

FONDITA GLOBAL SMALL CAP INVESTMENT FUND

ANNUAL REPORT

31.12.2024

FONDITA GLOBAL SMALL CAP INVESTMENT FUND

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Activity Report 2024

The Fondita Global Small Cap Investment Fund began operations on May 19, 2009. It mainly invests in shares of publicly traded small and mid cap companies.
(The funds name and investment focus changed August 16, 2024. The funds earlier name was Fondita European Small Cap Investment Fund.)

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

	2024	2023	2022
Market value 31.12.	32 490 679,43	52 825 648,71	51 387 839,72
Unit value 31.12. (return / A)	169,41	178,18	180,74
Unit value 31.12. (growth / B)	326,12	361,94	350,33
Growth unit price change during period	0,1 %	3,3 %	-31,7 %
Fiscal period profit	503 077,24	1 189 048,06	-26 641 973,58
Management fees paid to Fund Company	908 529,92	1 043 766,39	1 251 943,61
A-unit returns	8,90	9,05	14,05
Turnover rate (times/year)	0,59	0,38	0,23
Volatility (%/year)	14,9	16,4	27,2
TER (Total Expense Ratio)	2,00 %	2,00 %	2,00 %
Number of unitholders at end of period	323	339	346

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 8

The Board of Directors suggested that the A-units return will be 5,10 € / share.

The return is paid on February 13, 2025.

The Fund Company has during 2024 paid 1 645 343,09 euros in remuneration to the employees whereof 0,00 eu in variable remuneration.

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

522 546,07 euros, no variable part

risk requiring actions (portfolio managers)

855 413,58 euros, no variable part

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

592 820,15 euros, no variable part

Note that some people may belong to several groups

INCOME STATEMENT 1.1.2024-31.12.2024

(euros)

REVENUE	1.1.-31.12.2024	1.1.-31.12.2023
Net profit from securities	523 934,18	1 254 442,96
Dividends	846 727,87	956 373,12
Interest	40 945,11	21 998,37
Intäkter totalt	<u>1 411 607,16</u>	<u>2 232 814,45</u>
COSTS		
Commissions		
to the Fund Company	<u>908 529,92</u>	<u>1 043 766,39</u>
Total Costs	<u>908 529,92</u>	<u>1 043 766,39</u>
FISCAL PERIOD PROFIT	<u>503 077,24</u>	<u>1 189 048,06</u>

BALANCE SHEET 31.12.2024

(euros)

ASSETS	31.12.2024	31.12.2023
Current assets		
Current assets		
Market value of securities	32 306 937,30	52 243 642,79
Receivables		
Dividends	6 384,39	8 414,04
	<u>6 384,39</u>	<u>8 414,04</u>
Cash and bank deposits	391 221,29	654 200,62
TOTAL ASSETS	<u>32 704 542,98</u>	<u>52 906 257,45</u>
LIABILITIES AND SHAREHOLDER EQUITY	31.12.2024	31.12.2023
Fund value		
Fund value	32 490 679,43	52 825 648,71
Liabilities		
Current liabilities		
Accruals	213 863,55	80 608,74
	<u>213 863,55</u>	<u>80 608,74</u>
TOTAL LIABILITIES AND EQUITY	<u>32 704 542,98</u>	<u>52 906 257,45</u>

