

Product name: Fonditalia Cross Asset Style Factor

Legal entity identifier 549300O3IZBRNH3CXX52

### Environmental and/or social characteristics

#### Does this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective**: \_\_%

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.00% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It made **sustainable investments with a social objective**: \_\_%

It promoted E/S characteristics, but **did not make any sustainable investments**

**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.



#### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The financial product promoted environmental and social characteristics without committing to invest a minimum share in sustainable investments.

The main environmental and social characteristics promoted by the Sub-fund through the Management Company's ESG methodology were 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).

Such environmental and social characteristics are pursued through the investment of 65.66% of the portfolio in article 8 or article 9 funds.

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

● ***How did the sustainability indicators perform?***

The indicator used to measure the attainment of the environmental and social characteristics promoted by the financial product is the minimum percentage of the financial product's portfolio invested in funds that satisfy the conditions to be categorized as article 8 (products that promote environmental and social characteristics or a combination of such) or article 9 funds (products that have a sustainable investment objective) according to the SFDR . Such funds have been selected from the investible universe as defined by the qualitative and quantitative analysis of the Management Company. The percentage of the portfolio invested in article 8 or article 9 funds is, as of August 2023, 65.66% in comparison to the minimum threshold of 50%.

● ***...and compared to previous periods?***

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

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 were the indicators for adverse impacts on sustainability factors taken into account?***

Not applicable, the product promotes environmental and social characteristics but no commitment to make investments with a sustainable objective has been made.

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

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

*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 Union 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 Management Company specifically considered 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 bonds and supranationals: GHG intensity and Investee Countries subject to social violations.

The Sub-fund’s Management Company verified the PAI data through a periodic monitoring report, where the values of the indicators are consulted at product level and, where present and possible, at the respective benchmark level 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.



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

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:  
31/08/2023 - 31/08/2023

Largest Investments	Sector	% Assets	Country
ISH GLB INFL-LK GOVT EUR-H D	-	10.77%	Ireland
AILIS-MSCI USA ESG-I EUR	-	9.58%	Luxembourg
ISHARES USD CORP ESG-USD ACC	-	8.65%	Ireland
ISHARES GLOBAL GOV BND-EURHD	-	8.07%	Ireland
ISHARES EURO CORP ESG UCITS	-	6.50%	Ireland
AIL MSCI EUR ESG SC IN-IEUR	-	6.45%	Luxembourg
ISH USD CORP ESG 0-3YR USD D	-	4.42%	Ireland
ISHARES EURO GOVT CLIM EUR A	-	3.04%	Ireland
ISHARES MSCI EM SRI UCITS	-	3.02%	Ireland
ISH USD CORP INT HDG - USD A	-	2.70%	Ireland
ISHARES MSCI JAPAN SRI USD-A	-	2.65%	Ireland
ISHARES DIGITAL SCRTY USD-A	-	2.41%	Ireland
ISHR EDGE MSCI WRLD QLY FCTR	-	2.38%	Ireland
ISHARES MSCI GLB SEMICNDCT A	-	2.37%	Ireland
ISHARES EURO CORP ESG IR-H	-	2.35%	Ireland



## What was the proportion of sustainability-related investments?

### Asset allocation

describes the share of investments in specific assets.

### ● What was the asset allocation?

In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the proportion of the investments in Article 8 and Article 9 funds at 31/08/2023 was 65.66% in comparison to the minimum threshold of at least 50% of the portfolio (box #1 Aligned with E/S characteristics).

The remaining proportion (34.34% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:

- Target Funds that fall within the investable universe and yet are not classified as Art. 8 SFDR nor Art. 9 SFDR;
- cash and cash equivalent instruments which may be held as ancillary liquidity or for risk hedging;
- derivatives which may be held for hedging and efficiency portfolio management but not for promoting environmental and social characteristic;
- securities for which relevant data is not available.



### ● In which economic sectors were the investments made?

Sector	Sub-sector	% Assets
-	-	97.69%

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



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

Investments in environmentally sustainable economic activities aligned with the EU taxonomy represented 0,0% of the portfolio.

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

Yes

In fossil gas

In nuclear energy

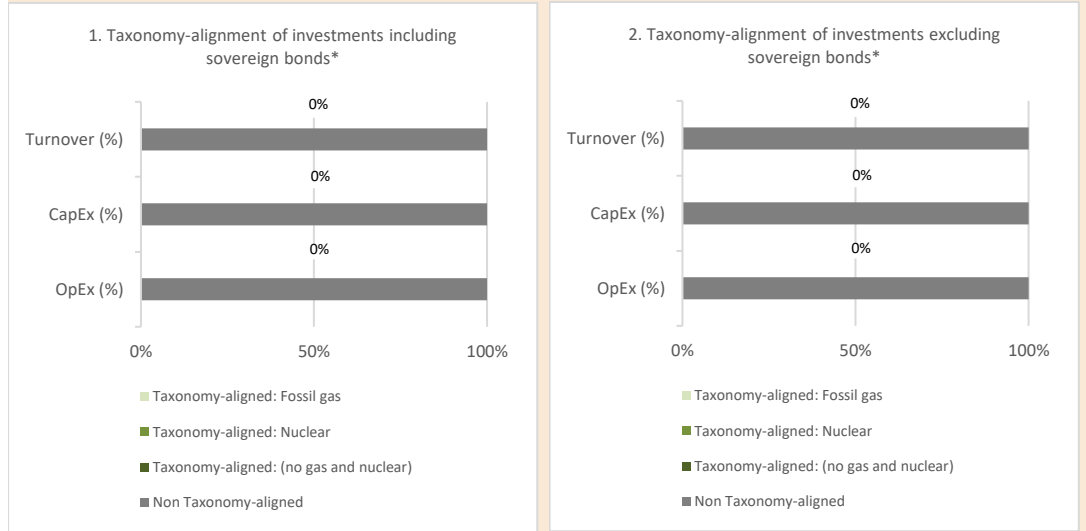
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for 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 operational activities of investee companies.

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.



This graph represents 100.00 % of the total investment.

\*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?**

The share of investments in transitional and enabling activities was 0%.

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

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.

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.



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

Not applicable, the financial product does not have sustainable investment objectives.



● **What was the share of socially sustainable investments?**

Not applicable, the financial product does not have sustainable investment objectives.



## What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Investment included under “2 Other” may be Target Funds that belong to the investable universe selected through the internal ESG Due Diligence analysis and yet are not classified as Art. 8 and Art. 9 SFDR. The remaining portfolio may also hold instruments not subject to the ESG integration process such as cash and cash equivalent instruments and derivatives used for hedging and efficient portfolio management. This category may also include securities for which relevant data is not available. There are no guarantees on the respect of the minimum environmental and social safeguards criteria regarding the investments under the category “#2 Others”.



## What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Actions taken during the reference period to meet environmental and social characteristics followed by the Management Company are the following:

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. 8/9 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).



## How did this financial product perform compared to the reference benchmark?

Not applicable

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

### ● **How does the reference benchmark differ from a broad market index?**

Not applicable

### ● **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?**

Not applicable

### ● **How did this financial product perform compared with the reference benchmark?**

Not applicable

### ● **How did this financial product perform compared with the broad market index?**

Not applicable.