

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:

Legal entity identifier

Fonditalia - Fonditalia Dynamic New Allocation

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

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **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 will make a minimum of **sustainable investments with a social objective** _%

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 0 % 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 promotes E/S characteristics, but **will not make any sustainable investments**



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

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

The Sub-fund promotes Environmental and Social characteristics through the Target Funds' selection, which will focus on UCITS and/or UCIs which integrate Environmental, Social and Governance ("ESG") factors, follow good governance practices, and qualifies under Article 8 or Article 9 of SFDR. In addition, the Target Funds' selection is based on the Investment Manager's assessment of the investment process with the aim to ensure the integration of binding ESG criteria and will focus on:

- ETFs on major ESG and/or Sustainable and Responsible Investment ("SRI") indices, designed to ensure the binding inclusion of the best-in-class companies from an ESG and SRI perspective and/or to exclude the ones involved in sectors or whose products or activities may have the potential for negative social or environmental impact;
- UCITS and/or UCI which adhere to binding ESG criteria and incorporate them in their investment decisions through a systematic process (based on, but not limited to, ESG research, screening, ratings, provided by external data providers and/or internal research, and/or on exclusion policies) with the aim to select issuers with strong ESG practices and/or to exclude

the ones potentially exposed to ESG controversies or involved in specific activities (such as but not limited to controversial weapons, nuclear weapons, tobacco, thermal coal, oil sands, UN Global Compact violators and civilian firearms);

- UCITS and/or UCI, including ETFs, whose investment strategies target specific themes related to ESG factors (such as but not limited to climate change, green bonds, circular economy, sustainable energy, future of mobility, healthy living and robotics) aiming to select the issuers that most benefit from them.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

● **What Sustainability Indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

There is no minimum commitment to make sustainable investments, however, there may be sustainable investment held in the Sub-fund through Target Funds. Acknowledging that the Sub-fund will invest primarily in the unit/shares of UCITS and/or ETFs and/or UCIs (“Target Funds”):

- percentage of the Sub-fund's assets excluding cash that is invested in Target Funds which promote ESG criteria in accordance with Article 8 of the SFDR, or investment strategies with sustainable investment objectives or a reduction in carbon emissions as their objective in accordance with Article 9 of SFDR;
- the average annual MSCI ESG rating of the portfolio.

● **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

● **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

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.

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

Not applicable

— → *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 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?

- X** Yes, the Investment Manager specifically considers the following principal adverse impact (“PAI”) indicators: Carbon emission (Scope 1 + 2); GHG intensity of investee companies; Violations of UNGC principles and OECD guidelines for Multinational Enterprises; Exposure to controversial weapons (anti-personnel mines, cluster ammunitions, chemical and biological weapons). For government bond and supranationals: GHG intensity and Investee Countries subject to social violations.

The Sub-fund’s Investment Manager can check the PAI data through a periodic monitoring report, where can be consulted the values of the indicators at product level and, where present and possible, at respective benchmark level in order to include this information in the investment decision-making process. However, considering the large variability of PAI data at sectoral and geographical level, as well as their retrospective nature, no thresholds or stringent limits are set at portfolio level.

In addition, with regard to investment in Target Funds, particular attention will be paid to prioritise, where possible, target funds with PAI aligned with those identified by the Company at the entity level and / or for specific products.

Further information on PAIs will be available in the Fund’s annual report.

No



What investment strategy does this financial product follow?

The Sub-fund aims to achieve a positive return in absolute terms for investors, over the long-term regardless of market movements through investing primarily in the units/shares of UCITS and/or exchange traded funds (“ETFs”) and/or undertakings for collective investment (“UCIs”) and derivatives instruments. The Sub-fund’s investments may also include equities, fixed income securities, (which may include some high yield fixed income transferable securities) and cash.

The Sub-fund is actively managed. The Sub-fund is not managed in reference to a benchmark.

- ***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?***

Below are detailed the binding elements followed by the Investment Manager for the Sub-fund’s strategy adopted to promote environmental and social characteristics:

ESG screening and monitoring of Target Funds:

The investment perimeter is limited to Target Funds belonging to the investable universe identified through a Due Diligence analysis performed by the Investment Manager to evaluate the level of integration of environmental, social and corporate governance factors into the Policy and investment process of the third-party asset managers of the Target Funds.