Fondita Global Small Cap Investment Fund

Portfolio content 31.12.2024

USA	GICS	Shares	Price (euro)	Market value	64,13 %
Stride	Consumer Discretionary	14500	100,04	1 450 558,28	4,46 %
Pegasystems	IT	15000	89,71	1 345 654,06	4,14 %
Bright Horizon	Consumer Discretionary	12500	106,70	1 333 742,42	4,11 %
Comfort System	IT	3100	408,18	1 265 363,37	3,89 %
Grand Canyon Education	Consumer Discretionary	8000	157,67	1 261 334,10	3,88 %
Enerpac Tool	IT	31000	39,55	1 226 094,91	3,77 %
Nvent	IT	18500	65,61	1 213 745,31	3,74 %
CBIZ Inc	IT	15300	78,77	1 205 119,84	3,71 %
ICF International	IT	10500	114,75	1 204 836,85	3,71 %
Core & Main	IT	24000	49,00	1 176 090,10	3,62 %
Badger Meter	IT	5600	204,18	1 143 393,97	3,52 %
Clean Harbours	IT	5100	221,52	1 129 766,10	3,48 %
Collegium Pharmaceutica	Health care	38500	27,58	1 061 723,94	3,27 %
ESAB	IT	8700	115,45	1 004 406,58	3,09 %
Colliers International Gro	Health care	7600	130,88	994 678,99	3,06 %
Modine Manufacturing	IT	8800	111,59	981 984,79	3,02 %
Sterling Infrastructure	IT	5800	162,14	940 427,38	2,89 %
Clear Secure	IT	35000	25,64	897 487,73	2,76 %
Switzerland	GICS	Shares	Price (euro)	Market value	7,65 %
Siegfried	Health care	1 000	1047,60	1 047 598,81	3,22 %
Kardex	Industrials	2 509	287,40	721 084,25	2,22 %
Inficon Holding	IT	650	1100,72	715 469,61	2,20 %
Norway	GICS	Shares	Price (euro)	Market value	4,44 %
Crayon Group	IT	75 000	10,58	793 556,59	2,44 %
Borregaard	Materials	42 000	15,46	649 495,55	2,00 %
Sweden	GICS	Shares	Price (euro)	Market value	4,33 %
Bufab	Industrials	19 538	38,33	748 851,52	2,30 %
AFRY	Industrials	49 111	13,41	658 727,70	2,03 %
Spain	GICS	Shares	Price (euro)	Market value	3,39 %
Laboratorios Farma Rovi	Health care	17 500	62,95	1 101 625,00	3,39 %
Austria	GICS	Shares	Price (euro)	Market value	2,66 %
Do & Co	Industrials	4 800	180,00	864 000,00	2,66 %
Germany	GICS	Shares	Price (euro)	Market value	2,45 %
Jungheinrich	Industrials	31 000	25,66	795 460,00 €	2,45 %
Italy	GICS	Shares	Price (euro)	Market value	2,35 %
Reply	IT	4 982	153,40	764 238,80 €	2,35 %
Great Britain	GICS	Shares	Price (euro)	Market value	2,08 %
Discoverie Group	Industrials	78 220	8,62	674 489,25	2,08 %
Belgium	GICS	Shares	Price (euro)	Market value	2,06 %
Montea	Real Estate	10 555	63,30	668 131,50	2,06 %
Finland	GICS	Shares	Price (euro)	Market value	1,98 %
Konecranes	Industrials	10 500	61,20	642 600,00	1,98 %
France	GICS	Shares	Price (euro)	Market value	1,92 %
Nexans	Industrials	6 000	104,20	625 200,00	1,92 %
Portfolio value				32 306 937,30	
Cash and other asset, net				183 742,13	0,57 %
Fund value				32 490 679,43	
Number of outstanding units					
Return units (A)			90 298,8468		
Growth units (B)			47 479,7170	137 778,5638	
Unit value					
Return unit value (A)				169,4081	
Growth unit value (B)				362,1194	

Fondita Global Small Cap Investment Fund

Securities' change in the portfolio 1.1. - 31.12.2024

(%-points)

USA	64,1	Norway	-2,0
Stride	4,5 *	Crayon Group	-0,3 *
Pegasystems	4,1 *	Borregaard	-1,6 *
Bright Horizon	4,1 *		
Comfort System	3,9 *	Spain	0,0
Grand Canyon Education	3,9 *	Laboratorios Farma Rovi	0,0 *
Enerpac Tool	3,8 *		
Nvent Electric	3,7 *	Austria	2,7
CBIZ Inc	3,7 *	Do & Co	2,7 *
ICF International	3,7 *		
Core & Main	3,6 *	Italy	-5,1
Badger Meter	3,5 *	Reply	-0,4 *
Clean Harbours	3,5 *	Piaggio	-2,4
Collegium Pharmaceutical	3,3 *	Interpump Group	-2,4
ESAB	3,1 *		
Colliers International Group	3,1 *	Great Britain	-3,4
Modine Manufacturing	3,0 *	Discoverie Group	-1,2 *
Sterling Infrastructure	2,9 *	CVS Group	-2,2
Clear Secure	2,8 *		
Napco		Belgium	-1,6
		Montea	0,5 *
Switzerland	-5,4	Recticel	-2,1
Siegfried Holding	-0,7 *		
Inficon Holding	-0,9 *	Finland	-3,4
Kardex	-0,9 *	Konecranes	-0,4 *
Zehnder Group	-2,8	Mandatum	-3,0
Sweden	-15,9	France	-0,6
Afry	-1,2 *	Nexans	1,9 *
Hexatronic	-1,6	Vetoquinol	-2,5
Lagercrantz	-1,8	Vusiongroup	
Bufab	-2,2 *		
Synsam	-2,5	Denmark	-2,4
Dometic	-3,3	Embla Medical (Össur)	-2,4
NCAB	-3,3		
		Netherlands	-3,8
Germany	-22,8	IMCD	-1,5
Jungheinrich	0,4 *	Alfen	-2,3
Secunet	-1,2		
TAG Immobilien	-1,5	Cash	-0,5
Verbio	-1,5		
Befesa	-2,3		
All For One Group	-3,0		
Adesso	-3,0		
Kontron	-3,4		
Jenoptik	-3,5		
Dermapharm Holding	-3,8		

