

FONDITA SUSTAINABLE EUROPE INVESTMENT FUND

ANNUAL REPORT

31.12.2023

FONDITA SUSTAINABLE EUROPE INVESTMENT FUND

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Activity Report 2023

Fondita Sustainable Europe Investment Fund began operations on May 19, 2011. It mainly invests in companies that through their activities promote sustainable development. (The funds name and investment focus changed May 19, 2019. The funds earlier name was Fondita European Top Picks Investment Fund)

The development of the fund is described in the following table:

	2023	2022	2021
Market value 31.12.	101 454 352,89	125 121 736,07	148 133 500,61
Unit value 31.12. (return / A)	110,51	124,72	168,44
Unit value 31.12. (growth / B)	203,11	218,38	278,05
Unit value 31.12. (growth / I)	209,85	223,84	282,72
Unit value 31.12. (growth / X)	209,08	222,57	280,56
Unit value 31.12. (growth / SEK R)	83,85	89,95	104,89
Growth unit price change during period	-7,0 %	-21,5 %	7,5 %
Fiscal period profit	-9 307 706,63	-32 128 684,38	9 350 818,67
Management fees paid to Fund Company	2 216 662,14	2 479 598,45	2 751 308,55
A-unit returns	6,25	8,40	8,25
Turnover rate (times/year)	0,27	0,29	0,53
Volatility (%/year)	18,2	27,4	20,1
TER (Total Expense Ratio) A- and B-units	2,00 %	2,00 %	2,00 %
TER (Total Expense Ratio) I-units	1,20 %	1,20 %	1,20 %
TER (Total Expense Ratio) X-units	1,00 %	1,00 %	0,01
TER (Total Expense Ratio) SEK R-units	1,50 %	1,50 %	0,02
Number of unitholders at end of period	475	485	458

During the year the fund has not participated in any shareholders' general meetings. Thereby the right to vote has not been used.

SFDR classification of the fund: Article 9

The Board of Directors suggested that the A-units return will be 5,50 € / share.

The return is paid on February 13, 2024.

The Fund Company has during 2022 paid 2 040 173,46 euros in remuneration to the employees whereof 0,00 euros in variable remuneration.

executive management (CEO, deputy CEO and chairman of the board)

741 585,70 euro, no variable part

risk requiring actions (portfolio managers)

924 633,18 euro, no variable part

those who manage the internal supervisory functions (all members of the Risk Control Function, Compliance Function and Internal Control Function)

651 891,67 euro, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2023-31.12.2023

(euros)

REVENUE	1.1.-31.12.2023	1.1.-31.12.2022
Net profit from securities	-8 849 372,52	-31 384 879,51
Dividends	1 698 523,57	1 755 432,68
Interest	59 804,46	0,00
Total revenue	<u>-7 091 044,49</u>	<u>-29 629 446,83</u>
COSTS		
Commissions to the Fund Company	2 216 662,14	2 479 598,45
Interest fees	0,00	19 639,10
Total Costs	<u>2 216 662,14</u>	<u>2 499 237,55</u>
FISCAL PERIOD PROFIT	<u>-9 307 706,63</u>	<u>-32 128 684,38</u>

BALANCE SHEET 31.12.2023

(euros)

ASSETS	31.12.2023	31.12.2022
Current assets		
Current assets		
Market value of securities	100 097 424,35	122 904 562,80
Cash and bank deposits	1 472 053,68	2 372 916,35
Receivables		
Dividends	48 284,32	48 256,37
Accruals	5 071,75	0,00
	<u>53 356,07</u>	<u>48 256,37</u>
TOTAL ASSETS	<u>101 622 834,10</u>	<u>125 325 735,52</u>
LIABILITIES AND SHAREHOLDER EQUITY		
	31.12.2023	31.12.2022
Fund value		
Fund value	101 454 352,89	125 121 736,07
Liabilities		
Current liabilities		
Accruals	168 481,21	203 999,45
	<u>168 481,21</u>	<u>203 999,45</u>
TOTAL LIABILITIES AND EQUITY	<u>101 622 834,10</u>	<u>125 325 735,52</u>

