

Pre-contractual 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: TwentyFour ICAV - TwentyFour Sustainable Enhanced Income ABS Fund

Legal entity identifier: 635400W1QEIQQA1SM15

Environmental and/or social characteristics

Does this financial product have a sustainable investment ¹ objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: Click or tap here to enter text. % <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of Click or tap here to enter text.% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy² <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: %	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

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

- The Sub-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 (**positive screening**).
- The Sub-Fund applies certain exclusion criteria (**negative screen**) with regards to products and activities related to **unconventional / controversial weapons, carbon intensive operations tobacco (production), adult entertainment, alcohol, gambling, animal testing (for cosmetic purposes) and conventional weapons.**

¹ **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.

² 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.

- The Sub-Fund has not designated a reference benchmark for the purposes of attaining the environmental and/or social characteristics that it promotes.

What sustainability indicators³ are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

- Percentage of investments in issuers with **combined ESG score above the minimum** threshold set for this Sub-Fund within the Investment Manager's proprietary 'Observatory' database. Observatory is a relative value system which combines third party data covering over 400 ESG metrics in conjunction with the portfolio managers' overall relative value decision making.
- Percentage of investments in issuers involved in activities excluded by the Sub-Fund

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable. The Sub-Fund does not intend to invest in sustainable investments.

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?

Not applicable.

- How have the indicators for adverse impacts on sustainability factors been taken into account?
Not applicable. The Sub-Fund does not intend to invest in sustainable investments.
- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:
Not applicable. The Sub-Fund does not intend to invest in sustainable investments.

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 EU 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.



Does this financial product consider principal adverse impacts on sustainability factors?

³ Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Yes

The Investment Manager considers certain principal adverse impacts on sustainability factors in the following areas: **Greenhouse Gas Emissions, Social and Employee matters, and investments in real estate assets.**

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.

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 and active ownership activities.

From June 2023, reporting on consideration of principal adverse impacts will be available on the Investment Manager website link found at the end of this document.

No



What investment strategy⁴ does this financial product follow?

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

In order to attain the environmental and/or social characteristics, the Sub-Fund follows a screening and an exclusions approach.

Screening approach:

- The Sub-Fund promotes environmental and social characteristics by investing in debt securities with a **minimum ESG score (positive screen)**, which is based on the Investment Manager's proprietary methodology. This score is the result of combination of qualitative and quantitative analysis. The Investment Manager's proprietary Observatory relative value system embeds ESG factors within a tool which used on a daily basis by the portfolio managers.

Exclusion approach:

- The Sub-Fund applies certain exclusion criteria (**negative screen**) with regards to products and activities related to: **unconventional / controversial weapons, coal (extraction), tobacco, adult entertainment, alcohol, gambling, animal testing**. Such involvement is measured by the revenues an issuer derives from such activities. The Investment Manager considers that a company is involved in such activities when it derives a material part of its revenues from these activities. As noted in the Supplement, the implementation of the sustainability selection criteria leads to the exclusion of a meaningful proportion and at least 20% of potential investments.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

- The Sub-Fund will only invest in issuers that **pass the minimum ESG score.**
- The Sub-Fund excludes corporate issuers that derive a material part of their revenues from products/activities that are listed in the exclusion list.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

⁴ The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Exclusion screens are applied, however, the Sub-Fund does not commit to a minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

What is the policy to assess good governance⁵ practices of the investee companies?

The investee companies in which the Sub-Fund invests will follow good governance practices and are rated for governance aspects using the Investment Manager's ESG Observatory 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 Observatory score.

The Sub-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 Sub-Fund only holds investee companies that follow good governance practices.



What is the asset allocation⁶ planned for this financial product?

