

WEBSITE DISCLOSURE ART.8

MARCH RAIF SA SICAV-RAIF – MARCH ENDOWMENTS

a. Summary

This financial product will invest in a broadly diversified global portfolio of securities. The transferable securities will include: selected investments in equity securities (including real estate investment trusts (REITS) and infrastructure equity securities), investments in units of other UCIs (including absolute return strategies), exchange traded funds (ETFs), as well as, to a lesser extent, debt securities and commodities (including ETCs). The Compartment will invest globally with no specific geographical focus. In addition, from time to time the Compartment may use options in isolation, or in combination with underlying assets, to express a view on a given position, to generate income, or to protect the financial risk of underlying assets.

The Compartment shall aim to have an exposure of at least fifty percent (50%) of its assets to equity securities (including indirect exposure through UCIs). Debt security investments may encompass bonds, notes, similar fixed-income (including bank deposits) and floating-rate securities, convertible bonds, convertible notes and warrant bonds. The Compartment may not invest in direct positions, on aggregate, more than of twenty five percent (25%) of its net assets in unrated bonds, high yield bonds and European commercial papers.

The Compartment may hold cash and cash equivalents on an ancillary basis (i.e. up to forty nine percent (49%) of its net assets). Under exceptional circumstances and where financial market conditions so require, up to one hundred percent (100%) of the assets of the Compartment may be held on a temporary basis in cash and cash equivalents. The Compartment may invest, in financial derivative instruments or engage in certain techniques for hedging and/or for other purposes to the fullest extent permitted including options, forwards, futures and/or swaps on transferable securities and/or other eligible investments.

Investments in units of Collective Investment Schemes will include UCITS, UCIs, Collective Investment Schemes subject to AIFM regulation as well as Banca March Group UCITS and/or UCIs and AIFs. The investment in other UCIs can be expected to be at least ten percent (10%) of the Compartment's net assets although the Investment Manager can decide at its discretion to increase exposure to other UCIs up to one hundred percent (100%) of the Compartments' net assets (subject to compliance with the principle of risk diversification). Up to twenty-five percent (25%) of the Compartment may invest in UCIs that do not have daily liquidity. The following limitations will apply: UCIs with monthly liquidity up to 25% of the compartment, UCIs with liquidity in excess of one month but in no case in excess of quarterly liquidity up to ten percent (10%) of the compartment.

The Compartment qualifies as an Article 8 product under SFDR. The Compartment is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR), and will additionally invest a minimum proportion of 5% of its net assets in a combination of sustainable investments as defined by SFDR and investments in economic activities that qualify as environmentally sustainable as defined by the Taxonomy Regulation (the commitment to the latter is a 0.01% minimum proportion within the previously mentioned 5%).

March AM integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. For further information on the Investment Manager's ESG policy please consult <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

As part of its investment policy, the financial product investments applies negative screening criteria to select the assets comprising its portfolio. Generally, the Compartment opposes and, therefore limits investment in companies whose main activity involves the manufacture of controversial weapons, thermal coal, tobacco, adult content, gambling, GMO's and alcohol. Finally, March AM performs a norm-based analysis to determine whether investments comply with the 10 principles of the United Nations Global Compact (March AM is a signatory partner of the Compact).

The company's investment process conducts an extra-financial analysis in accordance with ESG standards. In this regard, it should be noted that March AM is a signatory of the United Nations Principles for Responsible Investment, through which it commits to:

- incorporate ESG risks in the decision-making process;
- be an active shareholder through the exercise of voting rights;
- promote the disclosure of ESG policies by the companies in which the financial product invests;
- promote the acceptance and implementation of the UNPRI in the investment sector;
- work collaboratively to increase the effectiveness of the application of the UNPRI; and
- publish regular reports on activities and progress in the application of the principles.

Asset selection is based on our own extra-financial analysis. In addition, an analysis of the company's controversies and governance structure is carried out in the case of corporate assets.

