

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

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.

Product name: CIAM Fund - Opportunities (the "Fund")

Legal entity identifier: 549300K81AZTU5SMY702

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 ___% 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?

The Fund takes sustainability risk and environmental, social and governance (“ESG”) characteristics into account as part of its investment selection process. These characteristics are studied, monitored and rated by the research and investment team, as well as the risk management team.

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

The Fund promotes E/S and G characteristics by assessing, following and engaging on six different sustainability indicators :

- 1/ Top management role separation (separation of the role of Chairman & CEO)
- 2/ Inclusion of ESG KPIs in executive remuneration policy
- 3/ Disclosure of Carbon emissions (Scope 1, 2 & 3) and targets of reduction of these emissions
- 4/ Reporting to an international organization (like CDP or using TCFD reporting framework...)
- 5/ Gender diversity amongst employees (i.e more than 40% of women within the company)
- 6/ Commitment to international human rights organisations (UN Global Compact...), presence of a human rights policy or code of conduct and business ethics

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.

● **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?**

N/A

● **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?**

N/A

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

N/A

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

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

N/A

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?

- Yes
- No

No, from a regulatory standpoint. But the Fund takes into account certain adverse impacts related to E, S, and G matters into its research process, such as GHG emissions, Carbon Footprint, GHG intensity, Fossil Fuel sector, Board gender diversity, Gender Pay gap, Exposure to controversial weapons, etc.

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



What investment strategy does this financial product follow?

The Fund uses equity-based investment strategies to generate returns from its catalyst-driven approach. The investment universe consists essentially of listed companies on the main European stock exchanges. The approach uses extra financial filters as part of its filters to select investments in the Fund, and uses active and constructive engagement, notably on ESG matters.

The different steps implemented for taking into account extra-financial criteria are as followed :

1/ Sectorial exclusions

The Fund applies screenings in order to exclude sectors from the investment universe on the basis of specific criteria. Some exclusion criteria are based on income from unwanted activities; for example, the extraction of coal in order to produce electricity; else on the nature of the activity such as for the extraction of unconventional oil and

gas, pornography, weapons, gambling, activities dangerous to health such as tobacco.

The Fund excludes investing in:

- Companies deriving more than 20% of their revenues from thermal coal extraction & coal based power generation,
- Companies deriving more than 20% of their revenues from the exploration and production of unconventional oil & gas,
- Companies deriving more than 20% of their revenues from controversial weapon production activities (Anti-Personnel Landmines, Chemical and Biological Weapons, Cluster Bombs Production, Incendiary Weapons).

An exception may arise when the Fund engages and work directly with the company to improve their environmental performance and focus on more sustainable activities. The Fund encourages sustainable transition.

Furthermore, the Fund excludes companies that do not align with our values. The exclusions include:

- Companies involved in Gambling Production,
- Companies involved in the production of Adult Entertainment,
- Companies involved in the Tobacco production.

2/ Exclusion of Critical controversies that are Non Communicative (as per the denomination at Vigeo-Eiris/Moodys) i.e not addressed by the management of the company.

3/ Exclusion of the ESG scorings below 15/100 from the initial investment universe. The ESG scoring is a proprietary scoring computed by doing the average of the 4 following factors :

- The E&S scoring (Environmental & Social)
- The G scoring (Governance)
- ESG sentiment scoring
- Controversies scoring.

To analyse each company's ESG performance, the research team uses more than 30 metrics in the ESG framework, firstly focusing on ESG issues that have the most direct link to operations, industry by industry.

The Fund integrates ESG analysis of companies into its investment process, in order to monitor the ESG-related risks that companies face. This scoring is applied to at least 90% of the Fund's investments.

In order not to penalize companies that are not sufficiently covered by CIAM's main ESG data providers, particularly due to their low market capitalization, CIAM plans that an analysis and internal research can still be conducted. Indeed, companies that are not covered by CIAM's ESG providers can be included in the investment universe after a series of research and validation by the Investment and Risk Committee. For this, the investment team must conduct ESG due diligence and ensure that these

companies are not part of the sectoral exclusions as provided by the Responsible Investment Policy. To avoid assigning an arbitrary score and disadvantaging a company with a rating based on sufficient data from our ESG providers, CIAM grants these companies a minimum score of 15/100.

Overall, more than 20% of companies which could have been eligible for investment without application of these criteria, methodologies and ratings are excluded.

The scoring of the portfolio is compared to the scoring of the investment universe and should be above the average of the scoring of the investment universe.