#1 Aligned with E/S characteristics

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

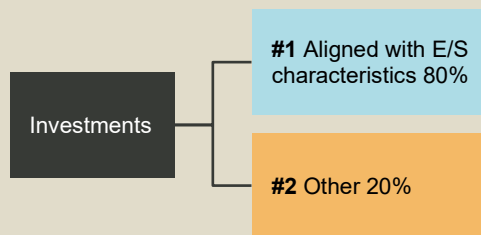
The Sub-Fund does not commit to making sustainable investments at this time.

#2 Other

The Sub-Fund may, under normal market conditions, hold between 0% to 20% in cash and instruments used for the purposes of ancillary liquidity. This percentage may increase significantly in extreme market conditions. The Sub-Fund may additionally employ financial derivatives used for the purposes of efficient portfolio management (which included hedging). While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund's environmental and social characteristics, no minimum environmental or social safeguards are applied.

⁵ **Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

⁶ **Asset allocation** describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

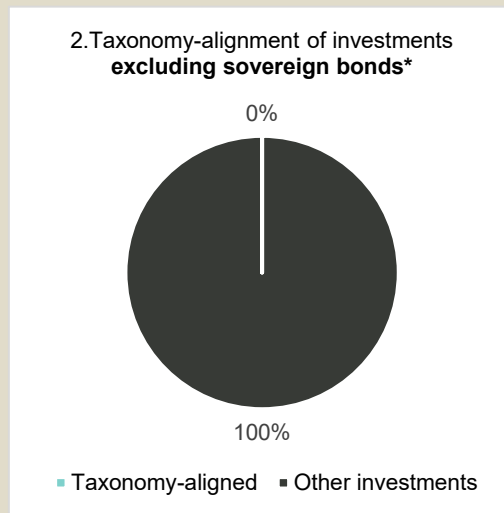
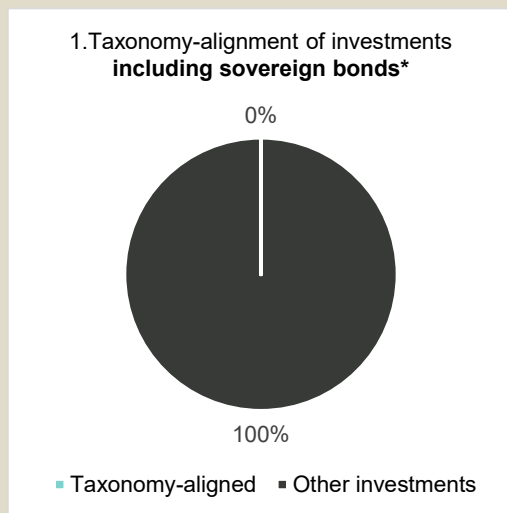
Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.



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

While individual investments may contribute to EU Taxonomy environmental objectives, the Sub-Fund does not commit to invest a minimum share in environmentally sustainable investments as defined by the EU Taxonomy regulation. Therefore, the Sub-Fund's minimum share of investments in environmentally sustainable economic activities in accordance with the EU Taxonomy Regulation is 0%.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

What is the minimum share of investments in transitional⁷ and enabling activities⁸?

Not applicable.



What is the minimum share of sustainable investments⁹ with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable. The Sub-Fund does not partially intend to invest in socially sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquid assets and use financial derivative instruments for the purpose of hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund’s environmental and social characteristics, no minimum environmental or social safeguards are applied.



Is a specific index designated as a reference benchmark¹⁰ to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

The Sub-Fund has not designated a reference benchmark to determine whether this Sub-Fund is aligned with the environmental and/or social characteristics that it promotes.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The Sub-Fund has not designated a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.


How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

The Sub-Fund has not designated a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

How does the designated index differ from a relevant broad market index?

⁷ **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.

⁸ **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

⁹  are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

¹⁰ **Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Sub-Fund has not designated a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

Where can the methodology used for the calculation of the designated index be found?

The Sub-Fund has not designated a reference benchmark to determine whether this Sub-Fund is aligned with the environmental and/or social characteristics that it promotes.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.twentyfouram.com/sustainability>