* = Current holding at 31.12.2024

FONDITA GLOBAL SMALL CAP INVESTMENT FUND

INCOME STATEMENT APPENDIX 31.12.2024

(euro)

	31.12.2024	31.12.2023
Net profit of securities		
Sales profit of securities	7 275 153,42	3 519 243,73
Sales losses of securities	(-) 10 654 120,15	(-) 4 141 907,88
Unrealized gains	10 519 977,20	8 429 900,12
Unrealized losses	(-) 6 617 076,29	(-) 6 552 793,01
Total	<u>523 934,18</u>	<u>1 254 442,96</u>
Transaction costs	113 013,97	69 100,85

BALANCE SHEET APPENDIX 31.12.2024

Fund value		
Fund value 1.1.	52 825 648,71	51 387 839,72
Unit subscriptions	2 171 640,32	5 617 297,53
Unit redemptions	(-) 22 187 503,42	(-) 4 686 938,40
Distribution of returns	(-) 822 183,42	(-) 681 598,20
Fiscal year profits	<u>503 077,24</u>	<u>1 189 048,06</u>
Fund value 31.12.	<u>32 490 679,43</u>	<u>52 825 648,71</u>

Helsinki 12/2 2025

CEO

A handwritten signature in red ink, consisting of a series of loops and a long, sweeping tail that extends to the right.

Patrik Wickström

This is an unofficial translation of the original in Swedish.



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working world

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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 31.12.2024. 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 (former Fondita 2000+ Placeringsfond), Fondita Nordic Micro Cap Placeringsfond, Fondita Global Small Cap Placeringsfond (former Fondita European Small Cap Placeringsfond), Fondita Sustainable World Placeringsfond (former Fondita Sustainable Europe Placeringsfond), Fondita Healthcare Placeringsfond, Fondita Finland Micro Cap Placeringsfond (former Fondita Equity Spice 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.

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 5.2.2025

Anders Svennas
Authorized Public Accountant

Matias Jäntti
Authorized Public Accountant

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

Product name: Fondita Global Small Cap Legal entity identifier: 743700250XW1G45XK174

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments 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

It made **sustainable investments with a social 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 94,28% 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**

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.

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



The environmental and social characteristics of the financial product was fully met according to previously presented sustainability parameters set for the financial product and the sustainability indicators presented below.

The financial product has as its primary environmental objective to promote climate change mitigation and as a social objective to promote equality, including safeguarding fundamental human rights.



For Fondita, sustainable investments in an Article 8 financial product are investments that contribute to sustainable development in environmental, social, and economic terms. Several aspects are considered. Fondita has defined the main criteria for promoting a sustainable investment as follows: a) an environmentally sustainable investment means the company has set an emissions reduction initiative in its strategy and/or has a plan for CO2 neutrality; b) a socially sustainable investment means the company has implemented a diversity and/or equality policy.

The goal of having an emissions reduction initiative is important to Fondita since we have signed the Net Zero Asset Manager Initiative at the company level with the interim target to reduce absolute emissions by 60% by 2030. We are well on track to reach the goals, which are reported in our financial products' quarterly report and in our Annual Review of Responsible Investments. The next step is to set financial product-level net zero targets together with the initiative, by 2030 at the latest, on how we intend to take the next step to reach net zero by 2050 at the latest.

