

## WEBSITE DISCLOSURE OF A FUND THAT PROMOTES E/S CHARACTERISTICS

In accordance with Article 10 of Regulation (EU) 2019/2088

### Fund Name:

## Alpha Global Allocation Balanced Fund

SFDR Classification: Article 8

Legal Entity Identifier: 529900KZL7J3EZB7K532

Share Class	ISIN
Classic	GRF000212008
Institutional	GRF000213006

This document provides the investor with detailed information about the Alpha Global Allocation Balanced Fund (the “Fund”) required under Article 10 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation - “SFDR”) for financial products that promote environmental and/or social characteristics and qualify as products in accordance with Article 8 of the SFDR.

### (a) Summary

The Fund promotes Environmental/Social (E/S) characteristics by investing in securities of issuers with favourable ESG characteristics and aims to have a minimum proportion of 10 % of sustainable investments. The Fund does not have as its objective a sustainable investment.

More particularly, as part of its investment strategy, the Fund promotes the following E/S characteristics:

- Positive/Best-in-Class Screening: The Fund maintains a weighted average ESG Rating that is either greater than or equal to an A MSCI ESG rating or greater than or equal to its benchmark ESG Rating.
- Negative/Exclusionary Screening: The Fund excludes issuers whose percentage of revenue from “Thermal Coal Mining” or from “Thermal Coal Power Generation” exceeds 15%, issuers manufacturing controversial weapons as well as issuers violating both the UN Global Compact (UNGC) principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines.

The proportion of investments aligned with the environmental or social characteristics promoted by the Fund amounts to at least 75%.

The Management Company uses MSCI ESG Ratings to measure an issuer’s management of financially relevant ESG risks and opportunities. MSCI ESG Research is a recognized independent provider of ESG data, reports and ratings which are based on published methodologies and are available to clients on a subscription basis.



The MSCI ESG Ratings are sourced from the MSCI ESG Manager platform. MSCI ESG Research systematically monitors Corporate issuers, including the tracking of controversies and governance events. Companies also undergo an in-depth evaluation, typically on an annual basis. Regarding Sovereign issuers, MSCI ESG Research updates the ESG Government Ratings on an annual basis. Additionally, MSCI ESG Research monitors high-impact global events and incorporates the impact of such events into the ESG Government Ratings.

The primary limitations to methodologies and data relate to data availability (as some companies may not disclose relevant information), data quality (as there are no universal standards for ESG information and its verification is not systematic), and data comparability (as not all companies report the same indicators). To ensure that the limitation of data availability does not impact the attainment of the environmental or social characteristics promoted by the financial product, the Management Company has established a minimum threshold for ESG coverage of the underlying issuers, which is set at 80%.

The due diligence process involves the ongoing monitoring of the environmental or social characteristics promoted by the Fund. Specifically:

- The Investments Division of the Management Company conducts pre- and post-trade checks, as well as weekly reviews, to ensure compliance with the binding elements used in the investment process for achieving the ESG characteristics of the Fund.
- The Risk Management Division monitors compliance with the binding elements of the Fund's ESG strategy.

Active ownership is not part of the investment strategy pursued by the Fund.

Incorporation of ESG criteria in the Fund's investment strategy is not implemented with a reference to its benchmark or a designated index, sustainability index or mainstream index.

**(b) No sustainable investment objective**

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

Even though it does not have as its objective a sustainable investment, the Fund aims to have a minimum proportion of 10 % of sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

An investment must meet at least one of the criteria below to be considered as contributing to an environmental objective:

- i) derives at least 20% of its Revenue from environmental impact themes, such as alternative energy, energy efficiency, green building, pollution prevention, sustainable water, or sustainable agriculture
- ii) has one or more active carbon emissions reduction target/s approved by the Science Based Targets initiative (SBTi)
- iii) is aligned with at least one of the United Nations (UN) Sustainable Development Goals (SDGs) that have an environmental objective and is not misaligned with any of them at the same time
- iv) Is a bond that finances an environmental objective, in part or in full, or its characteristics can vary depending on whether the issuer achieves predefined environmental objectives.



The Investment Manager uses the following filters to ensure that the sustainable investments, which the financial product partially aims to make, do not significantly harm any environmental or social investment objectives.

More particularly, investments identified as sustainable, which represent at least 10% of the Fund's assets, do not include:

- Issuers whose percentage of revenue from "Thermal Coal Mining" or from "Thermal Coal Power Generation" exceeds 10%
- Issuers involved in the production of controversial weapons
- Issuers violating the United Nations Global Compact (UNGC) principles or the Organisation for Economic Co-operation and Development (OECD) Guidelines
- B or CCC-rated issuers

The Fund considers the indicators for adverse impacts on sustainability factors that are listed in Table 1 of Annex 1 of the Regulatory Technical Standards.

