

## ANNEX IV

### Template periodic 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

<p>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.</p>	Product name:	IQEQ High Yield Fund	Legal entity identifier:	549300YP7YW06QCNBF32										
<b>Environmental and/or social characteristics</b>														
<b>Did this financial product have a sustainable investment objective?</b>														
<input checked="" type="radio"/> <input type="radio"/> <b>Yes</b>			<input checked="" type="radio"/> <input type="radio"/> <b>No</b>											
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none; vertical-align: top;"> <input type="checkbox"/> It made sustainable investments with a social objective: ___%                 </td> <td style="width: 50%; border: none; vertical-align: top;"> <input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments                 </td> </tr> <tr> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy                 </td> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy                 </td> </tr> <tr> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy                 </td> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy                 </td> </tr> <tr> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> It made sustainable investments with a social objective: ___%                 </td> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> with a social objective                 </td> </tr> <tr> <td style="border: none; vertical-align: top;"> <input type="checkbox"/> It made sustainable investments with a social objective: ___%                 </td> <td style="border: none; vertical-align: top;"> <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments                 </td> </tr> </table>					<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments	<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective 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"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> with a social objective	<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments
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<b>To what extent were the environmental and/or social characteristics promoted by this financial product met?</b>														
<p>The Portfolio promotes environmental and social characteristics by investing according to the following criteria;</p> <ul style="list-style-type: none"> <li>The Portfolio avoids investing in companies which violate humanitarian principles or labour rights by reference to the UN Global Compact ("UNGC") Principles. A third-party data provider is used to identify a violation, measured by the severity and number of human and labour rights controversial incidents recorded for a company; and</li> <li>The Portfolio excludes companies that: (i) manufacture cluster munitions or landmines; (ii) derive more than 10% of their revenue from the production of thermal coal; or (iii) derive revenues from the production of tobacco products.</li> </ul> <p>All investments made by the Portfolio during the period from 31/12/2022 to 30/09/2023 (the "Reference Period", were considered and effected as appropriate in accordance with the above-mentioned criteria.</p>														
<b>How did the sustainability indicators perform?</b>														
Sustainability indicators measure how the environmental or social														



<p>characteristics promoted by the financial product are attained.</p>	<p>During the Reference Period at monthly intervals to measure the attainment of the Environmental and/ or Social characteristics promoted by the Portfolio, the Investment Manager used the following sustainability indicators to monitor investee companies. The Portfolio's exposure to the sustainability indicators over the Reference Period was as follows;</p> <ul style="list-style-type: none"> <li>- The percentage of revenues derived from the manufacture or sale of cluster munitions or landmines. The Portfolio did not hold any companies with exposure to this indicator: 0%</li> <li>- The percentage of revenues derived from the production of thermal coal. The Portfolio did not hold any companies that derive more than 10% of their revenue from this indicator: 0%</li> <li>- The percentage of revenues derived from the production of tobacco products. The Portfolio did not hold any companies that derive revenue from this indicator: 0%</li> <li>- Violations of UNGC Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. A third-party data provider is used to identify a violation, measured by the severity and number of human and labour rights controversial incidents recorded for a company (denoted by a 'red flag'). This Portfolio did not invest in any companies with such violations. 0%</li> </ul>
	<p>● ...and compared to previous periods?</p>
	<p>No previous periodic reports have been completed.</p>
	<p>● <b>What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?</b></p>
<p>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.</p>	<p>As described in the Portfolio's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Portfolio did not commit to making sustainable investments.</p>
	<p>● <b>How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?</b></p>
	<p>N/A</p>
	<p>--- <b>How were the indicators for adverse impacts on sustainability factors taken into account?</b></p>
	<p>N/A</p>
	<p>--- <b>Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</b></p>

N/A

*The EU Taxonomy sets out a "do no 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.*

#### **How did this financial product consider principal adverse impacts on sustainability factors?**

The Investment Manager in the management of the Portfolio considered principal adverse impacts (PAIs) on sustainability factors for the Portfolio, by assessing and monitoring on a monthly basis the mandatory principal adverse impact indicators ("PAI") referenced in Annex 1 of the delegated regulation (EU) 2022/1288.

Investee companies which were identified as outliers on specific indicators, or which exhibit high adverse impact across several indicators were subject to internal analysis. In instances where investee companies were identified as outliers on specific indicators, internal research and / or further engagement with company management was undertaken. Over the Reference Period, internal research and / or engagement provided sufficient understanding and resolution on issues identified. As a result, the ESG risk profile of companies held was not raised sufficiently to lead to a decision to liquidate the positions.

