

Sustainability Related Disclosures

PARETURN CERVINO VARIANZA WORLD INVESTMENTS

- i. **Summary:** This Sub-Fund has Environmental (E) and Social (S) characteristics within the meaning of Article 8 of SFDR.
- ii. This Sub-Fund promotes environmental or social characteristics within the meaning of Article 8 of SFDR and will have 5% sustainable investments aligned with EU Taxonomy.
- iii. **Environmental or social characteristics of the financial product:** the Sub-Fund contributes to global ESG enhancement seeking to provide exposure to companies that either:
 - a. Already have policies that contribute to climate transition or aim to reduce their environmental impact.
 - b. It may also invest in companies that are ESG improvers and have the potential to generate positive social impact through a better management of ESG issues.For both categories above (E/S), outstanding corporate governance practices for the selected issuers are checked and considered.
- iv. **Investment Strategy:** The objective of the Sub-Fund is to provide investors with long-term capital appreciation through realized gains, as well as income. To achieve the investment objective, the Sub-Fund will invest principally in global equities. The Sub-Fund will invest in transferable securities listed or traded in recognized markets primarily of OECD member states. The Sub-Fund will primarily invest in mid to large capitalisation companies (that is, companies with a market capitalisation exceeding EUR 1,000 million at the time of investing) and will normally invest in a range of 40 to 70 companies. Equity investments will generally be made with an intentional holding period of for more than 3 years. The relationship between price and value will always be the principal deciding factor for the holding period of any given investment, so there might be occasions in which investments are held for a shorter period. In addition, the sub-fund seeks to invest in sustainability and implements a sustainable and responsible approach that can be found in the "[Sustainability Related Disclosures](#)" section of the [website](#)
- v. **Proportion of investments used to meet E/S characteristics:** The VARIANZA Score of the Sub-fund is considered to comply with the following criteria, which are strictly binding:
 - a) The Sub-Fund aims for 50% of the positions to have a Varianza Score equal or higher than 50 points – this allows the Delegate Investment Manager to incorporate some issuers that are identified as improvers (i.e. issuers that have identified actions/policies that aim to reduce negative impacts or improve their ESG position);



b) In addition, the Sub-Fund will maintain a weighted average Varianza Score of the portfolio equal or higher to 50 points.

These 50 points-level thresholds. implies that at an aggregate level, the Sub-Fund's investments are above average versus their comparable universe thus having low exposure to unmanaged Sustainability Risk.

- vi. **Monitoring of environmental or social characteristics:** The environmental and social characteristics of the fund are monitored on the weekly investment committee: a review of the VARIANZA Score of the holdings is included as well as the impact on the VARIANZA Score of the portfolio of a new holding at the final target weight (prior to including the position) as well as a sale.
- vii. **Methodologies:** the investment process integrates ESG factors based on proprietary and third-party research to evaluate investment risks and opportunities, with the aim to minimize ESG risks and focus on recognizing opportunities in companies that will improve their ESG trajectory. The Sub-Fund investment process integrates into the investment thesis of each issuer key performance indicators (KPIs) relevant to track the characteristics that the Sub-Fund promotes, other KPIs that consider the whole ESG position, as well as an internal analysis of a company's ESG position (the "**Varianza Score**").
- viii. **Data sources and processing:** The Sub-fund uses several data sources that are aggregated in the proprietary VARIANZA Score. The sources include ESG ratings from S&P, MSCI and Sustainalytics, 13 KPIs sourced from Bloomberg that allow to track the promoted E/S characteristics. In addition, an internal analysis of, inter alia, public information, annual reports, to assess the ESG risks and opportunities of an issuer. Limitations to methodologies and data: the comparability and correlation ESG Ratings from external providers is low because of the different approaches and assessment of materiality for each pillar E/S/G for specific companies or sectors. This is why the Varianza Score also incorporates additional KPIs and a qualitative assessment. In addition, carrying out an internal analysis allows us to assign a score for issuers that are not covered by external rating agencies.
- ix. **Due diligence:** over 80% of the Sub-Fund's assets (equities and bonds) are assessed for ESG scores and risk.
- x. **Engagement of policies:** our engagement policy takes sustainability risks into account. In addition, portfolio managers engage with companies on ESG issues during their meetings with companies. VARIANZA is exploring collaborative engagement opportunities through the PRI UN Collaboration Platform.
- xi. **Designated reference benchmark:** The Sub-Fund does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

