Template periodic 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: Algebris Financial Equity Fund (the "Fund")

Legal entity identifier: 54930028Y34PLSHRH524

All data presented in the annex which follows has been calculated based on the portfolio holdings of the Fund for the year ended 31 December 2025 and constitutes unaudited information which has not been subject to any assurance provided by the Auditors or any third party. All data and other information contained in the annex has been compiled in accordance with the proprietary sustainable finance framework implemented by the Manager and the Investment Manager for the Fund.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

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.

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

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics which were promoted by the Fund are:

1. Prevention of predatory lending practices ("**Characteristic 1**")
2. Pollution prevention and control ("**Characteristic 2**")
3. Emissions reduction ("**Characteristic 3**")
4. Human rights ("**Characteristic 4**")
5. Labour relations ("**Characteristic 5"**)

(Each a "**Characteristic**" and Characteristics 1 to 5 together referred to as the "**Core ESG Concerns**")

No reference benchmark was designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

For the reference period 1 January 2025 to 31 December 2025 (the "**Reference Period**") the overall percentage of Portfolio of the Fund (i.e., the total NAV of the Fund) (the "**Portfolio**") that promoted one or more Core ESG Concerns was **71.5%.** The remaining **28.5%** of the Portfolio that did not promote the Fund's environmental and social characteristics (the "**ES Characteristics**") were in assets that are considered "other" assets for the purpose of this annex.

To measure the attainment of Characteristics 1 to 5 above the following sustainability indicators were used:

- **Characteristic 1:**
  - ***Indicator***: the share of revenues derived from predatory lending activities ("**Indicator 1**").
- **Characteristic 2:**
  - ***Indicator:*** amount of air pollutants in proportion to company revenue ("**Indicator 2.a**") and/or the amount of inorganic pollutants in proportion to company revenues ("**Indicator 2.b**").
- **Characteristic 3:**
  - ***Indicator:*** the share of investments in companies that explicitly disclose they have either committed to setting or have set science-based targets ("**SBTs**") in relation to decarbonisation ("**Indicator 3**").
- **Characteristic 4:**
  - ***Indicator:*** the share of investments in companies involved in very serious violations of human rights under the United Nations Global Compact ("**UNGC**") ("**Indicator 4.a**").
  - ***Indicator:*** the existence of human rights commitments, policies and procedures at the individual investee level measured as the share invested in companies without Human Rights policies ("**Indicator 4.b**").
- **Characteristics 5:**

- ***Indicator:*** the share of investments in companies involved in very serious violations of labour rights under the UNGC ("**Indicator 5.a**").
- ***Indicator:*** the evolution at portfolio level of an aggregate labour practice score ("**Indicator 5.b**"). The score reflects the investees' gender balance; gender pay ratio; performance in terms of preventing discrimination and harassment; freedom of association; ethnic diversity.

In addition to indicators 1 to 5.b listed above (the "**Core Indicators**"), the following indicators are also considered by the Fund to measure the attainment of its overall ESG policy (the "**Additional Indicators**"):

- **Exclusion Policies:**
  - ***Indicator:*** any holding (0%) of the Fund comprising of issuers on the exclusion list disclosed in the Fund's supplement ("**Indicator 6**").
- **Voting policy and engagement**
  - ***Indicator:*** the % of meetings voted ("**Indicator 7.a**"); the % of proposals voted ("**Indicator 7.b**"); the % of shareholders' resolutions voted against ("**Indicator 7.c**"); the % of shareholders' resolutions voted in favour ("**Indicator 7.d**"); the number of ESG-related engagements with investees ("**Indicator 7.e**").
- **ESG screening**
  - ***Indicator:*** any share of investment (0%) in companies that are identified to be in the bottom 10% of the distribution of the relevant sector's ESG score ("**Indicator 8.a**").
  - ***Indicator:*** the evolution at portfolio level of a global ESG score ("**Indicator 8.b**"), as well as of individual Environmental ("**Indicator 8.c**"), Social ("**Indicator 8.d**"), and Governance ("**Indicator 8.e**") scores.

The Core Indicators and Additional Indicators together referred to as the "**Indicators**".

How did the sustainability indicators perform?

Methodologies Used

The Investment Manager and Manager assessed the performance of the Indicators using the following methodologies to calculate the value of Indicators for the Reference Period as applicable:

(i) a percentage of Portfolio calculated as the average of the Fund's quarter-end calculations invested in the applicable issuers over the Reference Period (the "**Average Portfolio Methodology**");

(ii) a percentage of revenues of the applicable issuer attributable to the applicable activity calculated as the average revenues of the Fund's quarter-end calculations over the Reference Period (the "**Average Revenues Methodology**");

(iii) the tonnes[1] of air pollutants of the investee companies in the Portfolio for the Reference Period (the "**Air Pollutants Methodology**") and/or the tonnes of inorganic pollutants of the investee companies in the Portfolio for the Reference Period (the "**Inorganic Pollutants Methodology**") per million EUR invested.

(iv) the tonnes of CO2 emissions of the investee companies in the Portfolio for the Reference Period (the "**CO2e Calculation**"), the tonnes of CO2 emissions of the

[1] All references to "tonnes" in this report are to metric tonnes unless expressed otherwise.

Portfolio per €1,000,000.00 of AuM for the Reference Period (the "**Carbon Footprint Calculation**"), and the tonnes of CO2 emissions of the Portfolio per €1,000,000.00 of revenue generated by the investee companies in the Portfolio for the Reference Period (the "**GHG Intensity Methodology**");

(v) the tonnes of hazardous waste and radioactive waste generated by the Portfolio per €1,000,000.00 of revenue generated by the investee companies in the Portfolio for the Reference Period (the "**Hazardous Waste Calculation**");

(vi) the GWh consumed by the Portfolio per €1,000,000.00 of revenue generated by the investee companies in the Portfolio for the Reference Period (the "**Energy Consumption Calculation**");

(vii) the share of the investee companies in the Portfolio' consumption of non-renewable energy and energy production from non-renewable sources compared to renewable energy sources for the Reference Period (the "**Non-Renewable Energy Consumption**" and "**Non-Renewable Energy Production"**)

(viii) the average unadjusted gender pay-gap of investee companies ("**Gender Pay Gap Calculation**"). Unadjusted gender pay gap means the difference between average gross hourly earnings of male paid employees and of female paid employees as a % of average gross hourly earnings of male paid employees.

