

TENDERCAPITAL SECULAR EURO

SUSTAINABILITY-RELATED DISCLOSURES

According to Article 23 of the Commission Delegated Regulation (EU) 2022/1288 (“**SFDR Level 2**”), financial market participants shall, for each financial product, publish on information about the promotion of environmental or social characteristics and of sustainable investment on their websites. This transparency is required by law to help investors understand the sustainability characteristics and risks of this financial product (the Fund). Therefore, this is not a marketing material.

SUMMARY

Summarize all the information of the financial products that promote environmental or social characteristics contained in this sustainability related disclosure and referred to Article 24 of SFDR Level 2

The Fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. These sustainable investments are screened to ensure that they do not significantly harm any social or environmental investment objectives.

The asset allocation of the Fund is presented in the form of a chart that holds a specification of the percentage of investments expected to be aligned with the environmental and/or social characteristics as well as the minimum percentage of environmental sustainable investments that the Fund commits to invest into. The Fund expects to invest at least 80% in investments used to attain environmental and social characteristics and will invest at least 30% in sustainable investments. The Fund will not invest more than 20% in investments which are not aligned with the environmental characteristics and which are not sustainable investments.

Specific sustainability indicators will be used to measure the attainment of the environmental and/or social characteristics of the Fund in accordance with specific methodologies. On a pre-trade basis, potential investee companies are subject to an initial negative screening based on the recommended exclusion list of companies by Norges Bank.

Then, a full ESG integration process based on the concept of materiality is applied. The assessment of ESG aspects is carried out in two different phases. A preliminary analysis leveraging data provided by an ESG Provider and other external sources is carried out in order to assess the investable universe. A proprietary ESG integration process is then carried out at company level. Adverse impacts, including PAIs, on sustainability factors are taken into account as part of the ESG integration process. Specific PAI indicators will be used through the integration process based on the materiality framework.

In relation to the following of good governance practices by the invested companies, the assessment is carried out through the ongoing monitoring of “governance” specific controversies through the database of an external data provider (MSCI), which also provides the severity level of each dispute.

Internal and external data sources and data providers are used to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data received from external providers may be complemented by internal research and analysis. Potential limitations to data sources and methodologies can be mainly identified in the lack of data coverage and of data disclosures by investee companies.

Engagement is not part of the environmental and social investment strategy and no index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Where the financial product commits to making one or more sustainable investments - explain how the sustainable investment does not significantly harm any of the sustainable investment objectives

The Fund promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

The Fund intends to pursue two specific environmental sustainable objectives: pollution mitigation and resource protection.

For each of these two objectives, the investment process identifies relevant SDGs factors. In case of pollution mitigation, the Investment Manager has identified three key SDGs: i) affordable and clean energy (SDG 7), which seeks to ensure access to affordable, reliable, and sustainable energy sources for all; ii) Sustainable cities and communities (SDG 11), which aim to make cities and human settlements inclusive, safe, resilient, and sustainable; iii) climate action (SDG 13), which supports all action to combat climate change and its impacts. On the other hand, for the resource protection objective two SDGs have been identified: i) clean water and sanitation (SDG 6), aimed to ensure the availability and sustainable management of water and sanitation for every citizen; ii) responsible consumption and production (SDG 12), which aims to ensure sustainable consumption and production patterns.

The Investment Manager identifies as sustainable investments those companies that pursue at least one of the two above-mentioned objectives. One of the two objectives is pursued by an investee company if it aligns to at least one of the five specific SDGs factors.

The adherence of the Investee companies to one of the five above-mentioned SDGs factors is based on the investee companies disclosures in the annual sustainability report. Investee companies promotion of the above-mentioned SDGs factors is monitored on an ongoing basis. On a quarterly basis, the percentage of companies that follow each single SDG factor is reported in the ESG Factsheet.

In order to assess that the sustainable investments do not cause significant harm, the Investment Manager will report on PAIs and will conduct a comparison on results at portfolio level on a twelve months basis.

In addition, the Investment Manager monitors the investee companies with severe levels of controversies relating to environmental, social or governance factors. If a severe controversy arises against an investment company that contributes to at least one of the SDG factors, it would no longer be considered a sustainable investment. The degree of severity of a controversy is determined using a third party ESG data provider.