A "best in class" strategy is used in the analysis of all assets comprising the portfolio, based on the investee's position within its sector or industry (using data and methodology from main ESG providers). For sovereign debt assets, the percentile that the nation occupies within a specific universe is established using information and methods of the aforementioned providers due to the lack of an industry percentile with which its sector or industry. As a minimum requirement, 50% of the financial product's assets (including UCIs through a look-through analysis) will be invested belonging to the first two quartiles.

The process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening.

March AM weighs in (addresses, avoids, and/or mitigates) on the main adverse impacts on sustainability factors (PAI indicators) considering certain social indicators linked to the applicable exclusion criteria, along with other environmental indicators linked to initiatives to reduce carbon emissions. For those sovereign debt assets, social infractions or violations and, indirectly, other environmental indicators and those derived from political stability and rule of law.

The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers to access PAI indicators. However, March AM) will periodically assess whether data availability has improved enough to potentially include the data into consideration in the investment process.

In addition to this negative screening, the level and importance of the controversies produced by the companies in which the financial product invests is considered using data from external providers. The financial products only considers as potential sustainable investments those companies with a low or moderate level of controversies, excluding all companies with a significant, high, or severe level of controversies.

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The financial product analyzes the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analyzing the governance practices of the management teams and boards of the companies analyzed are quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. First-class third-party data providers are used to carry out the analysis; this is part of the financial and extra financial analysis conducted by the financial product's manager for each asset of the financial product ex-ante its inclusion to the portfolio; this analysis is updated periodically for all the portfolio's assets which are covered by our third party data providers. For those which are not covered (a minor part of the direct assets) the financial product's manager will conduct this analysis on a best-efforts way.

Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the financial product manager deems to be sustainable investments.

a. Resumen

Este producto financiero invertirá en una cartera de valores global ampliamente diversificada. Los valores mobiliarios serán, por ejemplo, inversiones seleccionadas en valores de renta variable (incluidos fondos de inversión inmobiliaria (REITS) y valores de renta variable de infraestructuras), inversiones en participaciones de otros OIC (incluidas las estrategias de rentabilidad absoluta), fondos cotizados (ETF) y, en menor medida, títulos de deuda y materias primas (incluidos las ETC). El Compartimento invertirá en todo el mundo sin centrarse en una área geográfica concreta. Además, cuando lo considere oportuno, el Compartimento podrá hacer uso de opciones de forma aislada, o en combinación con activos subyacentes, para expresar una opinión sobre una posición determinada, generar ingresos o protegerse del riesgo financiero de los activos subyacentes.

El Compartimento procurará tener una exposición de, al menos, el cincuenta por ciento (50 %) de sus activos a valores de renta variable (incluida la exposición indirecta a través de OIC). Las inversiones en títulos de deuda podrán efectuarse en bonos, pagarés, valores similares de renta fija (incluidos los depósitos bancarios) y a tipo variable, bonos convertibles, pagarés convertibles y bonos con warrant. El Compartimento no podrá invertir, en conjunto, más del veinticinco por ciento (25 %) de su patrimonio neto en posiciones directas en bonos sin calificación, bonos de alta rentabilidad y efectos comerciales europeos.

El Compartimento podrá mantener efectivo y equivalentes de efectivo con carácter complementario (es decir, hasta el cuarenta y nueve por ciento (49 %) de su patrimonio neto). En circunstancias excepcionales y cuando las condiciones del mercado financiero así lo requieran, hasta el cien por cien (100 %) de los activos del Compartimento podrán mantenerse temporalmente en efectivo y equivalentes de efectivo. El Compartimento, dentro de los límites permitidos, podrá invertir en instrumentos financieros derivados o emplear determinadas técnicas para obtener cobertura o con otros fines, por ejemplo, mediante opciones, contratos a plazo, futuros o permutas sobre valores mobiliarios y otras inversiones admisibles.