4/ In house company ESG research

The primary screening and tracking of ESG topics for any company analyzed comes from CIAM's proprietary ESG Scoring component. To go further and obtain the most precise and comprehensive understanding possible of a company's ESG profile, and position it in relation to its peers, CIAM uses, in addition to ESG data providers and controversies, the companies' annual reports, sustainability and audit reports, competitors' company reports, CDP reports, Science Base Target reports, sustainability media and social media and any other public initiatives in which the company participates.

The goal is to have an as precise as possible understanding of a company's ESG profile (not only coming from the ESG data providers), and its position versus its closest peers.

This analysis requires identifying weak points for each risk factor identified in CIAM's proprietary ESG Due Diligence questionnaire, finding the best performer by theme in each sector, and identifying significant business improvements against a market benchmark.

All these results and points of engagement are formalized in detailed company by company ESG research documents. This analysis allows the investment manager to engage in a dialogue with the companies in order to confront this analysis with their positions and to assess the impact on the company, and possibly, if deemed necessary, to actively push the company towards what the manager considers to be a sustainable and positive transformation.

CIAM's research team identifies the relevant & material ESG information (under the SASB materiality map) for each company in their sector, making it easier to compare between companies and anticipating the likely evolution of this data.

The research team uses a sector-specific proprietary ESG due diligence questionnaire to determine which companies are most exposed and best positioned to ESG operational risks and their impact on products.

All applicable (i.e. material) ESG criteria for each sector are listed, in order to make each criterion specific to each sector to enable targeted analysis and conclusions.

The objective is to identify and monitor the main material drivers that can stimulate the sustainable performance of a company as well as the associated risks. The process is designed to enable the Fund to engage in an ongoing dialogue with companies around ESG issues in order to identify and quantify their risks and value creation potential.

Companies with positive ESG characteristics have the best combination of systems, governance structures, cultures and human values that ensure consistent and growing returns for all stakeholders.

The Fund's research team analyses specific risk factors of companies related to ESG matters, materializing into company ESG research reports.

The Fund incorporates into its analysis the following ESG issues:

- Transparency - we review the reporting and question the transparency of companies we consider for investment. For instance, we examine whether they:
 - Issue a corporate responsibility report
 - Link management's remuneration to corporate responsibility factors, using clear, transparent and auditable KPIs.

- Corporate behavior and leadership – we review the way each company integrates ESG issues in their value creation process. For example, we question its ability to :
 - Absorb systemic shocks and regulatory changes
 - Acknowledge and take into account the low-probability high-impact risks directly posed to the environment, to society, to its workforce etc.
 - Manage arising issues around product quality & safety
 - Adapt the business model to reach and create new markets.

- Environment – where relevant we review and question companies' views, business plans and commitments on :
 - Disclosure of Carbon emissions (scope 1, 2 & 3)
 - Setting clear evidence-based carbon reduction targets, clear governance and ownership of the issue
 - Alignment with the objectives of the Paris Agreement and phasing out of services provided to unsustainable sectors
 - Board level of oversight of climate change transition and impact
 - Ability to meet the evolving environmental regulation
 - Etc.

- Human capital management factors – we believe value creation and purpose are intertwined with the promotion of :
 - Diversity and equality in the workforce, at all levels and specifically at management level
 - Decent labor conditions – minimum wages, types of contracts, employees' health and safety
 - Constructive and positive relationship with other stakeholders – employees, unions, customers, suppliers and the community at large.

- Human rights – we take into consideration the respect of human rights by companies. We do not hesitate to engage in a dialogue on this issue because

we believe that it is a driver of progress and value. To this purpose, we encourage :

- The inclusion of human rights within our sustainability policies;
 - Identification and prevention of human rights risks in the company's activities and value chain;
 - Transparency in the disclosure of data on the company's impact on human rights;
 - Implementation of due diligence processes;
 - Consideration of human rights by the highest level of management of the company;
 - Participation in collective engagement initiatives that promote human rights;
 - Participation to the UN Global Compact initiative;
 - Companies to provide remedies to affected people, where appropriate.
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- Social capital – where relevant we review the company's approach to :
 - Management of public harm risks around product security and its use of potentially harmful products
 - Employee incentives practices on products that may not be in the best interest of customers

 - Corporate governance – we pay special attention to (among others)
 - Top management role separation (separation of role of Chairman & CEO)
 - Board independence, skills and diversity
 - Executive compensation
 - Existence of poison pills
 - Related party transactions.

