

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Fonditalia - Fonditalia Core 2

Legal entity identifier

5493000G7414YEHNL845

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective : _% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective _%	<input type="checkbox"/> It 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 0 % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
---	--



What environmental and/or social characteristics are promoted by this financial product?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The main environmental and social characteristics promoted by the Sub-fund through the Management Company's ESG methodology are the following:

- Environmental: climate change prevention (in terms for example of reduction of carbon emission, carbon footprint, climate change vulnerability), pollution & waste prevention (with reference to toxic emissions & waste, packaging material & waste, electronic waste), environmental opportunities (in clean tech, in renewable energy).
- Social: human capital (labor management, health & safety, human capital development, supply chain labor standards), product liability (product safety & quality, chemical safety, consumer financial protection, privacy & data security, responsible investment, health & demographic risk), social opportunities (access to communications, access to finance, access to health care, opportunities in nutrition & health), stakeholder opposition (controversial sourcing, community relations).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● **What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The indicators used to measure the attainment of the environmental or social characteristic promoted by the sub-fund are:

- the minimum percentage of the Sub-fund's portfolio invested in Targeted funds classified as Art. 8;
- the absence of investments in UCIs not selected from the investable universe defined through the internal qualitative and quantitative evaluation performed by Fideuram Asset Management UK Multi-Manager Team.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti - corruption and anti - bribery matters.

— → *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

— → *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- X** Yes, the Management Company specifically considers the following principal adverse impact (“PAI”) indicators: Carbon emission (Scope 1 + 2); GHG intensity of investee companies; Violations of UNGC principles and OECD guidelines for Multinational Enterprises; Exposure to controversial weapons (anti-personnel mines, cluster ammunitions, chemical and biological weapons). For government bond and

supranationals: GHG intensity and Investee Countries subject to social violations.

The Sub-fund's Management Company can check the PAI data through a periodic monitoring report, where can be consulted the values of the indicators at product level and, where present and possible, at respective benchmark level in order to include this information in the investment decision-making process. However, considering the large variability of PAI data at sectoral and geographical level, as well as their retrospective nature, no thresholds or stringent limits are set at portfolio level.

In addition, with regard to investment in Target Funds, particular attention will be paid to prioritise, where possible, target funds with PAI aligned with those identified by the Company at the entity level and / or for specific products.

Further information on PAIs will be available in the Fund's annual report.

No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The Sub-fund has as investment objective to reach a positive return, in absolute terms, through investment in units and/or shares of UCITS and/or other undertakings for collective investment (including Exchange Traded Funds complying with article 41(1)(e) of the Law) which comply with ESG criteria (altogether the "Target Funds"), in Exchange Traded Commodities and in financial derivative instruments.

As part of the process of selecting and monitoring Target Funds, the Management Company analyzes the level of integration of environmental, social and corporate governance factors into the investment policy and process.

In this respect, in order to define a dedicated universe of third-party asset managers and ESG/SRI Target Funds, the financial analysis of these Target Funds is integrated with ESG or SRI considerations aimed at deepening:

- whether the relevant asset manager of the Target Fund has adopted an investment policy that includes ESG or SRI criteria, also in accordance with Regulation (EU) 2019/2088, focusing on binding integration and/or exclusion criteria;

- the investment policies of the individual Target Fund, verifying:

- o the promotion, among other characteristics, of environmental or social characteristics, or a combination thereof, and the compliance with good governance practices, in accordance with Article 8 of Regulation (EU) 2019/2088;

- o the adoption of sustainable investment objectives, in accordance with Article 9 of Regulation (EU) 2019/2088;

- o the potential presence of additional, distinctive ESG characteristics in the management of individual products and the alignment to the PAI selected by the Management Company as entity and/or for specific products.

This information is acquired directly from the target Funds and/or through specialized info providers (e.g. Bloomberg, Morningstar, MSCI).

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

Below are detailed the binding elements followed by the Management Company for the Sub-fund's strategy adopted to promote environmental and social characteristics:

ESG screening and monitoring of Target Funds:

The investment perimeter is limited to Target Funds belonging to the investable universe identified through a Due Diligence analysis performed by the Management Company to evaluate the level of integration of environmental, social and corporate governance factors into the Policy and investment process of the third-party asset managers of the Target Funds.

Integration of ESG factors:

The integration of ESG factors is promoted through a minimum percentage of investments in UCIs classified as Art. 8 SFDR equal to at least 50% of the total composition of the portfolio. The selected Target Funds belong to the investable universe defined by the internal Due Diligence analysis.

To this aim, the Management Company acquires information directly from third-party fund houses and/or through specialized info providers (e.g. Bloomberg, Morningstar, MSCI).

- **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

There is not a specific minimum rate of commitment for reducing the scope of the investments considered prior to the application of that investment strategy.

- **What is the policy to assess good governance practices of the investee companies?**

Not applicable.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics).