Las inversiones en participaciones de organismos de inversión colectiva se referirán a OICVM, OIC, instituciones de inversión colectiva sujetas a la normativa sobre GFIA y OICVM u OIC y FIA del Grupo Banca March. Se prevé que la inversión en otros OIC sea de, al menos, el diez por ciento (10 %) del patrimonio neto del Compartimento, aunque el gestor de inversiones puede decidir, según su criterio, aumentar la exposición a otros OIC hasta el cien por cien (100 %) del patrimonio neto del Compartimento (sujeto al cumplimiento del principio de diversificación de riesgos). Hasta el veinticinco por ciento (25 %) del Compartimento podrá invertirse en OIC que no tengan liquidez diaria. Se aplicarán las siguientes limitaciones: OIC con liquidez mensual: hasta el 25 % del Compartimento; OIC con liquidez superior a un mes pero en ningún caso mayor que trimestral: hasta el diez por ciento (10 %) del Compartimento.

El Compartimento está clasificado como producto conforme con el artículo 8 del Reglamento SFDR. El Compartimento está gestionado para promover, entre otras características, una combinación de características medioambientales y sociales (según lo dispuesto en el artículo 8 del SFDR) e invertirá, además, una proporción mínima del 5 % de su patrimonio neto en una combinación de inversiones sostenibles según la definición del SFDR e inversiones en actividades económicas que cumplan los requisitos para ser consideradas sostenibles desde el punto de vista medioambiental, según la definición del Reglamento sobre Taxonomía (el compromiso con estas últimas es una proporción mínima del 0,01 % dentro del 5 % anteriormente mencionado).

March AM integra los riesgos y oportunidades de sostenibilidad en sus procesos de investigación, análisis y toma de decisiones de inversión. Para más información sobre la política ASG del gestor de inversiones, consulte <https://www.march-am.com/es/nosotros/inversion-sostenible-y-responsable/>.

Como parte de su política de inversión, las inversiones del producto financiero aplican criterios de cribado negativo para seleccionar los activos que componen su cartera. Por norma general, el Compartimento se opone y, por lo tanto, limita la inversión en empresas cuya actividad principal esté relacionada con la fabricación de armas controvertidas, carbón térmico, tabaco, contenido para adultos, juegos de azar, OMG y alcohol. Finalmente, March AM lleva a cabo un análisis basado en normas para determinar si las inversiones cumplen los 10 principios del Pacto Mundial de las Naciones Unidas (March AM es socio signatario del PMNU).

El proceso de inversión de la compañía practica un análisis extrafinanciero acorde con los estándares ASG. En este sentido, cabe destacar que March AM es signataria de los Principios para la Inversión Responsable de las Naciones Unidas, a través de los cuales se compromete a:

- *incorporar los riesgos ASG en el proceso de toma de decisiones;*
- *ser accionista activo mediante el ejercicio de los derechos de voto;*
- *promover la divulgación de las políticas ASG por parte de las empresas en las que invierte el producto financiero;*
- *promover la aceptación e implementación de los Principios en el sector de las inversiones;*
- *trabajar de manera colaborativa para incrementar la efectividad en la aplicación de los Principios, y*
- *publicar informes periódicos sobre las actividades y los progresos alcanzados en la aplicación de los Principios.*

La selección de activos se basa en nuestro propio análisis extrafinanciero. Además, en el caso de los activos corporativos, se efectúa un análisis de las controversias y la estructura de gobernanza.

En el análisis de todos los activos que componen la cartera se utiliza una estrategia de excelencia basada en la posición de la empresa en la que se invierte dentro de su sector o industria (recurriendo a datos y metodologías de los principales proveedores ASG). Para los activos de deuda soberana, se determina el percentil que ocupa la nación dentro de un universo específico a partir de información y métodos de los proveedores antes mencionados, dada la falta de un percentil sectorial dentro de su sector o industria. Como requisito mínimo, se invertirá el 50 % de los activos del producto financiero (incluidos los OIC a través de un análisis de revisión) pertenecientes a los dos primeros cuartiles.

