

TwentyFour ICAV – TwentyFour Enhanced Income ABS Fund

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Summary

The investment objective of the TwentyFour Enhanced Income ABS Fund (the “Fund”) is to achieve income and long-term capital growth.

The Fund applies an investment strategy that is described in the Supplement. As part of this strategy, the Fund promotes environmental and/or social characteristics.

The Fund has the following environmental and/or social characteristics:

- The Fund promotes minimum environmental and/or social standards and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and/or social challenges. Issuers will be screened based on the Investment Manager’s view of appropriate ethical and sustainability principles, by following integration and exclusions approaches by investing in debt securities of companies with excellent ESG ratings. Issuers must have an ESG rating above a minimum threshold based on the Investment Manager’s proprietary scoring model (screening).
- The Fund applies certain exclusion criteria (exclusions) with regards to products and activities related to unconventional / conventional / controversial weapons, carbon intensive operations, tobacco (production), adult entertainment, alcohol, gambling and animal testing (for cosmetic purposes).
- Additionally, the Fund invests at least 15% of its net assets in sustainable investment by investing in securities of issuers that contribute to either an environmental objective (climate change mitigation, climate change adaptation) or a social objective (empowerment) based on the Investment Manager’s assessment.
- The Fund has not designated a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

In order to attain the environmental and/or social characteristics, the Fund applies the following ESG Framework:

Exclusions

The Fund excludes securities of corporate issuers (from the investment universe that consists of all companies that issue debt securities to the capital markets as well as developed market government bond issues) in accordance with Investment Manager’s exclusion framework:

Weapons

- unconventional / controversial weapons (0%);
- conventional weapons (5%);

Energy - Extraction

- Thermal Coal (5%)
- Oil sands & Arctic drilling (production 5%; distribution 10%)
- Oil (production 5%)
- Gas (production 5%)

Carbon Intensive Power Generation

- Thermal coal (5%);
- Other sources of high CO₂e intensity power generation (i.e. with a GHG intensity of more than 100g CO₂ e/kWh) (50%);

Other

- tobacco (production) (5%);
- adult entertainment (5%);
- alcohol (5%);
- gambling (5%); and
- animal testing (for cosmetic purposes) (5%).

The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities.

Screening

The Fund will seek to invest in securities of corporate issuers that pass the minimum combined E&S score (minimum is set at 25, on a scale from 0 to 100, with 0 being the worst and 100 being the best score) and a minimum combined ESG score (minimum is set at 34, on a scale from 0 to 100, with 0 being the worst and 100 being the best score), which is based on the Investment Manager's proprietary methodology. These scores are the result of a combination of qualitative and quantitative analysis undertaken by the Investment Manager on each eligible security. The Investment Manager's proprietary relative value system "Observatory" combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall "relative value" decision making. The quantitative scoring process varies the weighting of each measure across industries as the importance of ESG factors differs across industries. The scores are based on relative performance on environmental and social factors within the issuer's industry, making issuers comparable against peers.

Sustainable Investment Criteria

The eligible universe of the Fund will be assessed by the Investment Manager to evaluate, identify and invest at least 15% of the Fund's Net Asset Value in securities of issuers that contribute towards (a) the environmental objectives of (i) climate change mitigation and/or (ii) climate change adaptation; or (b) the social objective of empowerment. In order to qualify as a 'Sustainable Investment' eligible for investment by the Fund, the issuer must:

- follow good governance practices;
- not be classified as "significant harm"; and
- be classified as "in transition" (which includes a commitment to transition) or "positive contribution".

In respect of the environmental objectives "climate change mitigation" and "climate change adaptation", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

- The issuer has aligned or committed to align to the Science Based Targets initiative ("SBTi"); and/or
- The issuer is achieving net zero, or is aligned to a net zero pathway, or is aligning towards a net zero pathway or is committed to aligning; and/or
- The issuer's weighted average carbon intensity must be at least 30% lower than the average issuer's holdings in the representative sector; and/or
- The issuer has demonstrable momentum and transition criteria; and/or
- The proceeds are used to finance green projects, which in relation to asset backed securities means the pool of mortgages/loans are considered to have a positive environmental profile (example: loans for houses with good energy rating, auto loans composed exclusively of hybrid/EV vehicles or fleet CO2 emissions are meeting CO2 emissions targets under applicable EU regulation or other green projects that meet recognised standards for environmental performance).