#### **What were the top investments of this financial product?**

<b>Largest investments</b>	<b>Sector</b>	<b>% Assets</b>	<b>Country</b>
MICROSOFT CORP	Information Technology	4.83	United States
JPMORGAN CHASE & CO	Financials	3.59	United States
MERCK & CO INC	Health Care	3.35	United States
PROCTER & GAMBLE CO/THE	Consumer Staples	3.11	United States
TAIWAN SEMICONDUCTOR MANUFACTU	Information Technology	3.11	Taiwan
JOHNSON & JOHNSON	Health Care	3.11	United States
SANOFI	Health Care	2.64	United States
NESTLE SA	Consumer Staples	2.56	Switzerland
WASTE MANAGEMENT INC	Industrials	2.54	United States

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: **30/09/2023**

PEPSICO INC | Consumer Staples 2.45 United States



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

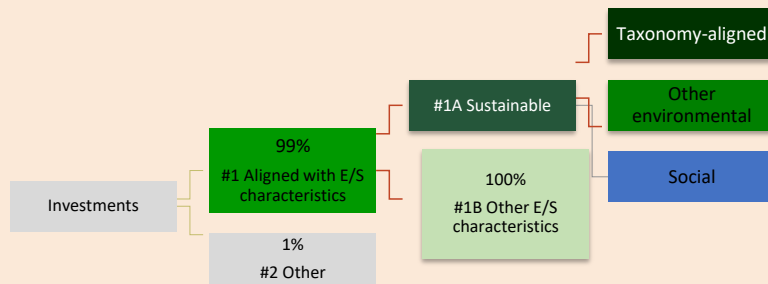
N/A

Commented [MS1]: Do we answer N/A

Commented [AM2R1]: Done

What was the asset allocation?

[Include only relevant boxes, remove irrelevant ones for the financial product]



#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.

#2 Other 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 environmentally and socially sustainable investments.
  - The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Communication Services, Consumer Staples, Consumer Discretionary, Energy\*, Financials, Health Care, Industrials, Information Technology, Materials\*, Utilities.

\*Sectors include 3.3% exposure to industries, Metals & Mining, Oil, Gas & Consumable Fuels as at the reference period.

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive

safety and waste management rules.

**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.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>1</sup>?**

Yes: *[specify below, and details in the graphs of the box]*

In fossil  gas  In nuclear energy

No

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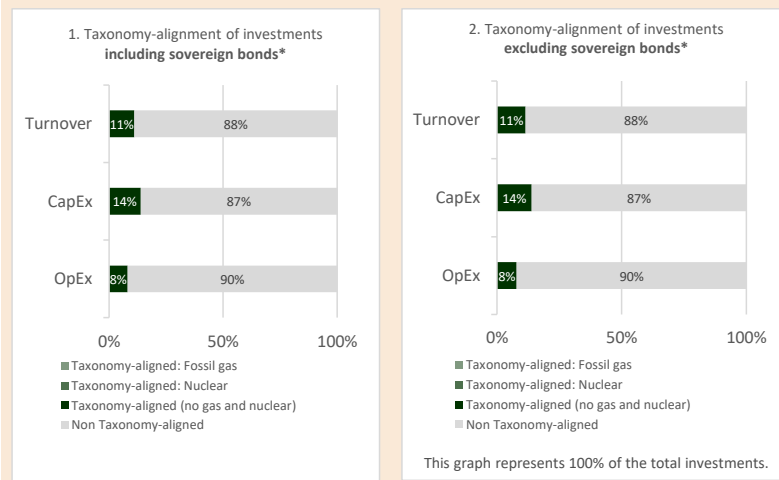
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for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

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

*The graphs below show in green the percentage of investments that were 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.*

*[Include information on Taxonomy aligned fossil gas and nuclear energy and the explanatory text in the left hand margin on the previous page only if the financial product invested in fossil gas and/or nuclear energy Taxonomy-aligned economic activities during the reference period]*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.


● **What was the share of investments made in transitional and enabling activities?**

N/A. As described in the Portfolio's "Template pre-contractual disclosure for financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852" the Fund did not commit to investing in transitional and enabling activities.





● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.

● **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally



sustainable economic activities under Regulation (EU) 2020/852.	
	<i>Not applicable.</i>
	 <b>What was the minimum share of socially sustainable investments?</b>
	<i>Not applicable.</i>
	 <b>What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?</b>
	These investments comprise cash and/or other liquid instruments for ancillary liquidity purposes. Minimum environmental and social safeguards are not applicable due to the nature of the investments.
	<b>What actions have been taken to meet the environmental and/or social characteristics during the reference period?</b>
	<p>For exclusion based environmental and/ or social characteristics, pre trade compliance and oversight was performed on an ongoing basis to prevent any breaches over the period.</p> <p>In addition, severe and moderate controversies relating to human rights, labour rights, environmental and other issues were recorded and prioritised by the investment team for further investigation. In many instances, the investment team specifically engaged with companies to seek clarity on and gain comfort on the issues that arose. This process was subject to a formal monthly review, to track progress and set priorities across investments.</p>
	<b>How did this financial product perform compared to the reference benchmark?</b>
<b>Reference benchmarks</b> are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.	<i>Not applicable</i>
	<input type="radio"/> <b>How does the reference benchmark differ from a broad market index?</b>
	<i>Not applicable</i>
	<input type="radio"/> <b>How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?</b>
	<i>Not applicable</i>

	<b>● How did this financial product perform compared with the reference benchmark?</b>
	<i>Not applicable</i>
	<b>● How did this financial product perform compared with the broad market index?</b>
	<i>Not applicable</i>