

ESG Value Proposition

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 selection and a negative screening applies to the ESG integration process. The analysis is performed by the portfolio management team with data sourced from MSCI* and by a separate in-house ESG team.

| | |
|----------------------------|---------------------------------|
| MSCI ESG Rating | AA |
| MSCI ESG Controversies | 0,0% |
| Portfolio Carbon Intensity | 196 (t CO2/\$M sales) |

ESG Metrics

The Fund's ESG report assesses the overall portfolio holdings from a responsibility perspective. The ESG model focuses both on risk and opportunities arising from large scale trends and business operations. The Fund's rating scale from best to worst is AAA, AA, A, BBB, BB, B and CCC.

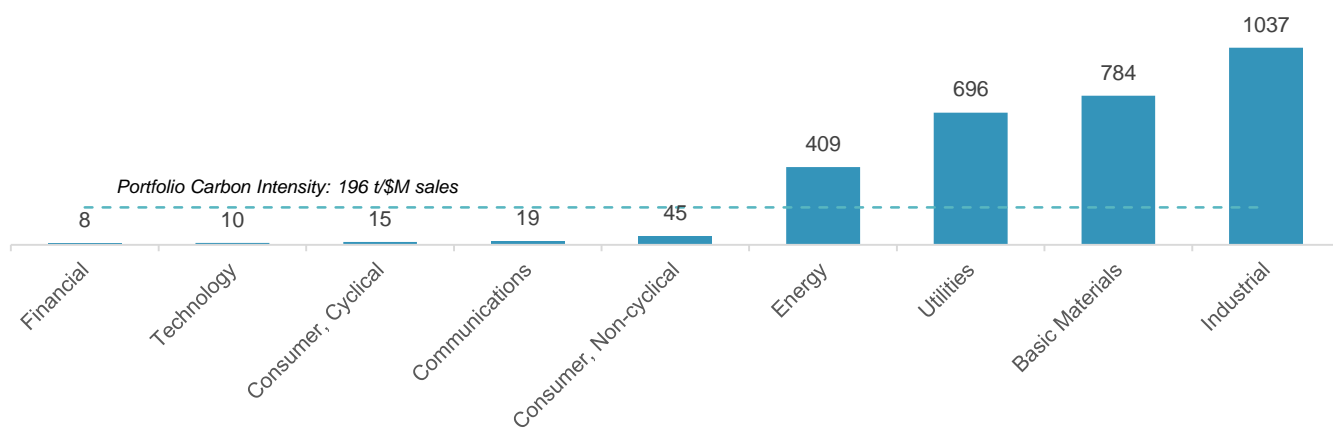
The Fund overall ESG Quality Score and its pillars receive a rating from 0 (low score) to 10 (high score). Pillars score is based on the assessment of specific underlying themes.

| | |
|--------------------------|------------|
| ESG Quality Score | 8,7 |
| <i>Environmental</i> | 6,6 |
| <i>Social</i> | 5,4 |
| <i>Governance</i> | 5,9 |

ESG RATING DISTRIBUTION⁽¹⁾



CARBON EMISSIONS SCOPE 1 & 2 INTENSITY (t/\$m sales) – BY SECTOR



⁽¹⁾ Analysis performed only on corporate exposure.

Tendercapital & the Principles For Responsible Investing (PRI)

Tendercapital became a signatory of the United Nations' Principles for Responsible Investing (PRI) in 2017. 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 ongoing 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 approach is usually an eroding line.

Signatory of:



Tendercapital ESG Team Sustainable Investment Approach

The main objective of Tendercapital ESG team is to define a framework for the incorporation of ESG factors in the investment process. The team brings together a diverse set of skillsets, including investment banking, macroeconomics, lifecycle analysis and data science in order to reflect the complex nature of sustainability challenges. Our approach includes: *i)* Investing in line with the Sustainable Development Goals issued by the United Nations; *ii)* Incorporating the Six Principles for Responsible Investments of the United Nations in the investment analysis and in the decision-making process; *iii)* Promoting internal accountability for the implementation of the above. Tendercapital also seeks to embed ESG and the above-mentioned sustainability considerations in the wider firm activities.