(ix) the average percentage of female board members in investee companies ("**Board Gender Diversity Calculation**")

(x) a percentage of meetings, proposals, and shareholder resolutions voted for or against calculated as a simple percentage out of the total number of the applicable meetings, proposals, and shareholder resolutions during the Reference Period (the "**Voting Methodology**");

(xi) the number of engagements made during the Reference Period (the "**Total Engagements Calculation**")**;**

(xii) the portfolio average (weighted using investment weights) of an issuer-level score from third party ESG data providers covering labour relations and labour practices; the portfolio average (weighted using investment weights) of an issuer-level governance score from third party ESG data providers; the portfolio average (weighted using investment weights) of an issuer-level environmental score from third party ESG data providers; the portfolio average (weighted using investment weights) of an issuer-level social score from third party ESG data providers; and the portfolio average (weighted using investment weights) of an issuer-level ESG score from third party ESG data providers. These are all computed according to the same methodology being the average scores of quarter-end portfolios for the four quarters of the year (the "**Average Score Methodology**")

((i) to (xii) above together referred to as the "**Reporting Methodologies**").

The Reporting Methodologies used by the Investment Manager in consultation with the Manager were chosen for the applicable Indicators in compliance with the Fund, Manager and Investment Managers' obligation to ensure that information disclosed is fair, clear and not misleading. Unless expressed otherwise, all methodologies are based on the average of the Fund's four quarter-ends.

Performance of the Indicators

(A) Core ESG Concerns:

For the Reference Period the Core Indicators reported as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 1	Share of investees' revenues from predatory lending activities (%)	Average Revenues Methodology	**0.00%**[2]	Sustainalytics
Indicator 2.a	Emissions of air pollutants (tonnes per EUR million EVIC)	Air Pollutants Methodology	**0.006**[3]	S&P Global
Indicator 2.b	Emissions of inorganic pollutants (tonnes per EUR million invested)	Inorganic Pollutants Methodology	**0.000**[4]	S&P Global
Indicator 3	Share of investments in companies that disclose a commitment to setting or have set science-based targets ("SBTs") in relation to decarbonization (%)	Average Portfolio Methodology	**4%**[5] **Set Near Term SBTs: 6%**.[6]	Bloomberg Finance LP SBTi
Indicator 4.a	Share of investments in companies involved in very serious violations of human rights under the UN Global Compact (UNGC), (%)	Average Portfolio Methodology	**0.00%**[7]	MSCI
Indicator 4.b	Share of investments in companies lacking human rights commitments, policies, and procedures at the individual investee level (%)	Average Portfolio Methodology	**18.1 %**[8]	Clarity AI

[2] Reported as a % of any applicable revenue for the Reference Period, such % calculated using the Average Revenues Methodology. All companies screened prior to investment against the Algebris Predatory Lending Exclusions List – which flags companies deriving any revenues from this activity. Investment in such companies is not allowed at Firm level.

[3] Reported as a tonnes of CO2 emissions per € 1 million of EVIC using the Air Pollutants Methodology. Annual average (i.e. average of portfolio coverage of the quarter-end portfolios for the four quarters of the year) coverage for this indicator is 98%.

[4] Reported as a tonnes of CO2 emissions per € 1 million of EVIC using the Air Pollutants Methodology. Annual average coverage (i.e. average of portfolio coverage of the quarter-end portfolios for the four quarters of the year) for this indicator is 100%.

[5] Reported as % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. Accounts for investment in companies that have either committed to or had Net Zero targets approved directly by Science Based Targets initiative (SBTi). 'Committed' indicates the company has made a public commitment to adopting SBTi's Net Zero standard. 'Validated' indicates that SBTi has reviewed and validated the company's Net Zero commitment.

[6] Reported as % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. Accounts for investment in companies that have set a Near Term Science Based emission reduction target compatible with 1.5° or well-below 2° temperature alignment. Near-term targets are set over an horizon of the next 5-10 years, and are a requirement for companies wishing to set Net-Zero targets.

[7] Reported as a % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. All companies are screened prior to the investment against the Algebris UNGC Exclusion List – which flags companies involved in very serious violations of the UNGC principles. Investment in such companies is not allowed at Firm level.

[8] Reported as % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 99%

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 5.a	Share of investments in companies involved in very serious violations of labour rights under UNGC (%)	Average Portfolio Methodology	**0.00%**[9]	MSCI
Indicator 5.b	Portfolio level annual average Labour Practice score (0-100, 100 = best)	Average Score Methodology	**49** [10]	Clarity AI S&P Global

(B) Exclusion Policies

For the Reference Period Indicator 6 reported as follows:

- **Indicator 6**[11]**: 0.00%**

Over the Reference Period, the Fund held **no** positions in companies that were listed on the Investment Manager/Manager's ESG exclusion lists.

(C) Voting Policy and Engagement

For the Reference Period Indicator 7 reported as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 7.a	The share of meeting voted (% of total)	Voting & Engagement Methodology	**95%** [12]	ISS Algebris
Indicator 7.b	The share of proposals voted (% of total)	Voting & Engagement Methodology	**94%** [13]	ISS Algebris
Indicator 7.c	The % of shareholders' resolutions voted against (% of all shareholders resolutions)	Voting & Engagement Methodology	**43%** [14]	ISS Algebris

[9] Reported as a % of Portfolio invested in applicable companies over the Reference Period in accordance with the Average Portfolio Methodology. All companies are screened prior to the investment against the Algebris UNGC Exclusion List – which flags companies involved in very serious violations of the UNGC principles. Investment in such companies is not allowed at Manager level.