In addition, as outlined above, the Fund applies exclusions with regards to the following indicators for adverse impacts on sustainability factors:

- Exposure to companies active in the fossil fuel sector
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Issuers deemed to have violated the Organisation for Economic Co-operation and Development (OECD) Guidelines or the United Nations Global Compact (UNGC) principles, based on data supplied by third party service providers, or B or CCC-rated issuers, are not considered as Sustainable Investments.

### **(c) Environmental or social characteristics of the financial product**

The Fund promotes Environmental/Social (E/S) characteristics by investing in securities of issuers with favourable ESG characteristics and aims to have a minimum proportion of 10 % of sustainable investments.

More particularly, the Fund promotes the following E/S characteristics:

- **Positive/Best-in-Class Screening:** The Fund maintains a weighted average ESG rating that is either greater than or equal to an A MSCI ESG rating or greater than or equal to its benchmark ESG rating.
- **Negative/Exclusionary Screening:** The Fund excludes companies that derive revenues above specified thresholds from activities related to thermal coal, issuers manufacturing controversial weapons as well as issuers violating both the UN Global Compact (UNGC) principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines.



**(d) Investment strategy**

The Fund seeks to provide capital growth and income over the medium to long-term, through the active management of a diversified asset allocation portfolio, investing primarily in international markets.

The Fund invests in large capitalization equities listed on international exchanges, mainly on developed markets, euro-denominated bonds issued by companies, governments or authorities and entities related to governments, as well as money market instruments and deposits with credit institutions.

The Fund actively integrates ESG criteria on a continuous basis. It invests in securities of issuers with favourable ESG characteristics and aims to have a minimum proportion of 10 % of sustainable investments.

The Fund considers good governance practices of the investee companies as part of its investment decision making process and uses MSCI ESG Ratings to measure a company’s resilience to long-term, financially relevant ESG risks. MSCI ESG Ratings, take into consideration, amongst other factors, the quality of management systems and governance structures that are universally relevant across all industries. Key metrics that are used for a company’s overall governance assessment include Corporate Governance Metrics (such as Ownership & Control, Board, Pay and Accounting) and Corporate Behavior metrics (comprising Business Ethics and Tax Transparency Themes).

**(e) Proportion of investments**

The proportion of investments aligned with the environmental or social characteristics promoted by the Fund amounts to at least 75%. In relation to these investments, a minimum of 10% of the Fund’s total assets will be invested in Sustainable Investments.

<b>Investments</b>	<b>Min</b>	<b>Max</b>
#1 Aligned with E/S characteristics	75%	100%
#2 Other	0%	25%

Investments in category “#2 Other” are limited to 25% of the Sub-Fund’s total assets and include:

- (i) non-ESG rated issuers,
- (ii) deposits with credit institutions and/or money market instruments, as a liquidity cushion in active portfolio management, depending on market conditions,
- (iii) derivative instruments for the purpose of achieving the Fund’s investment objective or for hedging purposes,
- (iv) units in UCITS or units in other collective investment undertakings for the purpose of achieving the Fund’s investment objective.

No minimum environmental or social safeguards are applied.

**(f) Monitoring of environmental or social characteristics**



The environmental or social characteristics and the sustainability indicators used to measure their attainment are monitored on an ongoing basis. Specifically, the investment team is conducting a weekly review, as well as pre-trade and post-trade checks, to determine compliance with the binding elements used to select the investments to attain the ESG characteristics of the Fund. The process includes a review of potential changes in the MSCI ESG Ratings of the underlying issuers.

The MSCI ESG Ratings are sourced from the MSCI ESG Manager platform. MSCI ESG Research systematically monitors Corporate issuers, including the tracking of controversies and governance events. Companies also undergo an in-depth evaluation, typically on an annual basis. Regarding Sovereign issuers, MSCI ESG Research updates the ESG Government Ratings on an annual basis. Additionally, MSCI ESG Research monitors high-impact global events and incorporates the impact of such events into the ESG Government Ratings.

### (g) Methodologies

The following sustainability indicators are used to measure the attainment of the environmental and social characteristics promoted by the financial product:

- **ESG Coverage:** At least 80% of the Issuers that the Fund invests in must have an ESG rating. The existence of a rating is crucial for aligning the Fund's investments with the E/S characteristics it promotes. ESG Rating coverage applies to Fixed Income securities, Equity securities and Treasury Bills.
- **Positive/Best-in-Class Screening:** The Fund maintains a weighted average ESG rating that is either greater than or equal to an A MSCI ESG rating or greater than or equal to its benchmark ESG rating. To achieve this, the Fund tilts towards issuers with positive ESG performance relative to their industry peers.
- **Negative Screening:**
  - i) The Fund excludes issuers with a CCC MSCI ESG rating.
  - ii) The Fund excludes issuers whose percentage of revenue from "Thermal Coal Mining" or from "Thermal Coal Power Generation" exceeds 15%.  
Exceptions allowed where the Issuer meets any one of the following criteria:
    - a) It has a target approved through the Science Based Targets Initiative (SBTi) or
    - b) the issuance is a bond that finances an environmental objective, in part or in full, or its characteristics can vary depending on whether the issuer achieves predefined environmental objectives.
  - iii) The Fund excludes issuers manufacturing "Controversial Weapons", which include cluster munitions, biological and chemical weapons as well as anti-personnel landmines.
  - iv) issuers violating both the UN Global Compact (UNGC) principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines.
- **Commitment to Sustainable Investments:**

