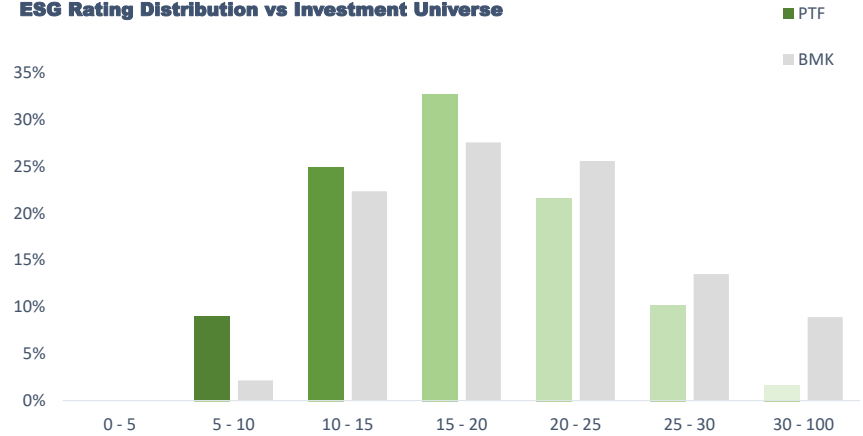
SFDR Classification	Art 8
Avg Corporate ESG Rating Equity	17.1
Portfolio Coverage*	99%
Morningstar Sustainability Rating	

Within Valori AM ESG policy a company is excluded if:

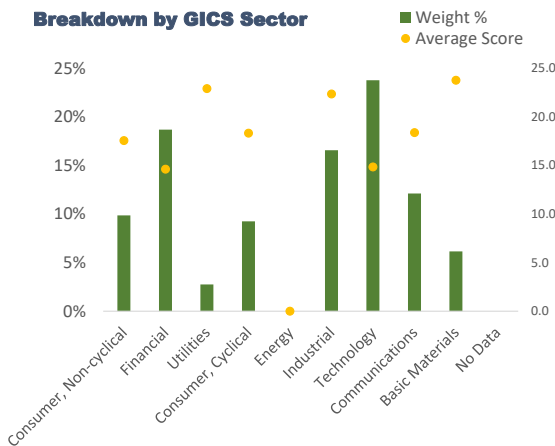
- Its ESG Score **exceeds 50** (0-100, 0 being the best and 100 being the worst).
- It has **Severe Controversies** in place (Level 5)
- It derives above a certain percentage of the revenues from **forbidden activities** (e.g. Predatory lending more than 10% of revenues, Controversial Weapons more than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

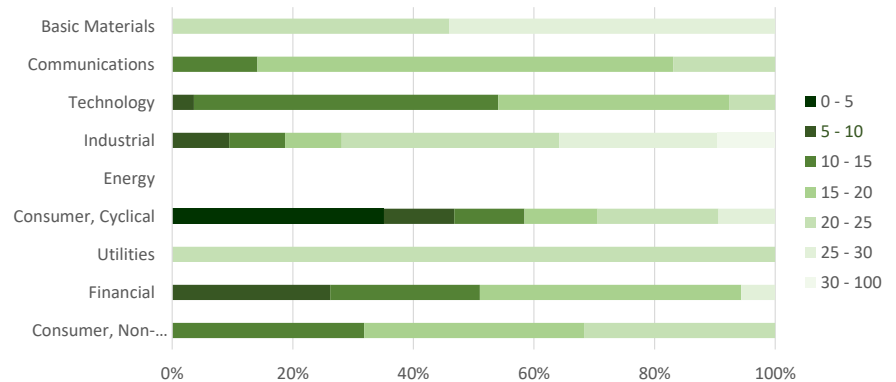
ESG Rating Distribution vs Investment Universe