[10] Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources labor practice scores from several third party ESG data providers, to ensure better coverage. The number reported in the table is the average of the scores sourced from different providers, where scores from different providers are available. Annual average coverage for this indicator is 99% of the portfolio.

[11] Reported as a % of Portfolio invested in applicable companies over the Reference Period in accordance with the Average Portfolio Methodology. All companies are screened prior to investment against the Algebris ESG exclusion list applicable to the Fund. Investments in such companies are not permitted at Manager level.

[12] Reported as a % in accordance with the Voting Methodology.

[13] Reported as a % in accordance with the Voting Methodology.

[14] Reported as a % in accordance with the Voting Methodology.

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 7.d	The share of shareholders' resolutions voted in favour (% of all shareholders resolution)	Voting & Engagement Methodology	**57 %** [15]	ISS Algebris
Indicator 7.e	The number of ESG-related engagements with investees (N)	Voting & Engagement Methodology	**6** [16]	Algebris

The Investment Manager and Manager holds meetings with investee companies and the broader sector regularly throughout the Reference Period. Where relevant, ESG-related matters are discussed within the context of the broader engagement. The number reported above consists of the total ESG-related engagements carried out by the Manager with companies in the Fund's portfolio over the Reference period. The Manager carried out 6 engagements with investee companies individually, on specific ESG-relevant issues. In particular, the issues covered in these engagements were: (i) disclosure of environmental metrics;(ii) setting a Science Based Target; (iii) Climate Action / Net Zero Plan.

(D) ESG screening

For the Reference Period Indicators 8.a – 8.e performed as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 8.a	Share of investment in companies identified to be in the bottom 10% of the distribution of the relevant sector's ESG score	Average Portfolio Methodology	**0.0%** [17]	S&P Global
Indicator 8.b	Portfolio level annual average Global ESG score (0-100, 100 = best)	Average Score Methodology	**60** [18]	Clarity AI S&P Global
Indicator 8.c	Portfolio level annual average Environmental Score (0-100, 100 = best)	Average Score Methodology	**57** [19]	Clarity AI S&P Global

[15] Reported as a % in accordance with the Voting Methodology. The sum of the shares of votes in favor and against may not sum up to 100%. The difference in this case is due to Abstain decisions.

[16] Reported as absolute number of engagements on ESG matters held with investee companies during the Reference Period.

[17] A restricted list of firms scoring in the bottom 10% of the relevant sector's ESG score distribution is maintained at Manager level and used to screen pre-investment. The list is based on ESG scores from third party providers.

[18] Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources ESG scores from several third party ESG data providers, to ensure better coverage. The number reported in the table is the average of the scores sourced from different providers, where scores from different providers are available. Annual average coverage for this indicator 99.3% of the portfolio.

[19] Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources E scores from several third party ESG data providers, to ensure better coverage. The number reported in the table is the average of the scores sourced from different providers, where scores from different providers are available. Annual average coverage for this indicator 99.3% of the portfolio.

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 8.d	Portfolio level annual average Social Scores (0-100, 100 = best)	Average Score Methodology	**52** [20]	Clarity AI S&P Global
Indicator 8.e	Portfolio level annual average Governance Scores (0-100, 100 = best)	Average Score Methodology	**64** [21]	Clarity AI S&P Global

…and compared to previous periods?

Performance of the Indicators

During the Reference Period, the indicators evolved as follows:

(E) Core ESG Concerns:

For the Reference Period the Core Indicators evolved as follows. Overall, reference indicators were unchanged with the exception of:

- Indicator 3 – SBTs: the share invested in companies with a set Near Term SBT decreased in the period considered from 10% to 6%, while the share invested in companies with a set Net Zero targets or a commitment decreased from 5% to 4%.
- Indicator 4.b – Share invested in companies lacking human rights policies increased from 12.3% in 2024 to 18% in 2025.
- Indicator 5.b – Labour practices score: this indicator decreased at portfolio level from 57/100 in 2024 to 49/100 in 2025.

INDICATOR	DEFINITION	2022	2023	2024	2025
Indicator 1	Share of investees' revenues from predatory lending activities (%)	**0.00 %**	**0.00 %**	**0.00 %**	**0.00 %**
Indicator 2.a	Emissions of air pollutants (tonnes per EUR million EVIC)	**0.001**	**0.005**	**0.006**	**0.006**

[20] Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources S scores from several third party ESG data providers, to ensure better coverage. The number reported in the table is the average of the scores sourced from different providers, where scores from different providers are available. Annual average coverage for this indicator 99.3% of the portfolio.

[21] Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources G scores from several third party ESG data providers, to ensure better coverage. The number reported in the table is the average of the scores sourced from different providers, where scores from different providers are available. Annual average coverage for this indicator 99.3% of the portfolio.

INDICATOR	DEFINITION	2022	2023	2024	2025
Indicator 2.b	Emissions of inorganic pollutants (tonnes per EUR million EVIC)	**n.a.**	**0.000**	**0.000**	**0.000**
Indicator 3	Share of investments in companies that disclose a commitment to setting or have set science-based targets ("SBTs") in relation to decarbonization (%)	**3%**[22] **Set Near Term SBTs: 0.28%**	**5% Set Near Term SBTs: 9%**	**5% Set Near Term SBTs: 10%**	**4% Set Near Term SBTs: 6%**
Indicator 4.a	Share of investments in companies involved in very serious violations of human rights under the UN Global Compact (UNGC), (%)	**0.00 %**	**0.00 %**	**0.00 %**	**0.00 %**
Indicator 4.b	Share of investments in companies lacking human rights commitments, policies, and procedures at the individual investee level (%)	**29.2 %**	**18.7 %**	**12.3 %**	**18.1 %**
Indicator 5.a	Share of investments in companies involved in very serious violations of labour rights under UNGC (%)	**0.00 %**	**0.00 %**	**0.00 %**	**0.00 %**
Indicator 5.b	Portfolio level annual average Labour Practice score (0-100, 100 = best)	**48**	**56**	**57**	**49**

(F) Exclusion Policies

For the Reference Period Indicator 6 reported as follows:

- **Indicator 6 in 2022: 0.00%**
- **Indicator 6 in 2023: 0.00%**
- **Indicator 6 in 2024: 0.00%**
- **Indicator 6 in 2024: 0.00%**

Over the Reference Period, the Fund held **no** positions in companies that were listed on the Manager's ESG exclusion lists. This was unchanged from the previous period.