The goal of having a diversity and/or equality plan is important to Fondita since we want to hold companies accountable to ensure these values are implemented throughout the company, as we are signatories of the UN Global Compact, for example. Fondita considers safeguarding fundamental human rights a minimum requirement in all of the financial products as we conduct extensive international norms screening.

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

The sustainability indicators performed well over the year, and the expected minimum thresholds were met with improvements in both carbon reduction targets and equality-related policies compared to the previous reference year.

In 2024, the set environmental sustainability indicator, that at least 75% of the holdings classified to promote sustainable investments (50% of total investments) have a carbon reduction target, was met. By the end of the year, the financial product could report

- a) 88,57% of the total holdings had a CO2 reduction target

In 2024 the social sustainability indicator, that at least 25% of the holdings classified to promote sustainable investments (50% of total investments) have an equality and/or diversity policy in place, was met. By the end of the year, the financial product could report that

- b) 94,28% of the holdings had an equality/diversity policy

All companies also followed good governance practices. Furthermore, the financial product did not hold any companies against our exclusion policy.

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

Fondita primarily uses data from MSCI ESG Research, which is complimented by manual ESG assessments on a best-effort basis, dependent on publicly disclosed information by the holdings. The coverage of the financial product in MSCI was 100%. The manual assessment focuses on covering the relevant sustainability indicators of the holdings in the financial product as well as a general ESG assessment of the company. The process is thoroughly documented.

The MSCI ESG rating for the financial product at the end of 2024 was A (good).

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

The financial product's sustainability indicators have improved over the previous year.

In 2023, 46,3% of the holdings had a carbon reduction target. The same year, 50% of the holdings had an equality and diversity policy in place.

The MSCI ESG rating of the financial product at the end of 2024 was A (good), compared to AA (very good) at the end of 2023.

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

The financial products main environmental objective is to promote climate change mitigation. The financial product's environmental objective is aligned with UN SDG 64% 13 Climate Action, SDG3 Health and Wellbeing and 63% SDG 7 Affordable and Clean Energy.

The financial product's social objectives include improving equality and safeguarding fundamental human rights. By screening for international norms and for equality and diversity policies, the financial product's social objectives are mainly in line with 64% SDG 5 Gender Equality and 51% SDG 8 Decent work and economic growth.

The alignment data is specifically disclosed in our quarterly ESG reports available on the homepage.

Additionally, the financial product contributes to these objectives through Fondita's company-level engagement policy, where Fondita reaches out to the holdings in each financial product that do not yet have the sustainability indicators implemented. This is to discuss why investors and Fondita consider these sustainability indicators important. The results are reported in our annual Review of Responsible Investments and partly presented later in this document. The engagement policy is not part of the financial product's investment strategy.

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

The financial product's systematic investment process results in a portfolio of companies that do not cause any significant harm to environmental or social sustainable investment objectives.

- 1) We exclude certain non-sustainable/controversial sectors according to the Fondita exclusion list
- 2) We exclude companies breaching international norms and conventions (UN Global Compact and OECD Guidelines for Multinational Enterprises)
- 3) We run a monthly screen of the portfolio's holdings against the MSCI EU Taxonomy DNSH (Do No Significant Harm).
- 4) We assess all companies' PAI (Principle Adverse Impacts) indicators for anomalies that have the potential to increase the risk of the investment decision

The financial product did not hold any companies during the reference period that breached the above-mentioned criteria which is under the coverage of MSCI.

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

The Portfolio Manager and Head of ESG consider the adverse impacts on sustainability factors before making an investment decision and monitor them during the lifetime of the investment. The financial product 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 for company disclosures. In case anomalies are identified in the principal adverse impacts data, the relevant are thoroughly investigated and highlighted in the ESG assessment of the company, which impacts the investment decision.

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

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.

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. The coverage of the financial product in MSCI was 100% where the screening is performed.



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

The financial product takes into account the potential negative impact of the investment decision on sustainability factors. Before making an investment, we evaluate the sustainability risks associated with the company. To assess the potential negative sustainability impacts of an investment, we pay close attention to the sector to which the holding belongs, where production takes place geographically, and what the company produces. Certain sectors and geographies are simply associated with a higher risk of sustainability-related incidents. We also take into account a number of qualitative and quantitative indicators relating to the company's management and their ESG priorities.