Moreover, the Investment Manager takes account of the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Describe the environmental or social characteristics that the financial products promotes

The Fund promotes environmental, social and governance (ESG) characteristics by achieving a capital allocation that can facilitate and accelerate the transition towards a more sustainable economy. In order to meet the ESG characteristics promoted and to assess the good governance practices of the investee companies, the Investment Manager applies binding criteria to the selection of underlying assets as part of its investment decision making process.

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INVESTMENT STRATEGY

Describe:

(a) the investment strategy used to meet the environmental or social characteristics promoted by the financial product;

The Investment Manager carries out an initial negative screening process which is based on the recommended exclusion list of companies by Norges Bank. According to this negative screening process, none of the listed companies reported in the Norges Bank exclusion list may enter the Fund's investment portfolio.

Then, a full ESG integration process based on the concept of materiality is applied.

The investment process encompasses various stages including: i) qualitative analysis, i.e. analysis of the reference industry, business model, company's strategy and management quality; ii) quantitative analysis, i.e. financial forecasting and valuation as well as the integration and quantification of environmental, social and governance (ESG) aspects deemed material; iii) investment decision: definition of the Strategic Asset Allocation (SAA).

The assessment of ESG aspects is carried out in two different phases. A preliminary analysis leveraging data provided by an ESG Provider and other external sources is carried out in order to assess the investable universe. A proprietary ESG integration process is then carried out at company level. Adverse impacts, including PAIs, on sustainability factors are taken into account as part of the ESG integration process. Specific PAI indicators will be used through the integration process based on the materiality framework.

(b) the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Good governance practices are assessed by an ongoing monitoring of "governance" specific controversies. In the event of any severe controversy arising, the investment team will monitor management ability to rapidly address the issue.

Accountability and alignment principles are considered to be the most compelling factors in relation to the governance theme. Board structure, directors' skills, heterogeneity and remuneration policies are factors considered as part of the integration of the investment process.

PROPORTION OF INVESTMENTS

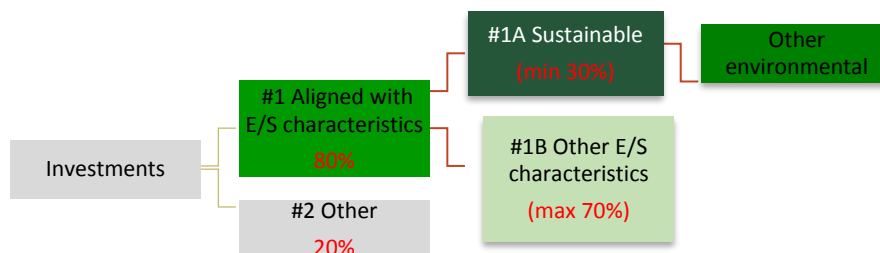
Distinguish between direct exposures in investee entities and all other types of exposures to those entities.

The Fund pursues an equity long-only strategy through investments mainly in Euro denominated equities and equity related securities across all industries and capitalizations. The Fund is mainly committed to identifying long term investment opportunities in the Euro area.

The Fund expects to invest at least 80% in investments used to attain environmental and social characteristics (#1 Aligned with E/S Characteristics).

The Fund will invest at least 30% in sustainable investments (#1A Sustainable).

The Fund will not invest more than 20% in investments which are not aligned with the environmental characteristics and which are not sustainable investments (#2 Other).



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers sustainable investments with environmental or social objectives.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

The Fund intends to promote environmental and social characteristics by leveraging the ESG integration process through the systematic and explicit inclusion of material ESG aspects into the investment analysis and investment decision process, focusing in particular on ESG aspects which have the potential to impact the value of the investment. The extent of such impact depends on the issuer, the industries and geographic areas in which such issuers operate as well as the nature and time horizon of the investment.

Carbon intensity is a metric used by the investment team for measuring the portfolio's contribution to global emissions. The carbon intensity is calculated both at portfolio and at sector level. It includes Scope 1, 2 and 3 of each issuer and it is measured against unit of sales (Ton of CO₂/€M sales) for comparison purpose. The overall portfolio carbon intensity is based on each investee company carbon intensity weighted by its portfolio weight. The Investment Manager reports regularly the carbon intensity of its portfolio against the Stoxx Europe 600.

During the year, ESG factors are monitored on a quarterly, half-yearly basis and annual basis.