(G) Voting Policy and Engagement

For the Reference Period Indicator 7, the Investment Manager and Manager carried out 6 engagements with investee companies individually, on specific ESG-relevant issues. In particular, the issues covered in these engagements were: (i) disclosure of environmental metrics;(ii) setting a Science Based Target;

[22] The figure for 2022 has been restated to correct a calculation error, due to the incorrect classification of an investee's target as an SBT from a third-party provider. The figure that was originally reported for 2022 was 7%.

(iii) Climate Action / Net Zero Plan. The percentage of shareholders resolutions voted against decreased in 2025.

INDICATOR	DEFINITION	2022	2023	2024	2025
Indicator 7.a	The share of meeting voted (% of total)	**93 %**	**100 %**	**100 %**	**95 %**
Indicator 7.b	The share of proposals voted (% of total)	**88%**	**100 %**	**100 %**	**94 %**
Indicator 7.c	The % of shareholders' resolutions voted against (% of all shareholders resolutions)	**31%**	**39%**	**60 %**	**43 %**
Indicator 7.d	The share of shareholders' resolutions voted in favour (% of all shareholders resolution)	**56%**	**61%**	**40 %**	**57 %**
Indicator 7.e	The number of ESG-related engagements with investees (N)	**4**	**2**	**8**	**6**

(H) ESG screening

For the Reference Period Indicators 8.a – 8.e performed as follows. The aggregate ESG score of the portfolio – as well as the G scores – increased slightly compared to 2024, while the E and S score decreased.

INDICATOR	DEFINITION	2022	2023	2024	2025
Indicator 8.a	Share of investment in companies identified to be in the bottom 10% of the distribution of the relevant sector's ESG score	**0.3%**	**0.0 %**	**0.8 %**	**0.0 %**
Indicator 8.b	Portfolio level annual average Global ESG score	**57**	**60**	**59**	**60**
Indicator 8.c	Portfolio level annual average Environmental Score	**59**	**64**	**64**	**57**
Indicator 8.d	Portfolio level annual average Social Scores	**53**	**55**	**54**	**52**
Indicator 8.e	Portfolio level annual average Governance Scores	**61**	**65**	**62**	**64**

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

  N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

N/A

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

N/A

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

N/A

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

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.

Adverse Indicators Considered by the Investment Manager and Manager

During the Reference Period, the Investment Manager considered the principal adverse impacts ("**PAI**") of the Fund's investments prior to investment, and on an ongoing basis, by considering the following PAI adverse sustainability indicators (the "**Adverse Indicators**") in respect of all investee companies:

(1) Climate and other Environmental Adverse Indicators:

GHG Emissions

- **GHG Emissions**: the total greenhouse gases ("**GHG**") emissions of the investee company ("**PAI 1**").
- **Carbon Footprint:** the carbon footprint of the investment company ("**PAI 2**").
- **GHG Intensity:** the measure of the GHG intensity of the investee company ("**PAI 3**").
- **Exposure to Fossil Fuel:** the share of investments the Fund made in companies active in the fossil fuel sectors ("**PAI 4**").

- **Non-Renewable Energy Consumption:** the investee companies' share of non-renewable energy consumption and non-renewable energy production from non-renewable energy sources compared to renewable energy sources ("**PAI 5**").
- **Energy Consumption Intensity:** the investee companies' energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector ("**PAI 6**").

PAIs 1 to 6 together referred to as the "**GHG Indicators**".

Biodiversity

- **Adverse Biodiversity Activities**: the share of investments by the Fund in investee companies with sites and/or operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas ("**PAI 7**" or the "**Biodiversity Indicator**").

Water

- **Emissions to Water**: the tonnes of emissions to water generated by investee companies per million EUR invested ("**PAI 8**" or the "**Water Indicator**").

Waste

- **Hazardous Waste Ratio**: the tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested ("**PAI 9**" or the "**Waste Indicator**").

Emissions

- **Absence of Carbon Emission Reduction Initiatives**: the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement adopted under the UN Framework Convention on Climate Change ("**PAI 10**" or the "**Emissions Reduction Indicator**").

(2) <u>Social Adverse Indicators</u>:

Social and Employee Matters

- **Violations of UNGC principles and OECD Guidelines**: the share of investments the Fund makes in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for multinational enterprises ("**PAI 11**").
- **Lack of process to monitor compliance with UNGC**: the share of investments of the Fund in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises ("**PAI 12**").
- **Unadjusted Gender Pay Gap**: the average unadjusted gender pay gap of investee companies of the Fund ("**PAI 13**").
- **Board Gender Diversity**: the ratio of female to male board members in the investee companies of the Fund ("**PAI 14**").
- **Exposure to Controversial Weapons:** the share of investments the Fund makes in investee companies involved in the manufacturing or selling of controversial weapons ("**PAI 15**").
- **Absence of Anti-Corruption and Anti-Bribery Polices**: the share of investments in investee companies that do not have polices on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption ("**PAI 16**").

PAIs 11 to 16 referred to together as the "**Social Indicators**".