The following mandatory PAI indicators are considered and tracked. The results were included in the Fondita yearly PAI report for 2023, published in the summer of 2024. This data is specific to the financial product Global Small Cap (at that point of time European Small Cap) as of April 5, 2024, and was procured by MSCI. The reports are available per financial product on our homepage <https://fondita.fi/en/reports-and-documents/> where definitions and units are thoroughly explained in the reports.

1. GHG Emissions

Scope 1: 1012.71 (coverage 89,01%)

Scope 2: 471.50 (coverage 89,01%)

Scope 3: 14505.00 (coverage 89,01%)

Total GHG emissions: 15989.21 (coverage 89,01%)

2. Carbon Footprint 307.48 (coverage 89,01%)

3. GHG intensity of investee company 523.60(coverage 89,01%)

4. Exposure to companies active in the fossil fuel sector 2,28% (coverage 85,62%)

5. Share of non-renewable energy consumption and production 80,05% (coverage 60,18%)

6. Energy consumption intensity per high impact climate sector (NACE A-L) N/A (coverage 71,83%)

7. Activities negatively affecting biodiversity-sensitive areas 2,40% (coverage 96,87%)

8. Emissions to water N/A (coverage 0%)

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.

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: **31.12.2024**

- 9. **Hazardous waste ratio** 4.74 (coverage 43,77%)
- 10. **Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises** 0% (coverage 92,14%)
- 11. **Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises** 1,67% (coverage 85,62%)
- 12. **Unadjusted gender pay gap** 20,41% (coverage 6,81%)
- 13. **Board gender diversity** 35,65% (coverage 89,01%)
- 14. **Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)** 0% (coverage 92,14%)

The following voluntary PAI indicators are considered and tracked.

- 15. **Investments in companies without carbon emissions reduction initiatives with the Paris Alignment.** 20,57% (coverage 89,01%)
- 16. **Number of identified cases of severe human rights issues and incidents.** 0% (coverage 92,14%)

The financial products thresholds set for PAI 3 (1000), PAI 7 (20%), PAI 10 (0%) and PAI 16 (0%) presented in the previous table were not exceeded during the reference period.



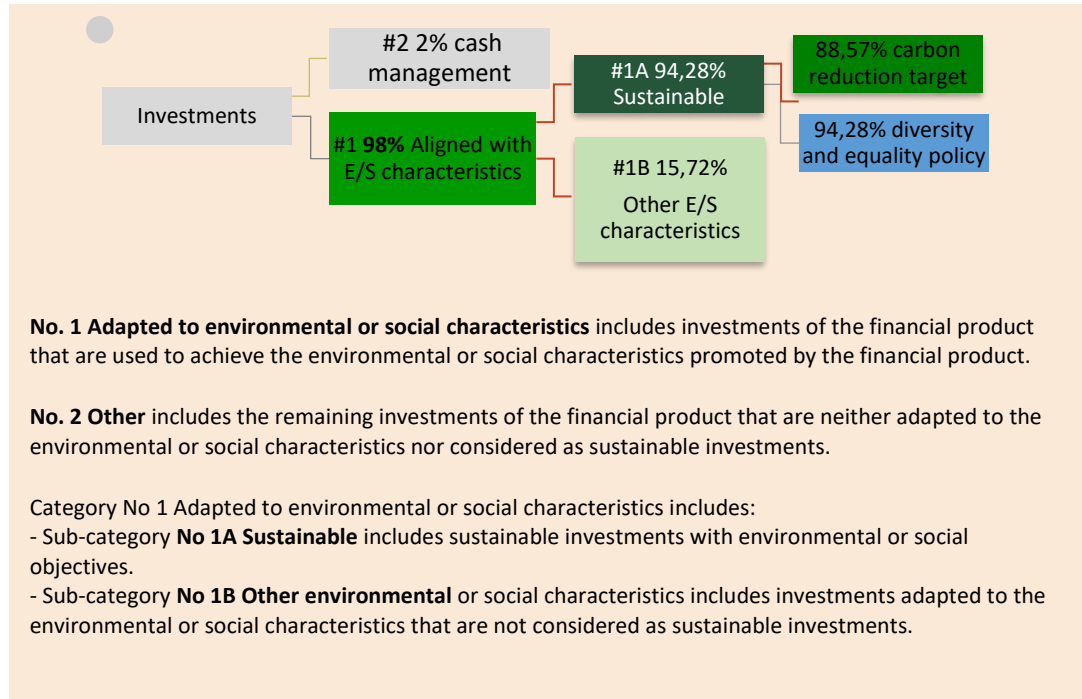
What were the top investments of this financial product?