Reputational & Controversies Risk Metrics

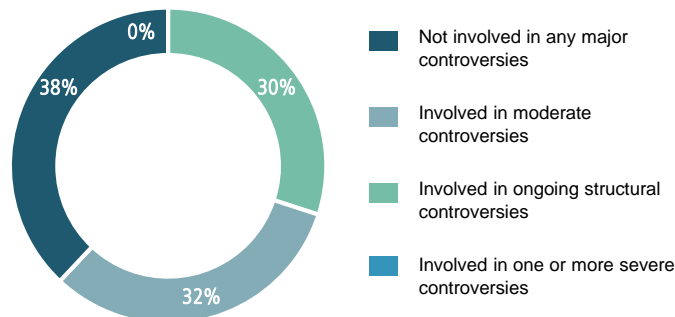
The score analyses each company's significant social, environmental, and governance impacts by identifying their involvement in major ESG controversies and adherence to international norms and principles. The score helps to comply with international standards and to understand if the Fund has investments in companies involved in very severe controversies.

REPUTATIONAL RISK

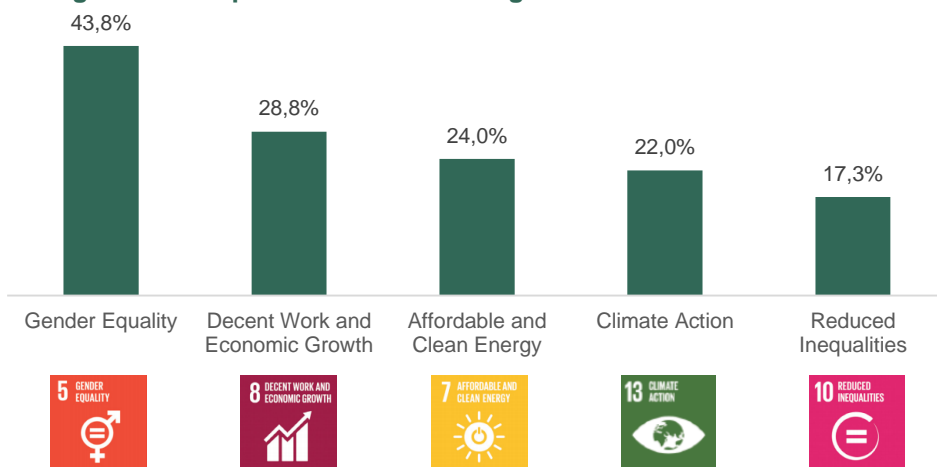
| | |
|---------------|------|
| Overall | 0.0% |
| Environmental | 0.0% |
| Customer | 0.0% |
| Human rights | 0.0% |
| Labor rights | 0.0% |
| Governance | 0.0% |

MSCI ESG CONTROVERSIES

The **MSCI ESG Controversies** analyses and monitors company management strategies and their ongoing and past controversies.



SDG Alignment – Top 5 Goals Portfolio Alignment



The Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030 and seek to mobilize global efforts around a common set of goals and targets. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet.

The graph shows shares of portfolio aligned to specific Sustainable Development Goals

TOP 10 ISSUERS – analysis performed on corporate exposure

| COMPANY | WEIGHT (%) | ESG RATING | ENVIRONMENT | SOCIAL | GOVERNANCE |
|----------------------------|------------|------------|-------------|--------|------------|
| Intesa Sanpaolo SPA | 2,14 | AAA | A | BBB | BBB |
| Mediobanca SPA | 1,86 | A | AA | BB | A |
| Barclays | 1,66 | AA | AAA | BBB | A |
| Bank of America Corp. | 1,48 | A | AAA | BB | BBB |
| SIG Combibloc Purchaseco | 1,45 | AA | BBB | A | AA |
| Credit Suisse | 1,25 | A | AAA | BBB | BB |
| Natwest Group | 1,13 | AA | AAA | BBB | A |
| Becton Dickinson & Company | 1,10 | A | AAA | BBB | BBB |
| Caixabank | 1,10 | AA | AA | BBB | A |
| E. ON SE | 1,10 | AA | A | A | AA |

*MSCI is an independent ESG research provider offering a comprehensive global database for analyzing equity and corporate bond investments from an ESG perspective. MSCI uses a rule-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. In addition to the overall ESG rating, the Fund is assessed separately based on environmental, social and governance issues. These pillar scores are calculated before industry normalization, i.e. they are not industry-adjusted. Therefore, the Fund's ESG rating is not an average of the environmental, social and governance pillar scores.

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