Fondita Sustainable Europe Investment Fund

Portfolio content 31.12.2023

Denmark	GICS	Shares	Price (euro)	Market value	12,03 %
Vestas Wind Systems	Industrials	170 000	28,75	4 888 164,34	4,82 %
Chr Hansen Holding	Materials	50 000	75,97	3 798 521,38	3,74 %
Ørsted	Utilities	70 000	50,22	3 515 544,28	3,47 %
Sweden	GICS	Shares	Price (euro)	Market value	19,30 %
Hexagon	IT	458 000	10,90	4 992 348,59	4,92 %
OX2	Industrials	700 000	4,94	3 460 255,95	3,41 %
Beijer Ref	Industrials	280 000	12,16	3 404 109,59	3,36 %
Nibe	Industrials	501 749	6,38	3 201 498,67	3,16 %
Biokraft International	Energy	1 111 225	1,83	2 037 980,24	2,01 %
Eolus Vind	Industrials	250 000	7,99	1 998 467,92	1,97 %
Powercell Sweden	Energy	116 336	4,17	485 117,76	0,48 %
Finland	GICS	Shares	Price (euro)	Market value	4,32 %
Vaisala	IT	110 349	39,70	4 380 855,30	4,32 %
Germany	GICS	Shares	Price (euro)	Market value	13,37 %
Befesa	Industrials	113 571	35,20	3 997 699,20	3,94 %
Verbio	Energy	123 483	29,88	3 689 672,04	3,64 %
Infineon	IT	85 000	37,80	3 213 000,00	3,17 %
2G Energy	Industrials	117 256	22,70	2 661 711,20	2,62 %
Norway	GICS	Shares	Price (euro)	Market value	8,99 %
Borregaard	Materials	250 000	15,25	3 812 108,00	3,76 %
Scatec	Utilities	390 738	7,31	2 855 667,16	2,81 %
Tomra Systems	Industrials	223 000	10,98	2 449 121,48	2,41 %
Belgium	GICS	Shares	Price (euro)	Market value	7,53 %
Recticel	Materials	251 897	10,60	2 670 108,20	2,63 %
Umicore	Materials	100 000	24,90	2 490 000,00	2,45 %
Ekopak	Energy	129 300	19,15	2 476 095,00	2,44 %
Great Britain	GICS	Shares	Price (euro)	Market value	4,69 %
Johnson Matthey	Materials	189 494	19,53	3 701 352,80	3,65 %
Ceres Power	Energy	500 931	2,10	1 053 681,45	1,04 %
France	GICS	Shares	Price (euro)	Market value	4,17 %
Schneider Electric	Industrials	23 300	181,78	4 235 474,00	4,17 %
Netherlands	GICS	Shares	Price (euro)	Market value	14,22 %
Alfen	Industrials	95 187	60,28	5 737 872,36	5,66 %
Corbion	Materials	136 094	19,38	2 637 501,72	2,60 %
Signify	Consumer Staples	85 000	30,32	2 577 200,00	2,54 %

SIF Holding	Industrials	223 513	10,44	2 333 475,72	2,30 %
NX Filtration	Industrials	170 000	6,70	1 139 000,00	1,12 %
Italy	GICS	Shares	Price (euro)	Market value	4,26 %
Prismian SPA	Industrials	105 000	41,17	4 322 850,00	4,26 %
Spain	GICS	Shares	Price (euro)	Market value	2,20 %
Solaria Energia	Utilities	120 000	18,61	2 233 200,00	2,20 %
Austria	GICS	Shares	Price (euro)	Market value	3,60 %
Verbund	Utilities	43 400	84,05	3 647 770,00	3,60 %
Portfolio value				100 097 424,35	
Cash and other asset, net				1 356 928,54	1,34 %
Fund value				101 454 352,89	

Number of outstanding units

Return units (A)	394 532,5489	
Growth units (B)	262 725,5366	
Growth units (I)	11 647,1276	
Growth units (X)	816,0371	
Growth units (SEK R)	248 582,8572	918 304,1074

Unit value

Return unit value (A)	110,5076
Growth unit value (B)	203,1097
Growth unit value (I)	209,8546
Growth unit value (X)	209,0837
Growth unit value (SEK R)	83,8547

Fondita Sustainable Europe Investment Fund

Securities' change in the portfolio 1.1.-31.12.2023

(%-points)