Where an issuer is not currently aligned with net zero but, in the view of the Investment Manager, will be moving towards commitment and/or alignment, this will be assessed on a timetable.

In respect of the social objective of "empowerment", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

- The issuer is either already aligned or has committed to align with SDG 10 (reduced inequalities) and it follows a responsible lending policy in respect to the mortgage portfolio; and/or
- The issuer is either already aligned or has committed to align with SDG 11 (sustainable cities and communities) and it follows a responsible lending policy in respect to the mortgage portfolio.

Controversies and Momentum

The Investment Manager also incorporates an assessment of issuer controversies and momentum. Momentum is assessed based on a company's plan and demonstrable execution towards improving its ESG credentials. The Investment Manager actively monitors controversies as an indicator of the risk management and ethical practices of a company when analysing ESG performance.

In addition to the scoring of securities, the portfolio management system enables the Investment Manager to understand positive or negative changes and to assess individual issues on a relative value basis, given ESG factors – in this sense, the ESG assessment does not solely dictate "buy or sell" recommendations, but it is part of an overall assessment of the validity of an investment decision.

The Investment Manager has established a monitoring process to track incidents or on-going situations in which an issuer's activities may have adverse effects on ESG factors.

The securities will be analysed based on the binding elements prior to investment and monitored on a continuous basis. The binding elements of the Fund are:

- The Fund excludes corporate issuers that derive a material part of their revenues from products/activities that are listed in the exclusion list.
- The Fund only invests in securities of corporate issuers that pass the minimum combined E&S score (set at 25 out of 100) and the minimum ESG score (set at 34 out of 100) that have been set for this Fund as described in the investment strategy section above.
- The Fund invests at least 15% of its net assets in sustainable investments.

Finally, in an effort to measure the attainment of the sustainable investment object of the Fund, the Fund will report on the defined sustainability indicators as part of its annual periodic reporting.

This Fund does not make any commitment to invest in environmentally sustainable investments in the sense of the EU Taxonomy.

No sustainable investment objective

Does this financial product have sustainable investment as its objective?

☐ Yes ☒ No

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

While the Fund does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments.

The objective of the sustainable investments that the Fund intends to invest in are securities of issuers that contribute to either an environmental objective (climate change mitigation, climate change adaptation) or a social objective (empowerment).

In order to qualify as sustainable investment, and apart from following good governance, the investment must:

- not be classified as “significant harm”;
- be classified as “in transition” (which includes a commitment to transition) or “positive contribution”.

This evaluation will be conducted by the Investment Manager. As an issuer can contribute to an environmental (climate change mitigation, climate change adaptation) or a social objective (empowerment) objective at the same time, an investment can be counted as a sustainable investment with an environmental objective and a sustainable investment with a social objective. The securities that will be considered eligible for sustainable investment are securities of corporate issuers and asset backed securities (“ABS”). For ABS, the assessment will be based on the sponsor of the ABS or on the collateral backing the ABS.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

In order to ensure that the sustainable investments that the Fund intends to make do not cause significant harm to any environmental or social sustainable investment objective, the Investment Manager takes into account all the mandatory indicators for adverse impacts applicable to the asset class and ensures that the Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the indicators for adverse impacts on sustainability factors been taken into account?

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research, data sources including ESG data providers, news alerts and the issuers themselves.

The Investment Manager considers and evaluates a range of principle adverse impact indicators (as detailed below) but the availability of data on some indicators is limited due to a lack of reporting of metrics by investee companies. Accordingly, the integration of principle adverse impact indicators is conducted on a best-efforts basis; however, it is expected that principle adverse impact indicators can be applied to a greater portion of the Investment Manager's investable universe once data availability improves. This will allow for enhanced insight in the adverse impacts caused by investee companies.

- Total GHG emissions (Scope 1 and 2)
- Exposure to fossil fuels through real estate assets
- Exposure to energy-inefficient real estate assets

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

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms include: engagement, exclusion and divestment.

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

The Investment Manager has a controversy monitoring process in place, that amongst other factors, takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This process is based on third party data and where required is complemented by the Investment Manager's own ESG research capabilities.

Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

The Fund has the following environmental and/or social characteristics:

- The Fund promotes minimum environmental and/or social standards and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and/or social challenges. Issuers will be screened based on the Investment Manager's view of appropriate ethical and sustainability principles, by following integration and exclusions approaches by investing in debt securities of companies with excellent ESG ratings. Issuers must have an ESG rating above a minimum threshold based on the Investment Manager's proprietary scoring model (screening).
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- The Fund has not designated a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

Investment strategy

What investment strategy does this financial product follow to select the investments to attain the environmental and social characteristics?

The Fund applies an investment strategy that is described in the Supplement. As part of this strategy, the Fund promotes environmental and/or social characteristics. As part of this strategy, the Fund promotes environmental and/or social characteristics.

In order to attain the environmental and/or social characteristics, the Fund applies the following ESG Framework:

Exclusions

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EXCLUSION	CRITERIA	EXCEPTIONS APPLIED?
Unconventional / controversial weapons ¹	Upstream: 0% of revenues Production: 0% of revenues Downstream: 0% of revenues	None
Conventional weapons	5% of revenues	None

Energy (Extraction)

¹ Controversial Weapons includes: Cluster Munitions, Anti-Personnel Mines, Chemical Weapons, Biological Weapons, Weapons utilising non-detectable fragments, White phosphorous, Blinding Lasers, Depleted Uranium and Nuclear weapons**

** For purposes of this exclusion, being 'involved in nuclear weapons' means the issuer derives revenue from direct involvement in the specific production of nuclear warheads or nuclear bombs and missiles. Specific production of nuclear warheads refers to non-state owned issuers involved in the production and/or storage of fissile materials used in such warheads and / or the operation of government owned facilities involved in warhead production.

Thermal coal	5% of revenues	None
Oil sand & Arctic drilling	Production: 5% of revenues Distribution: 10% of revenues	None
Oil	Production: 5% of revenues	None
Gas	Production: 5% of revenues	None
Carbon intensive power generation		
Thermal coal	5% of revenues	None
Other sources of high CO2e intensity power generation	50% of revenues	None
Other		
Tobacco	Production: 5% of revenues	None
Adult entertainment	Production: 5% of revenues	None
Alcohol	Production: 5% of revenues	None
Animal testing	Production: 5% of revenues	Excluded for cosmetic purposes only.
Gambling	Operations: 5% of revenues	None

The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities.

Screening

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In respect of the environmental objectives "climate change mitigation" and "climate change adaptation", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

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- The issuer's weighted average carbon intensity must be at least 30% lower than the average issuer's holdings in the representative sector; and/or
- The issuer has demonstrable momentum and transition criteria; and/or
- The proceeds are used to finance green projects, which in relation to asset backed securities means the pool of mortgages/loans are considered to have a positive environmental profile (example: loans for houses with good energy rating, auto loans composed exclusively of hybrid/EV vehicles or fleet CO2 emissions are meeting CO2 emissions targets under applicable EU regulation or other green projects that meet recognised standards for environmental performance).

Where an issuer is not currently aligned with net zero but, in the view of the Investment Manager, will be moving towards commitment and/or alignment, this will be assessed on a timetable.

In respect of the social objective of "empowerment", the investment will be classified as "in transition" or "positive contribution" if it fulfils at least one of the following conditions:

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- The issuer is either already aligned or has committed to align with SDG 11 (sustainable cities and communities) and it follows a responsible lending policy in respect to the mortgage portfolio.

Binding Elements

The securities will be analysed based on the binding elements prior to investment and monitored on a continuous basis. The binding elements of the Fund are:

- The Fund excludes corporate issuers that derive a material part of their revenues from products/activities that are listed in the exclusion list.
- The Fund only invests in securities of corporate issuers that pass the minimum combined E&S score (set at 25 out of 100) and the minimum ESG score (set at 34 out of 100) that have been set for this Fund as described in the investment strategy section above.
- The Fund invests at least 15% of its net assets in sustainable investments.

Finally, in an effort to measure the attainment of the sustainable investment object of the Fund, the Fund will report on the defined sustainability indicators as part of its annual periodic reporting.

What is the policy to assess good governance practices of the investee companies?

The investee companies in which the Fund invests will follow good governance practices and are rated for governance aspects using the Investment Manager's ESG score. Common governance indicators include sound management structures, such as board independence and diversity, employee ownership, remuneration of staff, tax compliance, rights of minority shareholders, executive remuneration, and audit and accounting oversight, in addition to those governance factors which are specific to ABS, including structural features of a transaction that evidence adequate protection to bondholders and alignment of interest. These governance indicators are a major component of the Investment Manager's ESG score.