The remaining proportion (50% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:

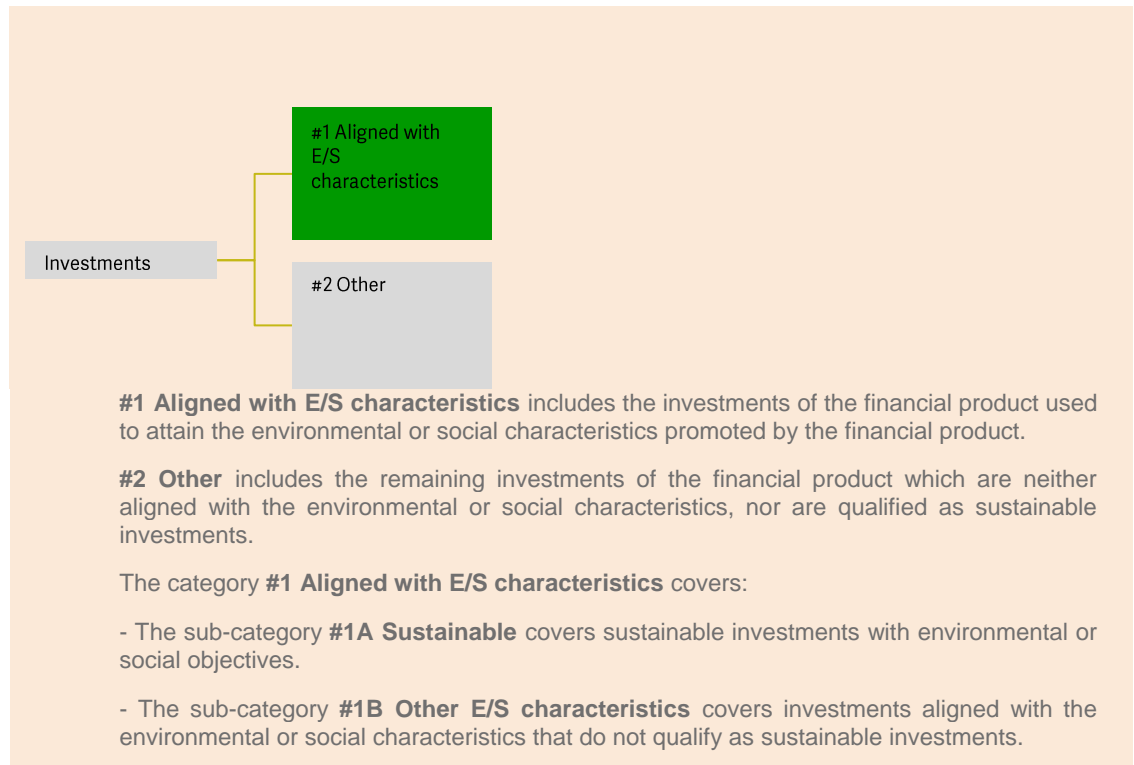
- cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes;
- derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic;
- securities for which relevant data is not available.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Not applicable, derivatives are not used to promote environmental or social characteristics



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Sub-fund promotes environmental and social characteristics but does not commit to make investments in taxonomy-aligned environmentally sustainable investments. It is however not excluded that the Sub-fund may be exposed to underlying investments that contribute to one or more of the environmental objectives of the EU Taxonomy, such as but not limited to climate change mitigation and/or climate change adaptation. However, currently due to a lack of reliable data, the share of environmentally sustainable investments under the Taxonomy Regulation is assessed to be 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

In fossil gas

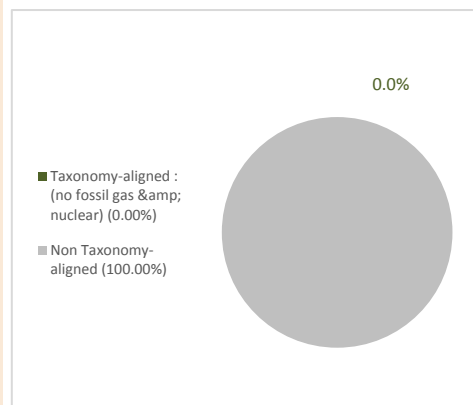
In nuclear energy

No

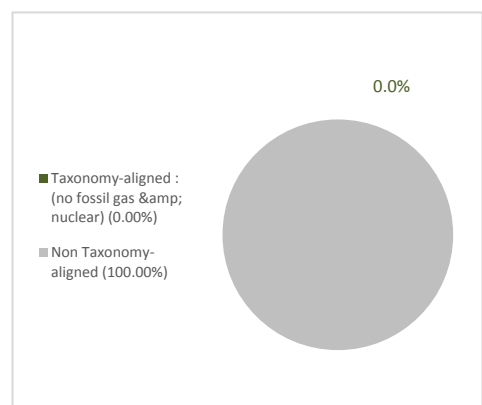
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy alignment of investments including sovereign bonds*



2. Taxonomy alignment of investments excluding sovereign bonds*



This graph represents 100.00 % of the total investments.

*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable. The Sub-fund does not commit to invest in a minimum proportion of investments in transitional and enabling activities.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The remaining portfolio may also hold instruments not subject to the ESG integration process such as cash and cash equivalent instruments or for risk balancing purposes and derivatives for risk balancing purposes and efficient portfolio management. This category may also include securities for which relevant data is not available.



Is 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?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

http://www.fideuramireland.ie/en/legal_documentation

Further details are available on the Management Company’s “Sustainable And Responsible Investment Policy”:

http://www.fideuramireland.ie/upload/File/pdf/Policy_FAMI/FAMI_Sustainable_and_responsible_investment_policy.pdf

Please also refer to the Management Company’s policy for a description of the rules that discipline the integration of ESG factors and the consideration of sustainability risk, in accordance with the requirements of the current legislation, where the financial management of a product is delegated to third-party fund houses. Further details on the sustainability indicators

approach (as may be updated from time to time) adopted are set out at:
<https://www.algebris.com/sri-responsible-investment/>