As a summary, the Fund research team performs the following:

- Define the key sustainability points (as per our Responsible Investment policy & Due Diligence questionnaire),
- Identify weaknesses and strengths in relation to the themes,
- Search for information on these points in the company's public documents, as well as other sources of information,
- Study possible participation in seminars or working groups,
- Read the documents that may have been made available to third parties on the topic,
- Research the themes among the company's main competitors in order to establish a comparison,
- Find clear indicators of these changes in practical steps taken by the company,
- Wherever possible, list the actions to be taken in order to reduce the gap with the most advanced peers,
- Dialogue with the company on these matters.

All these findings and engagement points are formalized in a detailed company ESG research document.

5/ Active engagement with companies

The Fund, in line with its active & engaged commitment, engages with corporates over material Governance, Social and Environmental issues, and pushes them to improve in specific domains of concern, in a proprietary form of constructive engagement.

As the company comes back with answers, the team can gain a specific view on a sector and at the company-level. This enables the Fund to gain a better understanding of the main risks and the specific points that need additional investigation.

After an initial dialogue, the Fund can, if deemed necessary, try to influence the company towards what the Fund considers to be a sustainable and positive transformation/transition. If required, CIAM may vote against specific proposals at the General Meeting. This can escalate as far as going public with the matters of discussion, but only if the Fund sees not enough/further evolution coming from the company. Finally, CIAM may take legal actions.

6/ Voting engagement

Voting rights are exercised in order to vote in accordance with the defined voting policy and in the interests of unitholders : the Fund will take into consideration all the ESG motion. The Fund will exercise its voting rights in the AGMs of the companies where they are invested in shares with voting rights.

The Fund has chosen to vote on more than 90% of the positions in which it holds voting rights.

- ***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 Fund targets a range of sectors, and typical ESG friendly sectors are one of many sectors the Fund may invest in. But as previously mentioned the Fund does not have as its objective or strategy to make sustainable investments.

As part of the promotion of ESG characteristics, the Fund has implemented a number of exclusions :

1/ Sectorial exclusions

2/ Exclusion of critical and non communicative controversies (i.e. not addressed by the management)

3/ Exclusion of the ESG scorings below 15/100 from the initial investment universe

We also identify material ESG risks and assess how the company manages these risks. ESG risks are weaknesses, threats and externalities that can have a potentially negative impact on the company's long-term fundamental outlook. We include a

company in our sustainable investment list only if we are comfortable that there is a low likelihood of a material adverse impact on valuation from ESG risks.

After the application of the exclusion criteria, more than 20% of the companies which would have been eligible for investment without the application of those criteria, methodologies and ratings are excluded.

The Fund's ESG rating is higher than the investment universe's ESG rating after eliminating a minimum of 20% of the lowest rated stocks.

At least 90% of the portfolio's assets are analysed through the ESG approach and thereby contribute to the environmental/social objective.

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

After the application of the exclusion criteria, more than 20% of the companies which would have been eligible for investment without the application of those criteria, methodologies and ratings are excluded.

The Fund's ESG rating is higher than the investment universe's ESG rating after eliminating a minimum of 20% of the lowest rated stocks.

At least 90% of the portfolio's investments are analysed through the ESG approach and thereby contribute to the environmental/social objective.

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

In order to evaluate governance best practices, the Fund uses its own G scoring (included in CIAM proprietary ESG scoring), which takes into account the following topics :

- Independence & Accountability :Director Independence, Independent leadership (separation of role of Chairman & CEO), Executive compensation (including ESG KPIs), Auditor independence, Board elections, shareholder rights & controls, anti-takeover provisions
- Board composition : Board tenure, board size, board diversity, outside board affiliations, board skills

Human resources are covered under the “S” scoring of CIAM proprietary ESG Scoring (included in the E&S section), and includes Employee engagement (Employee compensation, Employee turnover, Training hours,...), Diversity (Women employees, Women mobility gap,...), and Safety (Injury rate, Fatalities rate, Employee Health & Safety policy,...).

The Fund also incorporates these topics in its active engagements with companies, including in some cases with the board of directors, as well as in its votes to favor increased transparency, including by supporting other shareholders resolutions as well as by filing its own shareholders resolutions.