The Fund further intends to ensure good governance of the investee companies via active engagement. All engagements directly conducted by the Investment Manager are recorded in the Investment Manager's Observatory database. The governance ratings and practices are monitored on an ongoing basis to ensure that the Fund only holds investee companies that follow good governance practices.

Does the financial product consider Principal Adverse Sustainability Impacts? If yes, which areas/indicators are considered and how?

☒ Yes ☐ No

The following *Principal Adverse Sustainability Impacts* Indicators² are considered in the investment strategy:

TABLE # Principal adverse impact indicator

ENVIRONMENTAL ASPECTS	
Greenhouse gas emissions	
1	1 Total GHG emissions (scope 1 and 2)
Environmental aspects - real estate investments	
1	17 Exposure to fossil fuels through real estate assets
1	18 Exposure to energy-inefficient real estate assets
SOCIAL ASPECTS	
Controversial weapons	
1	14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

² As set out in Table 1, 2 and 3 of Annex 1 of Regulation (EU) 2022/1288

Where the Investment Manager identifies an issuer as critical in one of the considered areas, and where no signs of improvement have been observed, an action must be taken. Action mechanisms may include: exclusion/divestment and active ownership activities.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Fund.

Proportion of investments

What is the asset allocation planned for this financial product?

#1 Aligned with E/S characteristics

The Investment Manager intends to invest a minimum of 80% of the Fund's assets in investments which are aligned with the environmental and social characteristics promoted by the Fund in accordance with the binding elements of the investment strategy of the Fund, under normal market conditions. The Fund is committed to investing a minimum of 15% of net assets in aggregate in sustainable investments which have an environmental objective and/or a social objective. It is currently anticipated that out of the Fund's allocation to sustainable investments, the Fund will have a majority allocation to sustainable investments with an environmental objective. This is due to the greater availability of assets with an environmental objective. It is anticipated that the allocation to sustainable investments with an environmental objective will be 14%. It is anticipated that the allocation to sustainable investments with a social objective may be 1%. However, the Fund's asset allocation to sustainable investments which have specifically an environmental objective or specifically a social objective is not fixed (noting that in some instances, an investment may have both an environmental and a sustainable investment objective) and this allocation may change over time. Details of the exact sustainable investment split (between environmental sustainable investments and social sustainable investments) will be disclosed in the SFDR periodic report template.

With the exception of #2 Other assets, ESG analysis will be applied to 100% of the Fund's securities and accordingly the Investment Manager is expected, in normal market conditions, to invest at least 80% of the Fund's assets in securities which are aligned with the environmental and social characteristics promoted by the Fund in accordance with the binding elements of the investment strategy of the Fund.

#2 Other

The Fund may, under normal market conditions, hold up to 20% in cash and instruments used for the purposes of ancillary liquidity. This percentage may increase significantly in extreme market conditions. The Fund may additionally employ financial derivative instruments used for the purposes of efficient portfolio management and hedging. While these instruments are not expected to detrimentally affect the attainment of the Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The attainment of the environmental and social characteristics is measured through the following list of sustainability indicators:

- Percentage of investments in securities of corporate issuers that derive a material part of their revenues from products and/or activities excluded by the Fund (excluded products and /or activities are indicated under the section below)
- Percentage of investments in securities of corporate issuers that pass the minimum combined E&S score (set at 25 out of 100) and the minimum ESG score (set at 34 out of 100)
- Percentage of sustainable investments by investing in securities of corporate issuers that contribute to either an environmental objective (climate change mitigation, climate change adaptation) or a social objective (empowerment)

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The information used for the implementation of the ESG framework, and consequently the attainment of the environmental and social characteristics, are reviewed on a regular basis.

If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Fund may decide to further postpone the rectification of such a breach or decide to

carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

The Investment Manager is responsible for ensuring compliance with the binding elements applied by this Fund. Numerical ESG restrictions are coded in the Investment Manager's trading and compliance system and the Investment Manager's Risk function monitors alignment on a daily basis. Where the Investment Manager's portfolio management team makes qualitative judgement based assessments, this process is monitored through a combination of regular attestations by the investment teams and periodic sample checks by the Compliance team.

Methodologies

Exclusion approach:

The Investment Manager retains data from third party data provider in order to analyze an issuer's exposure to activities excluded by the Fund, based on pre-defined thresholds. In order to qualify for initial investment, the issuer must not breach any of these exclusion criteria.