Denmark	-11,3	Belgium	-0,1
Chr Hansen Holding	1,1 *	Ekopak	0,7 *
Örsted	-2,3 *	Umicore	-0,3 *
Novozymes B	-3,1	Recticel	-0,5 *
Vestas Wind Systems	-3,4 *		
Rockwool Int B	-3,5	Great Britain	-1,7
		Ceres Power	0,1 *
Sweden	4,4	Johnson Matthey	0,0 *
Beijer	3,4 *	Ilika	-0,1
Biokraft International	2,0 *	Pod Point	-0,5
Hexagon	1,6 *	Genuit	-1,1
Eolus Vind	0,5 *		
NIBE	-0,3 *	France	-1,9
Powercell Sweden	-0,4 *	Schneider Electric	0,1 *
OX2	-0,4 *	Alstom	-2,0
Scandinavian Biogas Fuels	-2,0 *		
		Netherlands	8,5
Finland	-6,8	Alfen	5,7 *
Vaisala	0,8 *	NX Filtration	1,1 *
UPM-Kymmene	-3,4	Signify	0,8 *
Kempower	-4,3	SIF Holding	0,5 *
		Corbion	0,4 *
Germany	4,1	Italy	0,9
Verbio	3,6 *	Prysmian	0,9 *
Infineon	0,9 *		
Befesa	0,6 *	Spain	0,6
2G Energy	0,4 *	Solaria Energia	0,6 *
Evonik	-1,4		
		Austria	3,6
Norway	0,2	Verbund	3,6 *
Borregaard	0,9 *		
Scatec Solar	0,5 *	Cash	-0,4
Quantafuel	-0,2		
Tomra Systems	-0,4 *		
Zaptec	-0,6		

* = Current holding at 31.12.2023

FONDITA SUSTAINABLE EUROPE INVESTMENT FUND

INCOME STATEMENT APPENDIX 31.12.2023

(euros)	31.12.2023	31.12.2022
Net profit of securities		
Sales profit of securities	9 137 473,27	6 712 554,22
Sales losses of securities	(-) 15 133 206,77	(-) 6 731 985,94
Unrealized gains	19 573 823,41	6 652 291,95
Unrealized losses	(-) 22 427 462,43	(-) 38 017 739,74
Total	<u>-8 849 372,52</u>	<u>-31 384 879,51</u>
Transaction costs	129 641,40	146 149,26

BALANCE SHEET APPENDIX 31.12.2023

Fund value		
Fund value 1.1.	125 121 736,07	148 133 500,61
Unit subscriptions	11 542 709,28	22 359 941,59
Unit redemptions	(-) 23 179 412,55	(-) 10 083 881,04
Distribution of returns	(-) 2 722 973,28	(-) 3 159 140,71
Fiscal year profits	-9 307 706,63	-32 128 684,38
Fund value 31.12.	<u>101 454 352,89</u>	<u>125 121 736,07</u>

Helsinki 28 / 2 2024

CEO



Markus Larsson

This is an unofficial translation of the original in Swedish.



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Ernst & Young Oy
Korkeavuorenkatu 32-34
FI-00130 Helsinki
FINLAND

Tel: +358 207 280 190
www.ey.com/fi
Business ID: 2204039-6,
domicile Helsinki

AUDITOR'S REPORT (Translation of the Swedish original)

To Fondita Fund Management Company Ltd and to the unit holders of special mutual funds managed Fondita Fund Management Company Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fondita Fund Management Company Ltd (business identity code 0899688-5) and the mutual funds managed by Fondita Fund Management Company Ltd for the financial year ending 31.12.2023. The financial statements comprise the balance sheet, income statement, cash flow statement for the mutual fund company and notes.

In our opinion

- the financial statements of Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual fund company in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.
- the financial statements of the mutual funds managed by Fondita Fund Management Company Ltd give a true and fair view of the financial performance and financial position of the mutual funds in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements

The mutual funds managed by Fondita Fund Management Company Ltd are Fondita Nordic Small Cap Placeringsfond, Fondita Global Megatrends Placeringsfond, Fondita Nordic Micro Cap Placeringsfond, Fondita European Small Cap Placeringsfond, Fondita Sustainable Europe Placeringsfond, Fondita Healthcare Placeringsfond, Fondita Finland Micro Cap Placeringsfond and Fondita European Micro Cap Placeringsfond.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company/mutual fund in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the company's/mutual fund's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the company/mutual fund or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance on whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's/mutual fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's/mutual fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company/mutual fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other reporting requirements

Other information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed, we conclude that there is a material misstatement of the report of the Board of Directors, we are required to report that fact. We have nothing to report in this regard.

Helsinki 1.2.2024

Anders Svennas
Authorized Public Accountant

Matias Jäntti
Authorized Public Accountant



Brussels, 6.4.2022
C(2022) 1931 final

ANNEX 5

ANNEX

to the

Commission Delegated Regulation (EU) .../....

supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of ‘do no significant harm’, specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites and in periodic reports

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Fondita Sustainable Europe

Legal entity identifier: 743700MVNRFJ15WVIB93

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainable investment objective

Did this financial product have a sustainable investment objective?

Yes

It made **sustainable investments with an environmental objective**: 95 %

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

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

No

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

with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**



To what extent was the sustainable investment objective of this financial product met?