Adverse Indicators Reporting:

During the Reference Period, the impact applicable to the PAIs applied to the investee companies in the Fund's portfolio can be reported as[23]:

Adverse Indicator		Metric	Impact 2025
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	**PAI 1. GHG emissions**[24]	Scope 1 GHG emissions	**147.1 tonnes CO2e**
		Scope 2 GHG emissions	**526.6 tonnes CO2e**
		Scope 3 GHG emissions	**170,612,2 tonnes CO2e**
		Total GHG emissions	**169,145.9 tonnes CO2e**
	PAI 2. Carbon footprint	Carbon footprint	**227.4 tonnes CO2e / EUR M invested**[25]
	PAI 3. GHG intensity of investee companies	GHG intensity of investee companies	**913 tonnes CO2e / EUR M revenue**[26]
	PAI 4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	**1.04 %**[27]
	PAI 5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	**Consumption: 48.6 %**[28] **Production: n/a**
	PAI 6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	**Total: 0.008**[29] **Sectors A, B C, D, E, F, G, H: n/a** **Sectors: L = 0.008**
Biodiversity	**PAI 7. Activities negatively affecting**	Share of investments in investee companies with sites/operations located in or near to biodiversity- sensitive areas where activities of	**0.00 %**[30]

[23] The source for the PAI indicators is Clarity AI unless otherwise indicated.

[24] Calculated in accordance with the CO2e Calculation. Annual average coverage for this indicator is 98%

[25] Calculated in accordance with the Carbon Footprint Calculation. Annual average coverage for this indicator is 98%

[26] calculated in accordance with the GHG Intensity Methodology. Annual average coverage for this indicator is 98%

[27] Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 99%

[28] Calculated in accordance with the Non-Renewable Energy Consumption Calculation. Annual average coverage for this is 75%

[29] Calculated in accordance with the Energy Consumption Calculation. Annual average coverage for this indicator is 100%

[30] Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 97%

Adverse Indicator		Metric	Impact 2025
	biodiversity-sensitive areas	those investee companies negatively affect those areas	
Water	**PAI 8. Emissions to water**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	**0.00 tonnes / EUR M invested**[31]
Waste	**PAI 9. Hazardous waste ratio**	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	**0.09 tonnes / EUR M invested**[32]
Emission Reduction	**PAI 10: Investments in companies without carbon emission reduction initiatives**	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement. Only validated Science Based Targets are considered for this indicator.	**92.4 %**[33]

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
Social and employee matters	**PAI 11. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises**	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**0.00 %**[34] **(of which UNGC violations: 0.00%)**
	PAI 12. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	**1.44 %**[35]

[31] Calculated in accordance with the GHG Intensity Methodology. Annual average coverage for this indicator is 95.5%

[32] Calculated in accordance with the Hazardous Waste Intensity Methodology. Annual average coverage for this indicator is 91%

[33] Calculated in accordance with the Average Portfolio Methodology. Annual average coverage for this indicator is 100%

[34] Calculated in accordance with the Average Portfolio Methodology. Source: MSCI

[35] Calculated in accordance with the Average Portfolio Methodology. Annual average coverage for this indicator is 99%.

Adverse Indicator		Metric	Impact 2025
	Multinational Enterprises		
	PAI 13. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	**23.7 %** [36]
	PAI 14. Board gender diversity	Average ratio of female to male board members in investee companies	**36.8 %** [37]
	PAI 15. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	**0.00 %** [38]
	PAI 16: Lack of anti-corruption and anti-bribery policies	Share of investments in investee companies without policies on anti-corruption and anti-bribery consistent with the UN Convention against Corruption	**0.21 %** [39]

Actions Taken

Please see the section entitled *'What actions have been taken to meet the environmental and/or social characteristics during the reference period'*.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

1 January 2025 to 31 December 2025



What were the top investments of this financial product?

Issuer	Sector	Country	%of NAV	Cum % NAV
BANCO SANTANDER SA	Financial	Spain	2.8%	2.8%
NATWEST GROUP PLC	Financial	United Kingdom	1.9%	4.7%
BANCA MONTE DEI PASCHI S	Financial	Italy	1.7%	6.3%
Hiscox Ltd	Financial	United Kingdom	1.7%	8.0%

[36] Calculated using the Gender Pay Gap Methodology. Annual average coverage for this indicator is 62%.

[37] Calculated using the Board Gender Diversity Methodology. Annual average coverage for this indicator is 99%

[38] Calculated using the Average Portfolio Methodology.

[39] Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 99%.

CITIZENS FINANCIAL GROUP	Financial	United States	1.6%	9.6%
BARCLAYS PLC	Financial	United Kingdom	1.6%	11.2%
UNICREDIT SPA	Financial	Italy	1.6%	12.8%
Lincoln National Corp	Financial	United States	1.5%	14.3%
CITIGROUP INC	Financial	United States	1.4%	15.7%
Voya Financial Inc	Financial	United States	1.4%	17.1%
Alpha Bank AE	Financial	Greece	1.3%	18.5%
Webster Financial Corp	Financial	United States	1.3%	19.7%
AXA Equitable Holdings Inc	Financial	United States	1.3%	21.0%
Prosperity Bancshares Inc	Financial	United States	1.3%	22.3%
Bank of America Corp	Financial	United States	1.3%	23.6%

The above indicates the top 15 Portfolio for the Reference Period based on the Average Portfolio Methodology and is calculated by reference to all assets of the Fund including those Portfolio that promote one or more Core ESG Concerns 71.5% and those 28.5% of the Portfolio that did not promote the Fund's E/S Characteristics and which are assets that are considered "other" assets for the purpose of this annex.



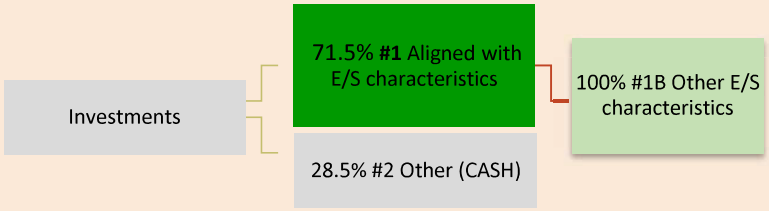
What was the proportion of sustainability-related investments?

Information on the proportion of the Fund which promoted environmental/social characteristics during the Reference Period is provided below.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

The proportion of the Fund's investments that were aligned with the E/S Characteristics was **71.5**%. Please note that voting was not taken into acccount in determining this percentage. Please refer to the section '*What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?*' below for a description of the purpose of the investments during the Reference Period within #2 Other.