Largest Investments	Sector	% Assets	Country
Stride	IT Technology	4,47	USA
PegaSystems	IT Technology	4,14	USA
Bright Horizon Family	Consumer	4,04	USA
Comfort Systems	Industrial	3,96	USA
Grand Canyon Education	Consumer	3,90	USA
Enerpac Tools	Industrial	3,78	USA
Nvent Electric	Industrial	3,74	USA
CBIZ	Service	3,71	USA
ICF International	IT Technology	3,70	USA
Core & Main	Industrial	3,68	USA

What was the proportion of sustainability-related investments?

The proportion of sustainability-related investments that promote climate change mitigation and aim to improve diversity and equality while safeguarding fundamental

human rights was significantly higher than the set targets in the financial product. It aims to promote at least 50% of its investments as sustainable investments. Out of the total 35 holdings of the financial product, 88,57% of the companies had a carbon reduction target, and 94,28% had an equality and diversity policy implemented.



No. 1 Adapted to environmental or social characteristics includes investments of the financial product that are used to achieve the environmental or social characteristics promoted by the financial product.

No. 2 Other includes the remaining investments of the financial product that are neither adapted to the environmental or social characteristics nor considered as sustainable investments.

Category No 1 Adapted to environmental or social characteristics includes:

- Sub-category **No 1A Sustainable** includes sustainable investments with environmental or social objectives.
- Sub-category **No 1B Other environmental or social characteristics** includes investments adapted to the environmental or social characteristics that are not considered as sustainable investments.

What was the asset allocation?

In which economic sectors were the investments made?

Health care, industrials, information technology, consumer staples, consumer discretionary, real estate and materials.



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

Although the financial product promotes environmental aspects, it is not committed to making sustainable investments according to the EU Taxonomy Regulation. Therefore, the financial product does not have a target for a certain proportion of investments. The extent of the sustainable investments with an environmental objective aligned with the EU Taxonomy (turnover) was 9,27%.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

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 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** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.



Asset allocation describes the share of investments in specific assets.



- Yes:
- In fossil gas In nuclear energy
- No

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

No, the financial product does not invest in fossil gas or nuclear energy-related activities, as these sectors are part of the Fondita exclusion list.

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

The financial product does not have a minimum requirement for the share of investments in transitional or enabling activities.



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

The financial product does not have a minimum requirement regarding alignment with the EU Taxonomy.



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

88,57% of the holdings had a carbon reduction target, which was the environmental objective of the share of sustainable investments promoted by the financial product, which is not aligned with the EU Taxonomy.


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

94,28% of the holdings had a diversity and equality policy implemented, which was the social objective of the share of sustainable investments promoted by the financial product.



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

The financial products allocation under “other” is only cash management and does not include minimum environmental and social safeguards.

 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.

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

The engagement policy (which is part of Fonditas principles of responsible investment) of Fondita is not part of the investment strategy of the financial product. The financial product meets the environmental and social sustainability requirements without the need for additional action. However, in Fondita Global Small Cap, Fondita engaged with one holdings, which was able to verify they have the sustainability indicators of the financial product implemented by internal policies. These indicators had not been covered by our third-party database MSCI or publicly disclosed reporting by the holdings, which improved the sustainability indicators as they were used for input for the manual ESG assessment of the holdings in the financial product during the reference period.

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

The financial product has no official benchmark.



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

The financial product has no official benchmark.

- ***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?***

The financial product has no official reference benchmark

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

The financial product has no official reference benchmark

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

In 2024 the financial product had a positive return of 0,05 %. The broad MSCI Europe Small Cap index returned 5,65 % and the MSCI Global Small Cap index returned 15,38 % (all in EUR). The financial product changed investment scope from only investing in european small caps to investing in global small caps as of the 16th of August 2024.

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