Any significant variation and deviation from the ESG factors defined in the ESG Policy as well as in the legal documents of the Fund entails a deadline of 30 calendar days for the competent function, starting from the detection of the anomaly, to adjust and conform the relevant fund portfolios.

- a) Quarterly activities cover: (i) monitoring of compliance with ESG Coverage of securities in the funds' portfolio by the 15th day of the month following the quarter in question; (ii) reporting on controversies: identification and internal discussion of severe and very severe controversies related to investee companies
- b) Semester activity covers: the transposition of updates to the Norges Bank exclusion list in the internal control software and verification that the Fund' portfolios comply with these updates on 31 January and 31 July each year;
- c) Annual activity consists in the PAI's reporting.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.

Potential investee companies are subject to an initial negative screening based on the recommended exclusion list of companies by Norges Bank. According to this negative screening process, none of the listed companies reported in the Norges Bank exclusion list may enter the Fund's investment portfolio.

Then a full ESG integration process applies. The investment team leverages the ESG integration process through the systematic inclusion of material ESG factors into the investment analysis and decision process, focusing in particular on those ESG factors that have the potential to impact the value of the investment. The extent of these impacts

depends on the issuer, the industries and geographies in which they operate and the nature and time horizon of the investment.

In making investment decisions, the ESG criteria are taken into account during the valuation process. Therefore, a company's ESG performance will be thoroughly considered in Tendercapital's investment decision.

Tendercapital's investment team adjust forecasted financials (such as revenues, operating costs, asset book value and capital expenditure) or company valuation models for the expected impact of material ESG factors.

The investment process encompasses various stages including:

- Qualitative analysis: analysis of the reference industry, business model, company's strategy and management quality;
- Quantitative analysis: financial forecasting and valuation. It includes the integration and quantification of ESG factors deemed material;
- Investment decision: definition of the Strategic Asset Allocation (SAA).

The approach to the environmental factors involves the analysis of historical information and the quantification of the preparedness for climate change of the investee companies.

DATA SOURCES AND PROCESSING

a) The data sources used to attain the environmental and social characteristics promoted by the financial product are:

- As a first mitigating factor and as part of an initial negative screening, the exclusion list of Norges Bank;
- As per full integration process, investee companies sustainability reports, SASB materiality framework and MSCI ESG Data platform;
- As for the assessment of investee companies contribution to sustainability objectives, the investee companies sustainability reports represent the principal source;
- As per the monitoring of controversies, the assessment of their severity and the PAIs, the MSCI ESG Data platform.

b) The measures taken to ensure data quality are:

The Investment Manager has evaluated the data quality of the ESG data providers during the beauty contest and due diligence assessments. The evaluation focused specifically on data coverage.

c) How data are processed?

Data are processed by means of an internal control software as well as by analysis in excel. The preference is always to have data acquisition as automated as possible to avoid any operational risks or unnecessary human intervention.

d) The portion of data that are estimated:

None data is internally estimated. The data provider uses estimated data mainly on carbon emissions and specifically on Scope 3 data where company disclosure is not available.

LIMITATIONS TO METHODOLOGIES AND DATA

Describe the potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met.

One of the main problems lies in the availability of data that is primarily caused by the lack of the relevant ESG corporate disclosure. This is also due to the fact that the attention of the regulator and the market for this sector, as well as the resulting legislation, is very recent. It is therefore assumed that the lack of data disclosures by investee companies will decrease over time.

In relation to carbon intensity analysis used to measure the portfolio contribution to global emission, the Investment Manager recognized the limited dimension of the metric in the quantification of climate change and is committed to improve the scope of analysis going forward.

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Describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

The basis of the due diligence process carried out at sustainability level stands in the combination of an initial negative screening approach applied on the investment universe (Norges Bank exclusion list) and a subsequent full integration process applied to the whole portfolio on a materiality basis.

ENGAGEMENT POLICIES

Describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Engagement is not part of the environmental and social investment strategy.

DESIGNATED REFERENCE BENCHMARK

Describe:

- a) **whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated;**
- b) **Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information.**

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund. The use of the Stoxx Europe 600 index as a base of comparison for portfolio carbon intensity reporting has not to be intended as a benchmark that the investment manager intends to exceed from a sustainability point of view.