Integration of ESG factors:

The integration of ESG factors is promoted through:

- A minimum of 50% of the sub-fund's assets excluding cash invested in Target Funds which promote ESG criteria in accordance with Article 8 of the SFDR, or investment strategies with sustainable investment objectives or a reduction in carbon emissions as their objective in accordance with Article 9 of SFDR;
- An average annual MSCI ESG rating of the portfolio equal or above A. Such rating will be assessed on a monthly basis at month-end.

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

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

There is not a specific minimum rate of commitment for reducing the scope of the investments considered prior to the application of that investment strategy.

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

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

Good governance practices are assessed at Target Funds' level. In relation to the Article 8 Funds and the Article 9 Target Funds:

- for index Target Funds (incl. ETFs), UNGC exclusions are used as a proxy until index providers develop clear methodologies. The Investment Manager carries out due diligence on index providers and engages with them on an ongoing basis with regard to index methodologies including their assessment of good governance criteria set out by SFDR which include sound management structures, employee relations, remuneration of staff and tax compliance at the level of investee companies;
- for active Target Funds, a Heightened Scrutiny Framework (HSF) applies, in which, starting from a good governance flagged universe (based on a Red-Amber-Green score), an exclusion list is developed and revised in monthly meeting by a dedicated Sustainability Team. An independent governance committee (including members from compliance and from risk team) will review the Sustainability Team recommendations and monitor progress on a quarterly basis



Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria should be at least 50% of the portfolio (box #1 Aligned with E/S characteristics). The remaining proportion (correspondent to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:

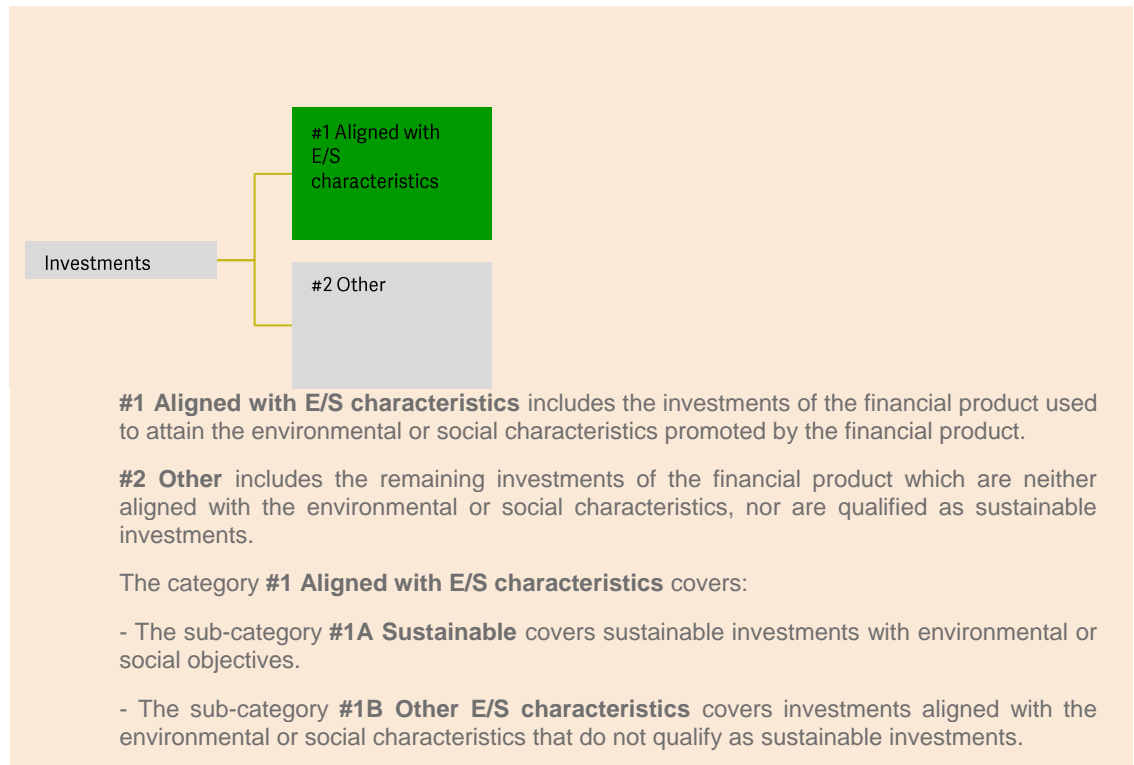
- Target Funds that fall within the investable universe and yet are not classified as Art. 8 SFDR nor Art. 9 SFDR;
- cash and cash equivalent instruments which may be held as ancillary liquidity or for risk hedging;
- derivatives which may be held for hedging and efficiency portfolio management but not for promoting environmental and social characteristic;
- securities for which relevant data is not available.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies

- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



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

Not applicable, derivatives are not used to promote environmental or social characteristics.