Breakdown by GICS Sector



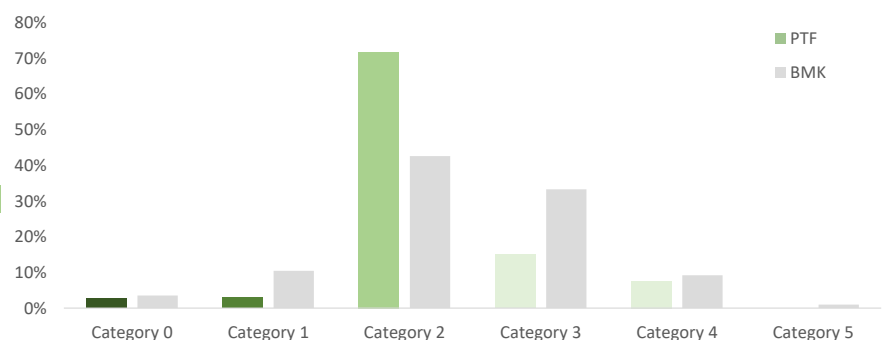
Weights within GICS Sector



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	%	Category
Alphabet Inc	2.4%	Category 4
Meta Platforms Inc	1.7%	Category 4
BHP Group Ltd	1.7%	Category 4
Rio Tinto PLC	1.2%	Category 4
Meta Platforms Inc	0.3%	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	4.6%
Arctic Oil & Gas	0.0%
Oil Sands	0.0%
Tobacco Products	1.1%
Shale Energy	0.0%
Adult Entertainm.	1.9%

Company	Weight	Business Involvement Exposure
NVIDIA Corp	2.1%	Gambling
Amazon.com Inc	1.9%	Adult Entertainment Production
Alibaba Group Holding Ltd	1.3%	Gambling
Apple Inc	1.1%	Gambling
Berkshire Hathaway Inc	1.1%	Tobacco Products

TOP ESG ISSUERS	ESG Rating	Momentum
Schneider Electric SE	7.1	-2.7
Intesa Sanpaolo SpA	8.1	-1.0
ASML Holding NV	8.7	0.2
Deutsche Bank AG	9.0	-14.7
Kering SA	9.7	-2.7
Banco Santander SA	9.9	-7.2
Cisco Systems Inc	10.2	-2.9
UniCredit SpA	10.6	-0.4
Novartis AG	10.9	-4.7
Advanced Micro	11.6	-0.9

WORST ESG ISSUERS	ESG Rating	Momentum
General Electric Co	32.1	-0.5
Rolls-Royce Holdings	29.7	2.6
BYD Co Ltd	27.2	-0.9
Hitachi Ltd	27.1	0.8
Vinci SA	26.5	1.1
BHP Group Ltd	26.3	-2.2
Newmont Corp	25.2	-2.0
Berkshire Hathaway	25.2	-1.0
Caterpillar Inc	25.0	-3.4
NextEra Energy Inc	24.7	-0.3

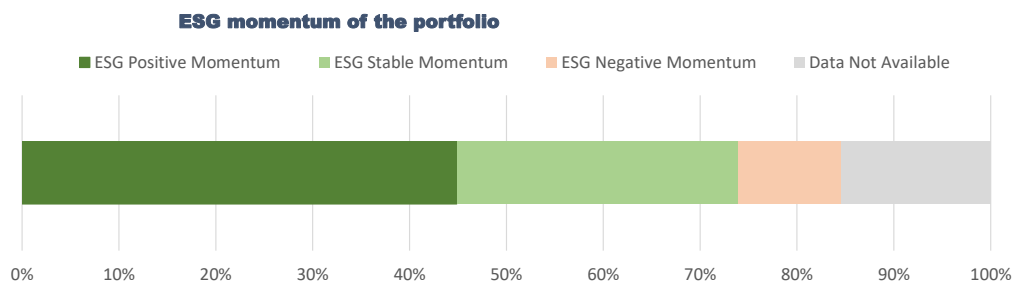
Positive Momentum Holdings	
Deutsche Bank AG	-14.7
Rio Tinto PLC	-13.2
JPMorgan Chase & Co	-10.7
Amazon.com Inc	-9.5
BNP Paribas SA	-8.7
Meta Platforms Inc	-8.4
Banco Santander SA	-7.2
Tesla Inc	-5.9
AbbVie Inc	-5.6
MercadoLibre Inc	-5.1

Negative Momentum Holdings	
Union Pacific Corp	3.0
QUALCOMM Inc	2.8
Rolls-Royce Holdings PLC	2.6
STMicroelectronics NV	2.6
Mastercard Inc	2.1
ABB Ltd	1.9
Siemens Energy AG	1.7
Vinci SA	1.1
Contemporary Amperex Technolo	1.0
Micron Technology Inc	1.0

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	6%	10.1
Communications	12%	18.0
Consumer, Cyclical	9%	15.3
Consumer, Non-cyclical	10%	7.3
Diversified	0%	
Energy	0%	
Financial	19%	13.1
Industrial	17%	12.8
Technology	24%	7.4
Utilities	3%	15.3

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.



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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