#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.

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

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	Sub-Sector	%of NAV
Financials	Banks	38.99%
Financials	Diversified Banks	18.96%
Financials	Institutional Brokerage	1.11%
Financials	Instl Trust, Fiduciary & Custody	0.22%
Financials	Investment Management	3.41%
Financials	Life Insurance	13.94%
Financials	Mortgage Finance	2.50%
Financials	Other Financial Services	2.90%
Financials	P&C Insurance	7.41%
Financials	Private Equity	2.32%
Financials	Reinsurance	1.50%
Financials	Wealth Management	2.94%
Real Estate	Industrial REIT	0.17%
Real Estate	Office REIT	0.28%
Real Estate	Residential REIT	0.75%

Sector	Sub-Sector	%of NAV
Real Estate	Retail REIT	0.51%
Technology	Application Software	2.10%

The above table uses the Average Portfolio Methodology in calculating holdings across each sector

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

While the Fund promotes environmental and social characteristics, during the Reference Period investments of the Fund in environmentally sustainable economic activities aligned with the "EU Taxonomy" (being Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments) (including in transitional and enabling activities) were **0.62%** of the investments of the Fund in terms of revenue and **0.71%** in terms of CapEX alignment.

Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy[40]?

☐ **Yes:**

☐ In fossil gas ☐ In nuclear energy

☒ **No**

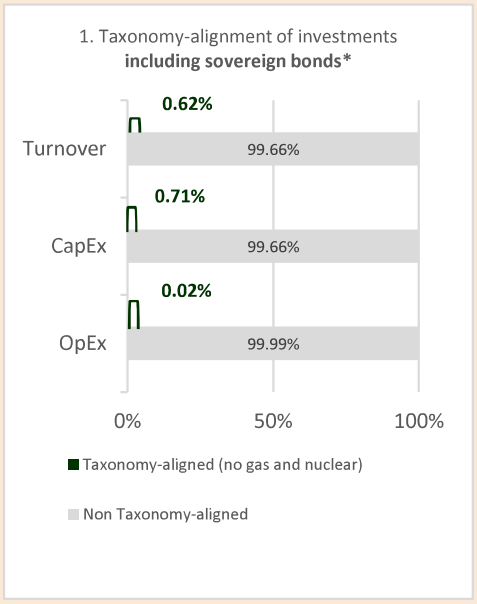
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

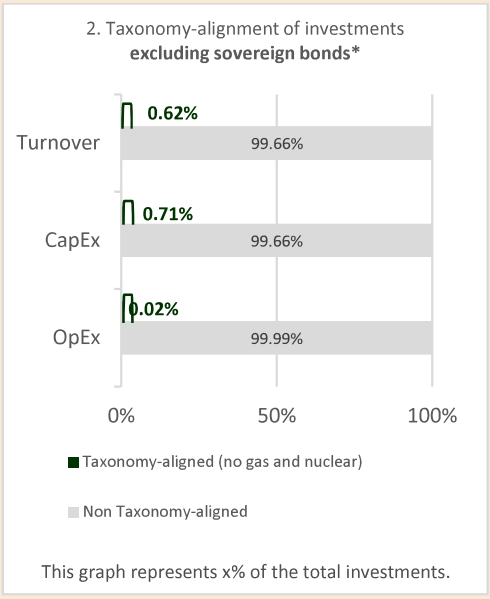
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others

[40] 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 Delegate Regulation (EU) 2022/12141

The graphs below show in green the percentage of investments that were 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*

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of investments made in transitional and enabling activities?

The average share invested in both enabling and transitional activities was 0.06% and 0.06%, respectively, over the Reference Period.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

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.

Aligned (including Sovereign)	2022	2023	2024	2025	Change
Turnover	0.00%	0.02%	0.34%	0.62%	0.29%
CapEx	0.00%	0.02%	0.34%	0.71%	0.38%
OpEx	0.00%	0.02%	0.01%	0.02%	0.01%
Aligned (excluding Sovereign)	**2022**	**2023**	**2024**	**2025**	**Change**
Turnover	0.00%	0.02%	0.34%	0.62%	0.29%
CapEx	0.00%	0.02%	0.34%	0.71%	0.38%
OpEx	0.00%	0.02%	0.01%	0.02%	0.01%

	2022	2023	2024	2025	Change
Enabling Activities	0.00%	0.00%	0.00%	0.06%	0.06%
Transitional Activities	0.00%	0.00%	0.00%	0.06%	0.06%

The percentage of investments that were aligned with the EU Taxonomy increased in 2025 compared to 2024 across all metrics. The share of enabling and transitional activities also increased in 2025 compared to prior years.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%



What was the share of socially sustainable investments?
0%



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The "#2 Other" investments made by the Fund during the Reference Period include instruments which are used for the purpose of hedging (including currency risk management), liquidity, diversification, and efficient portfolio management. These investments include, but are not limited to, ancillary liquid assets and financial derivative instruments. Whilst these investments may not be aligned with the environmental or social characteristics promoted by the Fund, they will, to the extent possible, still be subject to the exclusion policies detailed above, in addition to the UNGC Screening. These provide the minimum safeguards.

The remaining assets of the Fund during the Reference Period comprised of cash and cash equivalents held from time to time on an ancillary basis, as well as instruments for hedging purposes. No minimum environmental or social safeguards applied in respect of these.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions were taken during the Reference Period to meet the environmental and/or social characteristics promoted by the Fund:

- **Characteristic 1 (Prevention and Contrast of Predatory Lending Practices):**

  All companies are screened prior to investment against the Investment Manager/Manager's Predatory Lending Exclusion List – which flags companies deriving any (>0%) revenues from this activity. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have

fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert.

- **Characteristic 2 (Pollution Prevention and Control):**

  Where available, the Investment Manager and Manager monitors GHG emission, air pollutants emissions, and inorganic pollutants emission data from third party providers. For the time being no hard threshold has been set on this indicator for the purpose of investment eligibility.