Screening:

As part of the investment selection process, the universe of investments of the Fund will be screened using the Investment Manager's proprietary environmental ("E"), and social ("S") scoring model. The Investment Manager believes that ESG factors can materially impact on a company's valuation, financial performance and related risk/return and as such, will consider pertinent ESG factors when determining whether the potential investee company is aligned with the overall objective of the Fund and in determining the E and S score. The range of ESG factors will not remain static and will evolve further over time and the ESG factors to be considered will vary depending on the investee company under consideration.

The Investment Manager will screen companies to determine whether the Fund should acquire or retain a position within its portfolio. If issuers have an average E&S below the minimum that has been set at 25 for this Fund or a combined ESG score below the minimum that has been set at 34 for this Fund (respectively on a scale from 0 to 100, with 0 being the worst and 100 being the best score), they will not be considered for investment (i.e. will be excluded from the investable universe based on the E and S score). The Investment Manager's active approach to ESG allows for a nuanced approach and the consideration of controversies (for example, predatory pricing or accidental pollution of the environment) and momentum (where an investee company has a credible plan to improve weaknesses identified in its ESG credentials). The E and S Scoring model helps the Investment Manager to identify key ESG issues that a specific sector or issuer may be facing.

The screening process involves a comprehensive analysis process, which may include the use of specialised rating agencies and systems, such as the Investment Manager's proprietary Observatory database. As part of the screening process, the Investment Manager uses commercially available databases and frameworks. The use of specialised rating agencies and systems inform an initial E and S score of the investable universe. As a second step, the portfolio management team will undertake its own analysis to supplement this scoring. The Investment Manager's proprietary E and S Scoring Model provides all members of the portfolio management team with sector specific and issuer specific information on key issues. Based on this cumulative information, the Investment Manager applies its proprietary scoring model to calculate an issuer's E and S combined score of the investable universe.

Monitoring of critical controversies:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The following data sources are used for the implementation of the investment process:

- External ESG data providers: ASSET4, and other third-party ESG;
- Information directly provided by the issuers;

- Additional fundamental information from media, NGOs as well as international organizations.

In order to ensure data quality, the Investment Manager:

- Regularly reviews data;
- Uses multiple data sources;
- May directly engage with the issuers.

The data sources mentioned above are used in Observatory, the Investment Manager's relative value system which combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall relative value decision making in order to implement the following approaches: exclusion approach, screening.

The Investment Manager may make reasonable estimates, when data is lacking by using data made available by companies. Additionally, third party ESG data provider may use estimates themselves. The proportion of data that is estimated by the Investment Manager is indicated to be low to medium. For asset backed securities the proportion of data that is estimated by the Investment Manager based on data made available by companies is medium to high.

Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the financial product could have indirect exposure to issuers who do not meet the relevant criteria. This poses a significant methodological limit to the ESG strategy of the financial product. Neither the financial product, nor the management company nor the investment manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of an assessment of ESG research and the correct execution of the ESG strategy.

In order to maintain confidence that the social and environmental characteristics promoted by the Fund are met, the Investment Manager may also use active engagement to fill any data gaps or may use complimentary data from additional providers or directly from investee disclosures.

Due diligence

What is the due diligence carried out on the underlying assets at initial investment and what are the internal and external controls in place?

In order to qualify for initial investment, the investments aligned with the environmental and social characteristics must comply with the binding elements applied by the Fund. This compliance has to be ensured by the Investment Manager. For the elements that are in scope of the Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has pre-trade checks mechanisms in place. The pre-trade checks allow portfolio managers to simulate trades and check each trade against restrictions, prior to placing orders, in order to prevent the occurrence of breaches. When submitting orders an automated check of the investment guidelines restrictions is performed, generating a warning to the portfolio managers, highlighting potential breaches that would materialize in case the orders would be executed.

Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes ☐ No

If so, what are the engagement procedures?

The Investment Manager applies a comprehensive stewardship strategy. Engagement is part of the investment process. It includes communications between the management teams of investee companies, typically in case of specific issues or controversies that may cover ESG concerns or where data is lacking. Engagement may occur prior to investment, be ongoing or as a result of monitoring. The Investment Manager's Engagement Policy is available on its website www.twentyfouram.com

Additionally, the Fund follows an active engagement approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics of the Fund.

Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes ☒ No