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

The Sub-fund promotes environmental and social characteristics but does not commit to make investments in taxonomy-aligned environmentally sustainable investments. It is however not excluded that the Sub-fund may be exposed to underlying investments that contribute to one or more of the environmental objectives of the EU Taxonomy, such as but not limited to climate change mitigation and/or climate change adaptation. However, currently due to a lack of reliable data, the share of environmentally sustainable investments under the Taxonomy Regulation is assessed to be 0%.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy ?¹**

Yes

In fossil gas

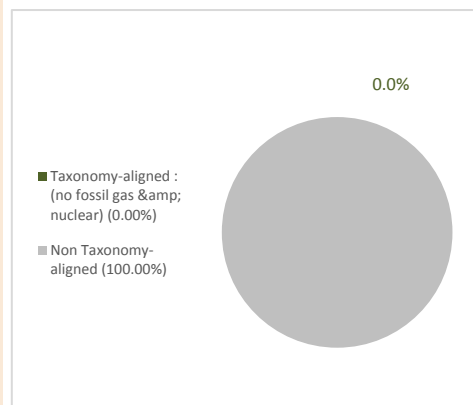
In nuclear energy

No

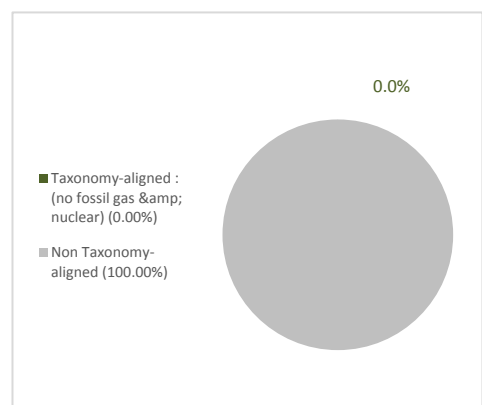
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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.

1. Taxonomy alignment of investments including sovereign bonds*



2. Taxonomy alignment of investments excluding sovereign bonds*



This graph represents 100.00 % of the total investments.

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

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 is the minimum share of investments in transitional and enabling activities?**

Not applicable. The Sub-fund does not commit to invest in a minimum proportion of investments in transitional and enabling activities.



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

Not applicable



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



What is the minimum share of socially sustainable investments?

Not applicable



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

Investment included under “2 Other” may be:

- Target Funds which do not explicitly integrate ESG factors (i.e. do not necessarily comply with SFDR Article 8 or Article 9), with the specific objective to cover the government bonds asset class;
- other Target Funds, which do not integrate “ESG” factors (i.e. do not necessarily comply with SFDR Article 8 or Article 9), and direct investments included in the sub-fund with the specific objective to cover other assets classes ex-government bonds in order to improve diversification, but for no more than 33% of the sub-fund's assets.

The remaining portfolio may also hold instruments such as cash and cash equivalent instruments and derivatives used for hedging and efficient portfolio management.



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

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

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

Not applicable

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

Not applicable

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

Not applicable

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

Not applicable

Where can I find more product specific information online?

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

http://www.fideuramireland.ie/en/legal_documentation

Further details are available on the Management Company's “Sustainable And Responsible



Investment Policy”:

http://www.fideuramireland.ie/upload/File/pdf/Policy_FAMI/FAMI_Sustainable_and_responsible_investment_policy.pdf

Please also refer to the Management Company’s policy for a description of the rules that discipline the integration of ESG factors and the consideration of sustainability risk, in accordance with the requirements of the current legislation, where the financial management of a product is delegated to third-party fund houses. Further details on the sustainability indicators approach (as may be updated from time to time) adopted are set out at:

<https://www.blackrock.com/us/individual/literature/publication/blk-esg-investment-statement-web.pdf>