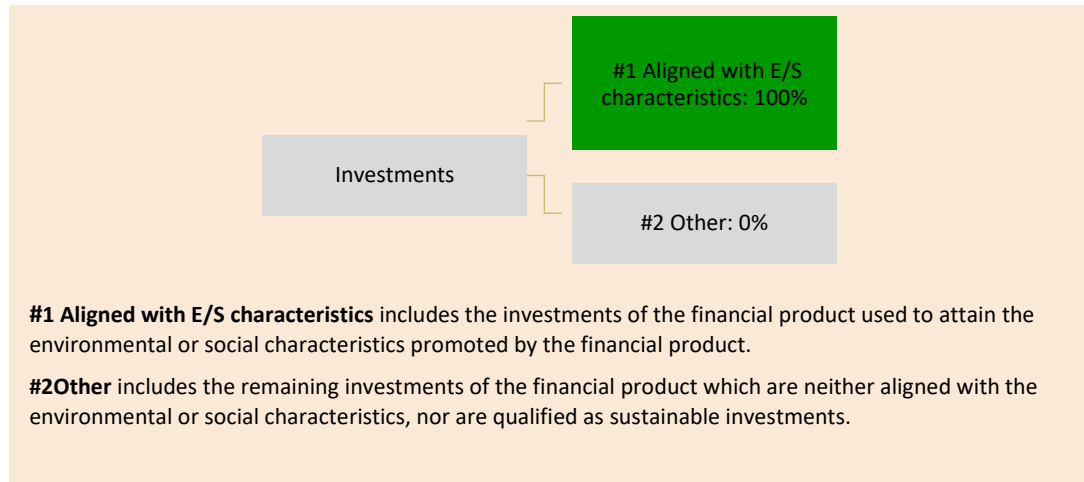
Last, portfolio companies are required to comply with applicable laws, rules and regulations in the markets in which they operate, including tax compliance.

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



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



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.

#1 Aligned with E/S characteristics : at least 100% of the Fund's investments have an ESG Scoring and are intended to achieve the characteristics environmental or social that it promotes, in accordance with the binding elements of the investment strategy. **"#2 Other"** : none of investments correspond to investments that are outside the scope of minimum limit of 90% integrating environmental and social characteristics. ESG analysis complete may not have been completed.

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

The Fund may use derivative financial instruments and special techniques for the purpose of hedging against foreign exchange, interest rates and equity markets risks or in order to protect the value of its portfolio against the variation of other asset classes or to achieve its investment objective.

The use of derivative instruments does not contribute to achieving the characteristics environmental and/or social aspects of the fund.



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

The Fund does not undertake to make sustainable investments. Therefore, the Fund does not commit to minimum sustainable investments with an environmental objective aligned with the EU taxonomy.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

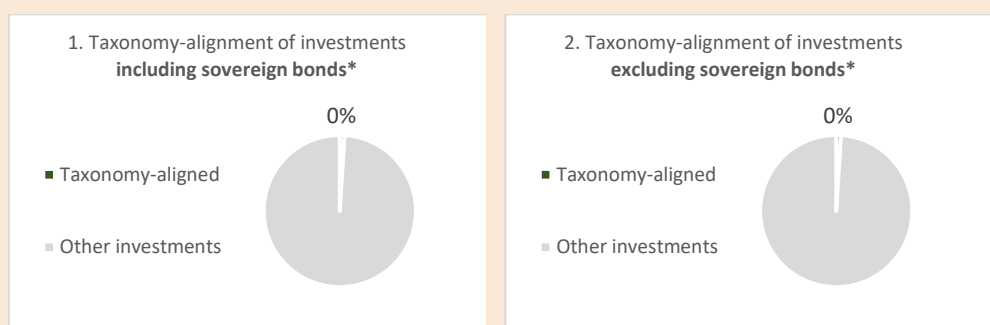
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

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

Les deux graphiques ci-dessous font apparaître en vert le pourcentage minimal d'investissements alignés sur la taxinomie de l'UE. Étant donné qu'il n'existe pas de méthodologie appropriée pour déterminer l'alignement des obligations souveraines sur la taxinomie, le premier graphique montre l'alignement sur la taxinomie par rapport à tous les investissements du produit financier, y compris les obligations souveraines, tandis que le deuxième graphique représente l'alignement sur la taxinomie uniquement par rapport aux investissements du produit financier autres que les obligations souveraines.*



* Aux fins de ces graphiques, les « obligations souveraines » comprennent toutes les expositions souveraines

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

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share 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

The Fund does not commit to a minimum share of sustainable investments with an environmental objective aligned with the EU taxonomy, nor to a minimum share of investments in transitional and enabling activities.



What is the minimum share of socially sustainable investments?

N/A

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.

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

“#2 Other” : none of the investments corresponded to investments that were outside the scope of minimum limit of 90% integrating environmental and social characteristics.



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?

Currently no index has been designated as a reference benchmark.

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

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*
N/A
- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*
N/A
- *How does the designated index differ from a relevant broad market index?*
N/A
- *Where can the methodology used for the calculation of the designated index be found?*
N/A



Where can I find more product specific information online?

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

<https://www.ci-am.com/documents/>