- **Characteristic 3 (Emission Reduction):**

  The Investment Manager and Manager monitors the share of investments in companies that explicitly disclose they have *either* committed to setting *or* that have set science-based targets ("SBTs") in relation to decarbonisation. The Investment Manager and Manager also monitor transition from those commitments into validated targets.

  Throughout 2025, the share of investments in companies that had an official Net Zero SBT commitment (published by the Science Based Target Initiative) or validated Net Zero SBT was 4%, slightly down from the previous year. The Investment Manager and Manager also track the share invested in companies with set Near Term Science Based emission reduction targets compatible with 1.5° or well-below 2° temperature alignment. Near-term targets are set over a horizon of the next 5-10 years and are a requirement for companies wishing to set Net-Zero targets. The share of investments in companies with set Near Term SBT aimed at aligning with the Paris Agreement was 6% on average during 2025, down from 10% in 2024.

- **Characteristic 4 (Human Rights):**

  All companies are screened prior to investment against the Investment Manager/Manager's UNGC Exclusion List – which uses MSCI data to identify companies involved in breaches of the UNGC Principles. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2025, the Fund held no positions in in names listed on the Investment Manager/Manager's UNGC exclusion list.

  The Investment Manager and Manager will also monitor the existence of human rights policies and commitments at investee company level. The share of investments in companies lacking such policies was 18.1% on average for the Reference period, up slightly from 2024.

- **Characteristics 5 (Labour Relations):**

  All companies are screened prior to investment against the Investment Manager/Manager's UNGC Exclusion List – which uses MSCI data to identify companies involved in very serious violations of the UNGC principles, including labour rights. The screening includes an assessment of compliance with labour standards (broad and narrow measures). Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2025, the Fund held no positions in in names listed on the Investment Manager/Manager's UNGC exclusion list.

The Investment Manager and Manager monitors the evolution of third-party Labour Practice scores – aggregating a variety of indicators pertaining to labour conditions, health and safety, discrimination, and other relevant labour practices. The Investment Manager/Manager sources ESG scores from several third party ESG data providers, to increase coverage as much as possible. Where available, the Investment Manager/Manager compares scores from different providers and calculates the average of the scores for each investee from different providers. The aggregate labour practices score of the portfolio stood at 49/100 on average for the Reference Period, down from 2024.

- **Characteristic 6 (Exclusion Policies):**

All companies are screened prior to investment against the Investment Manager/Manager's ESG Exclusion Lists applicable to the Fund – which flags companies deriving any (>0%) revenues from this activity. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2025, the Fund held no positions in names listed on the Investment Manager/Manager's ESG exclusion lists.

- **Characteristic 7 (Voting policy and engagement)**

The Fund actively exercised its voting rights during the Reference Period under review. Votes were cast on 95% of all meetings and 94% of all proposals. All votable shareholders' resolutions were voted, and 57% of the shareholders' resolutions voted were voted in favour.

In 2025, the Fund voted against a shareholders' resolution at a major European bank asking the bank to not provide any kind of lending or investments to fossil fuel companies that lack a transition plan in line with the Paris Agreement. While normally we would support this type of resolution, we deemed the Board to be correct in arguing the resolution was unwarranted at this time. The bank already decreased its exposure to the oil and gas sector by more than 75% since 2019, making it one of the smallest sectoral exposures in its portfolio by year end 2024, accounting for approximately 0.1% of total lending. According to third-party data, the bank has an Energy Supply Banking Ratio – i.e. the ratio of lending to clean energy over lending to fossil fuels – of ca. 4. This is almost double the average across all European banks for which this metric is available, confirming the bank is amongst the best performers when it comes to clean energy lending. We will keep monitoring the evolution of these metrics in the future and consider whether support for similar resolutions may be warranted at a later date.

The Investment Manager and Manager has been participating in collective ESG investment initiatives – in particular the Carbon Disclosure Project's (CDP) Non-disclosure Campaign (NDC) – since 2021. In the context of this initiative, the Investment Manager/Manager has been requesting investee companies to respond to climate change, forests and water security questionnaires developed and managed by CDP.

The Investment Manager and Manager also performs *ad hoc* ESG engagement with investee companies in the portfolio, where warranted. Typically, if an investee company is flagged by the Investment Manager/Manager's UNGC screening or ESG screening, or if significant ESG controversies arise, the Investment Manager and Manager would engage with the company to establish whether the investment becomes unacceptable. This did not occur for the companies in the Fund's portfolio for the year under review.

The Investment Manager and Manager also engage with portfolio companies and issuers in general on a wide array of topics to assess the investment opportunity within the context

of the broader analysis aimed at understanding the attractiveness of the investment based on its fundamentals, technical, financial, and non-financial. Within these, ESG topics are discussed when relevant. The Investment Manager and Manager also engages specifically on the disclosure of financed emissions and banks' fossil fuel financing policies.

Overall, the Manager engaged with 6 companies in the Reference Period.

- **Characteristic 8 (ESG screening):**

  Where available, an Environmental Score, a Social Score, a Governance Score and an aggregate ESG Score from third-party ESG data providers is considered as part of the investment process. The ESG and G scores for the portfolio increased slightly in 2025 compared to 2024, while the E and S scores decreased.

The following actions were also taken during the Reference Period upon considering PAI:

Climate and Other Environmental Indicators:

- **GHG Emissions / Carbon Footprint / GHG Intensity:** the Investment Manager and Manager monitors investee companies' GHG emissions and GHG intensity, as well as the carbon footprint at portfolio level. The Fund invests only in financials, which have a very low direct carbon footprint. To cater for the fact that banks' biggest impact on the environment stems from their own financed emissions (Scope 3 Category 15), the Investment Manager and Manager applies a financing angle to its climate exclusion policies. Investment is not permitted in: (1) financial companies having a significant ownership stake in entities excluded under the Investment Manager/Manager's Climate-related exclusion policies[41]; (2) Debt or equity issued by the top-5 global coal shareholders and bondholders, nor in debt or equity issued by major coal financers – as described in the Investment Manager and Manager's ESG Exclusion policy. Complementary to this exclusion, the Investment Manager and Manager monitors fossil fuel policies of global banks and aims to select names exhibiting stronger policies and lower fossil fuel funding exposure.