The Fund achieved its sustainable investment objective by solely investing in companies with climate and environmentally smart products or services. These products or services enable us to reduce our CO2 emissions and/or to use our natural resources more

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

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.

efficiently. In addition, the companies we invest in follow the principles of good corporate governance and act in a socially responsible manner according to international norms.

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

We identify companies that have a significant part of the revenue originating from a product or service that enables CO2 reduction or a more efficient use of natural resources. The fund has a minimum requirement 50% Taxonomy aligned revenues. The result at the end of Q4 2023 was 53% (85% coverage in MSCI) complimented with our manual ESG assessment which is based on public available reporting or other third party databases.

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

The taxonomy alignment of the fund was 54,4% for the year 2022, in other words, the taxonomy alignment of the fund has remained stable.

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The funds thematic and geographical focus and systematic investment process results in a portfolio of companies that do not cause any significant harm to environmental or social sustainable investment objective.

- 1) We exclude certain non-sustainable/controversial sectors.
- 2) We exclude companies breaching international norms and conventions (UN Global Compact and OECD Guidelines for Multinational Enterprises)
- 3) We assess all companies PAI (Principle Adverse Impacts) indicators
- 4) We run a monthly screen of the portfolios holdings against the MSCI EU Taxonomy DNSH (Do No Significant Harm) indicators and international norm violations.

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

The portfolio manager takes into account the adverse impacts on sustainability factors before making an investment decision and monitors them during the lifetime of the investment. The fund considers all 14 mandatory and two voluntary adverse sustainability impact factors. Fondita uses data from several sources to make the assessment, if available MSCI data is used as the main source. If data is not attainable from MSCI we search company disclosures and use third party providers for estimates. We expect more reliable data will be used when CSRD reporting standards come into force.

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

The holdings are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We base this assessment

on the fact that we exclude companies that have breached any of the UN Global Compact Principles and OECD Guidelines for Multinational Enterprises. We also strengthen this assessment on our thematic and geographical focus, sector exclusion policy and the criteria in the funds investment process. Furthermore, we also conduct a monthly screen in MSCI for compliance to ILO (International Labour Organizations) broader standards.



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

This fund considers principal adverse impact on sustainability factors in the investment process. Before investment decisions are made, we look at the principal adverse impacts of the company. In order to assess the potential principle adverse sustainability impacts on an investment, we pay close attention to the sector in which the holding belongs, the geographical location of production, and what the company produces. Certain sectors and geographical areas are associated with a higher risk of ESG related incidents. We also consider a number of qualitative and quantitative indicators of the company's management and their prioritization of ESG.

The following mandatory PAI indicators are considered and tracked.

1. GHG Emissions (Scope 1, Scope 2, Scope 3 and Total GHG Emissions)
2. Carbon Footprint
3. GHG intensity of investee company
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector (NACE A-L)
7. Activities negatively affecting biodiversity-sensitive areas.
8. Emissions to water
9. Hazardous waste ratio
10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender paygap
13. Board gender diversity

Asset allocation
describes the share
of investments in
specific assets.



- 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The following voluntary PAI indicators are considered and tracked.

- 15. Investments in companies without carbon emissions reduction initiatives.
- 16. Number of identified cases of severe human rights issues and incidents

The PAI-reports are published in the Fondita Fund Management Company’s annual report and on Fondita’s webpage.

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.



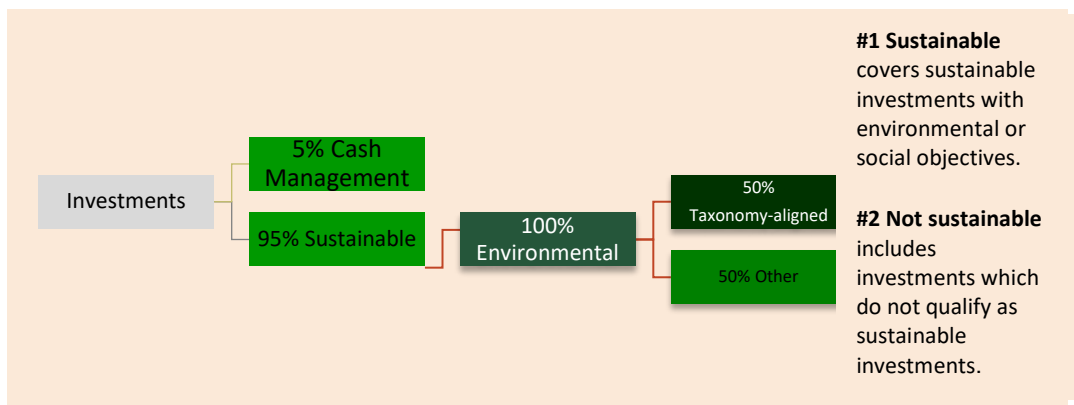
What were the top investments of this financial product?