The Fund aims to have a minimum proportion of 10 % of sustainable investments. An investment must meet at least one of the criteria below to be considered as contributing to an environmental objective:



- i) derives at least 20% of its Revenue from environmental impact themes, such as alternative energy, energy efficiency, green building, pollution prevention, sustainable water, or sustainable agriculture
- ii) has one or more active carbon emissions reduction target/s approved by the Science Based Targets initiative (SBTi)
- iii) is aligned with at least one of the United Nations (UN) Sustainable Development Goals (SDGs) that have an environmental objective and is not misaligned with any of them at the same time
- iv) is a bond that finances an environmental objective, in part or in full, or its characteristics can vary depending on whether the issuer achieves predefined environmental objectives

In exceptional circumstances, the Fund may invest in CCC-rated issuers, as well as in issuers that MSCI flags as failing UNGC and OECD provided that such investments have received prior approval from the ESG Investment Committee.

#### **(h) Data sources and processing**

The Management Company uses MSCI ESG Ratings to measure an issuer's management of financially relevant ESG risks and opportunities. MSCI ESG Research is a recognized independent provider of ESG data, reports and ratings which are based on published methodologies and are available to clients on a subscription basis.

The process applied by MSCI ESG Research includes multiple steps to review the quality of the analysis as well as the consistency with approved methodology. Formal in-depth quality-review processes take place at each stage of analysis, including automated and manual quality checks of data, oversight of ratings and reports by industry leads and regional team leads.

The Management Company does not calculate rating ESG Ratings, scores or metrics. In cases where an issuer that was previously rated by MSCI is no longer rated, the Investment Manager may decide to retain the issuer's most recent ESG rating after conducting their own analysis, provided they determine that no material ESG events have occurred. The rating will be reviewed at appropriate intervals.

#### **(i) Limitations to methodologies and data**

The methodologies used by the investment team rely mainly on ratings, scores and metrics provided by MSCI ESG Research, which collects and standardizes a wide range of publicly available data from both company-reported and alternative sources.

The main limitations are related to the availability of data (as some companies may not report the relevant information), quality of data (as there are no universal standards related to ESG information and third-party verification is not systematic), and the comparability of data (as not all companies publish the same indicators).

Where there is a lack of available data, MSCI ESG Research may provide estimates based on their proprietary methodologies that may be subjective. MSCI ESG Research regularly updates and improves its methodologies and processes to ensure accurate assessment of an investment's ESG risks.



In order to ensure that the limitations arising from a lack of available data do not affect the achievement of the environmental or social characteristics promoted by the Fund, the Management Company has established a minimum threshold for the ESG coverage of the underlying issuers, set at 80%.

#### **(j) Due diligence**

The Management Company acknowledges ESG issues as key non-financial parameters that may affect long-term returns on investments and investment portfolios.

For Corporate issuers, the Management Company's ESG policy focuses on the performance of "Environmental factors" related to carbon emissions, climate risk, resource efficiency, of "Social factors" related to supply chain, human rights, labour standards, health & safety and of "Governance factors" related to board structure, remuneration, independence, minority shareholder rights, disclosure of information. The Management Company also evaluate the progress issuers make towards the implementation of the UN Sustainable Development Goals (SDGs).

For Sovereign issuers, the Management Company's ESG policy focuses on a country's exposure to and management of ESG issues, including "Environmental factors" related to its ability to protect its natural resources, of "Social factors" related to its ability to maintain high-quality human capital and of "Governance factors" related to its ability to maintain sufficient financial capital as well as an efficient political governance structure.

The due diligence process involves the ongoing monitoring of the environmental or social characteristics promoted by the Fund. Specifically:

- The Investments Division of the Management Company conducts pre- and post-trade checks, as well as weekly reviews, to ensure compliance with the binding elements used in the investment process for achieving the ESG characteristics of the Fund.
- The Risk Management Division monitors compliance with the binding elements of the Fund's ESG strategy.

#### **(k) Engagement policies**

The Management Company exercises active ownership and participates in meetings with company management teams and investor relations officers regarding its domestic holdings. Given that this Fund invests primarily in international markets, active ownership is not part of its environmental or social investment strategy.

#### **(l) Designated reference benchmark**

Incorporation of ESG criteria in the Fund's investment strategy is not implemented with a reference to its benchmark or a designated index, sustainability index or mainstream index.