- **Exposure to companies active in the fossil fuel sector:** the Investment Manager and Manager joined the Net Zero Asset Managers Initiative (NZAM) in 2021, committing to manage a progressively larger share of our AUM in line with net zero emissions by 2050 or sooner and committing to implement a science-based Fossil Fuel Investment Policy. As set out in the 2018 IPCC 1.5 degrees scenarios and the 2021 IEA Net Zero scenario, achieving net zero by 2050 will require a rapid reduction in emissions from fossil fuel combustion and phase out of investment in fossil fuels. The pathway laid out in the IEA report requires that no new unabated coal plants, no new oil and gas fields, and no new coal mines or mine extensions be approved from 2021 on. In its guidance for the financial sector, the Science Based Target Initiative (SBTi) also recommends that financial institutions seeking to align with the Paris Agreement transparently address the role of fossil fuels in their investment portfolio. The SBTi recommended phaseout of thermal coal investments and more thorough disclosure on financial institutions' fossil fuel investments and related activities. The Fund is prevented from investing in any companies deriving any (0%) revenues from: (i) coal mining; (ii) coal power generation; (iii) Arctic Oil; (iv) Tar sands. The Fund is also prevented from investing in any companies deriving more than 40% of revenues from Oil and Gas production. In line with the recommendations put forward in the IEA 2050 Net Zero report, the Fund is also subject to an exclusion list of the companies listed on the Global

[41] Significant ownership data are sourced from data provider Sustainalytics. Significant ownership is typically defined as an ownership stake of 10% or above.

Coal Exit List (GCEL) as having coal power or coal mining expansion plans – regardless of the share of revenues they derive from thermal coal.

Over the Reference Period, the Fund held a very small exposure to companies active in the fossil fuel sector – accounting to 1.04% of total investments.

Over the Reference Period, we estimate, based on third-party ESG data, that the Fund held a very small indirect exposure to companies active in the fossil fuel sector – accounting to 0.72% of total investments. This exposure is attributable to two investments, themselves with indirect exposure to the fossil fuels sectors, one of which was divested during Q3 2025.

- **Share of non-renewable energy consumption and production:** the Investment Manager and Manager monitors the average share of non-renewable energy consumption by investee companies, where available. The share of non-renewable energy consumption increased from 40.3% in 2024 to 48.6%, on average.
- **Biodiversity:** the Investment Manager and Manager monitors the exposure of investee companies to biodiversity risk and the existence of biodiversity policies. Where warranted, this may be part of ESG engagement with investee companies. In the Reference Period the Fund held no exposure to companies with activities negatively affecting biodiversity sensitive areas, and this was unchanged from prior years.
- **Water:** the Investment Manager and Manager monitors emission to water of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies. For the Reference Period, the average value of tons of emissions to water per million invested was 0.00, unchanged from prior years.
- **Waste:** the Investment Manager and Manager monitors the hazardous waste ratio of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies. For the Reference Period, the average value of tons of hazardous waste per million invested was 0.096, up from prior years.
- **Emission Reduction:** the Investment Manager and Manager monitors investee companies' commitment to set Science Based Targets for emission reduction (SBTs) and also monitors transition from these commitments into targets validated by the Science Based Target Initiative (SBTi). See details for **Characteristic 3** under the section *What actions have been taken to meet the environmental and/or social characteristics during the reference period?*

Social Indicators:

- **UNGC / OECD Violations (PAI 10):** the Investment Manager and Manager applies an exclusion policy restricting investment in companies that are found to be in breach of the UN Global Compact principles. See details for **Characteristic 4** under the section *What actions have been taken to meet the environmental and/or social characteristics during the reference period?* The Fund held no investments in companies with violations of UNGC or OECD principles over the Reference Period.
- **UNGC / OECD Policies (PAI 11):** the Investment Manager and Manager monitors the existence of policies to monitor compliance with UNGC Principles and OECD guidelines. See details for **Characteristic 4** under the section *What actions have been taken to meet the environmental and/or social characteristics during the reference period?* The share invested in companies without policies and processes to monitor compliance with UNGC and OECD principles was 1.45% on average in the Reference Period, up slightly from 2024.
- **Unadjusted Gender Pay Gap:** the Investment Manager and Manager monitors the unadjusted gender pay gap of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies. For the Reference Period, the

average annual unadjusted pay gap for the Fund's portfolio was 23.7%, broadly unchanged from the previous year.

- **Board Gender Diversity:** the Investment Manager and Manager monitors the board gender diversity of investee companies. Where warranted, this may be part of ESG engagement with investee companies. For the Reference Period, the average share of female board members in investee companies stood at 36.8%, in line with the previous year.
- **Exposure to Controversial Weapons:** the Fund is prevented from investing in companies deriving any (0%) revenue from the manufacturing or selling of controversial weapons. The Fund is also prevented from investing in any company having a significant ownership in the entities excluded under the above rule[42]. The Fund is also restricted from investing in debt or equity issued by the top-5 nuclear weapons shareholders and lenders – as described in the Investment Manager's ESG Exclusion Policy.

  In the Reference Period the Fund held no exposure to companies involved in the manufacturing or selling of controversial weapons. This indicator was unchanged from prior years.
- **Lack of anti-corruption and anti-bribery policies:** the Investment Manager and Manager monitors the hazardous waste ratio of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies. Over the Reference Period, the exposure to companies lacking anti-corruption and anti-bribery policies was 0.21%, decreased from 2024.



How did this financial product perform compared to the reference benchmark

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

- ***How does the reference benchmark differ from a broad market index?***

  N/A
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A
- ***How did this financial product perform compared with the reference benchmark?***

  N/A
- ***How did this financial product perform compared with the broad market index?***

  N/A

[42] Significant ownership data are sourced from data provider Sustainalytics. Significant ownership is typically defined as an ownership stake of 10% or above.