Alfen	Industrials	5,66%	Netherlands
Hexagon	IT	4,92%	Sweden
Vestas Wind Systems	Industrials	4,82%	Denmark
Vaisala	IT	4,32%	Finland
Prismian	Industrials	4,26%	Italy
Schneider Electric	Industrials	4,17%	Sweden
Befesa	Industrials	3,94%	Luxembourg
Borregaard	Materials	3,76%	Norway
Chr Hansen	Materials	3,74%	Denmark
Johnson Matthey	Materials	3,65%	UK

What was the proportion of sustainability-related investments?

95%

● What was the asset allocation?



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31.12.2023

All investments in the Fund have an environmental objective. The fund has 50% Taxonomy aligned revenues as the minimum requirement.

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

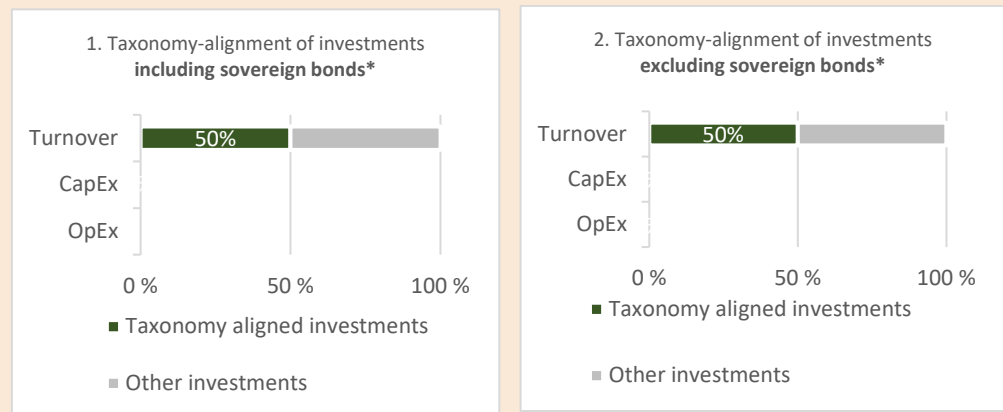
Industrial goods and services, materials, power solutions, information technology and energy.



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

The minimum requirement is 50% Taxonomy aligned revenues. Noteworthy is the dependency to screen this requirement towards the MSCI data point (estimated EU Taxonomy Alignment – Maximum percentage of Revenue) which in some instances might lack data, which is on a best effort basis complimented with our internal ESG assessment.

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.*



**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?

We do not have a set minimum regarding the share of investments in transitional and enabling activities. However, around 50% of the investments were made in transitional and enabling activities.

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

During both periods (2022 and 2023) the Taxonomy alignment has been over 50%.

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.



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

The current share of the sustainable investments with an environmental objective that were not aligned with the EU Taxonomy was 45,6% for 2023. However, the fund does not have a set goal for this target.



What was the share of socially sustainable investments?

The fund invests in companies with an environmental sustainability goal, which is the focus of the fund. However, we do have minimum requirements regarding social parameters (see as an example monthly screening) and we track socially related PAI indicators.



What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The fund does not have investments that we categorise as "not sustainable".



What actions have been taken to attain the sustainable investment objective during the reference period?

We have not participated in any general meetings in 2023. Our impact on companies is through dialogue with management and investor relations if our screening process finds something noteworthy. Particularly in the case of smaller companies, we find that, as a result of our dialogue and requirements, some have improved their transparency on sustainability.

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

The fund does not have an official reference sustainable benchmark index.

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

The fund does not have an official benchmark index. The fund does have an unofficial reference index which is the MSCI Europe Climate Paris Aligned index. The index is designed to support investors seeking to reduce their exposure to transition and physical climate risks and who wish to pursue opportunities arising from the transition to a lower-carbon economy while aligning with the Paris Agreement requirements. The index incorporates the TCFD recommendations and are designed to exceed the minimum standards of the EU Paris-Aligned Benchmark.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.



- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

The fund has a significantly higher exposure to climate- and environmentally smart solutions compared with the reference benchmark. The reference benchmark is a wide index with exposure to various sectors and businesses whereas the fund is purely focused on companies with climate and environmentally smart products & services.

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

The fund underperformed in 2023 the reference index (MSCI Europe Climate Paris Aligned) by 24,52 % (in EUR). The reason primarily being the funds large exposure to renewables energy companies.

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

The fund underperformed in 2023 the MSCI Europe Index by 22,82 % (in EUR)



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