El proceso de identificación de las principales incidencias adversas relacionadas —aquellas que pueden causar un perjuicio significativo a un objetivo ambiental o social (principio DNSH según el SFDR)— se lleva a cabo en el momento de seleccionar los activos en los que invertir. Los criterios internos de exclusión mencionados anteriormente y el análisis basado en normas conforme al Pacto Mundial de las Naciones Unidas sientan las bases para este cribado.

March AM sopesa actuar (abordar, evitar o mitigar) sobre las principales incidencias adversas sobre los factores de sostenibilidad (indicadores de PIA) teniendo en cuenta determinados indicadores sociales vinculados a los criterios de exclusión aplicables, junto con otros indicadores medioambientales vinculados a las iniciativas para reducir las emisiones de carbono. En el caso de los activos de deuda soberana, se consideran las infracciones o violaciones sociales e, indirectamente, otros indicadores medioambientales y los derivados de la estabilidad política y el estado de derecho.

La cobertura actual para recopilar los datos necesarios es heterogénea y, en algunos casos, débil o inexistente, incluso aunque se empleen proveedores de datos especializados de confianza para abordar los indicadores de PIA. No obstante, March AM evaluará periódicamente si la disponibilidad de datos ha mejorado lo suficiente como para poder incluir los datos en consideración en el proceso de inversión.

Además de este cribado negativo, se considera el grado y la importancia de las controversias generadas por las empresas en las que invierte el producto financiero utilizando datos de proveedores externos. Los productos financieros solo consideran como posibles inversiones sostenibles aquellas empresas con un grado bajo o moderado de controversias y excluyen a todas las que presentan un nivel significativo, alto o grave de controversias.

Las empresas en las que la cartera tiene inversiones ejercen un sólido gobierno corporativo. Proteger el valor de la empresa es nuestra máxima prioridad cuando se trata de gobernanza. En nuestra opinión, un equipo directivo debe tener objetivos alineados con los de sus accionistas minoritarios. El producto financiero analiza la alineación de los equipos directivos y consejos de administración de las empresas con los accionistas.

En particular, las variables clave que se toman en cuenta al analizar las prácticas de gobernanza de los equipos directivos y los consejos de administración de las empresas evaluadas son la calidad e integridad, la estructura, los derechos de propiedad y de los accionistas, la remuneración, los informes financieros y de auditoría y la gobernanza frente a partes interesadas. Para este análisis se recurre a proveedores de datos externos de primera línea; esto forma parte del análisis financiero y extrafinanciero efectuado por el gestor

del producto financiero para cada activo de dicho producto antes de su inclusión en la cartera. El análisis se actualiza periódicamente para todos los activos de la cartera que están cubiertos por nuestros proveedores de datos externos. En el caso de los que no estén cubiertos (una pequeña parte de los activos directos), el gestor del producto financiero llevará a cabo este análisis de la mejor manera posible.

Tras excluir aquellas empresas categorizadas como «insuficientes» o «rezagadas», solo se tendrán en cuenta empresas cuya gobernanza se evalúe como «líder», «superior» o «promedia» como empresas que el gestor del producto financiero puede considerar inversiones sostenibles.

a. Résumé

Ce produit financier investira dans un portefeuille mondial de titres très diversifié. Parmi les valeurs mobilières, on relèvera celles ci-dessous : Certains investissements dans des titres de participation (y compris les fiducies de placement immobilier (FPI) et les titres de participation d'infrastructure), les investissements dans des parts d'autres OPC (entre autres les stratégies de rendement absolu), les fonds négociés en bourse (FNB) ainsi que, dans une moindre mesure, les titres de créance et les matières premières (dont les PNB). Le compartiment investira à l'échelle mondiale sans objectif géographique spécifique. En outre, le compartiment pourra en tant que de besoin utiliser des options individuelles ou conjointement à des actifs sous-jacents pour exprimer un point de vue sur une position donnée, générer des revenus ou protéger les risques financiers des actifs sous-jacents.

L'objectif du compartiment est d'avoir une exposition d'au moins cinquante pour cent (50 %) de ses actifs aux titres de participation (notamment l'exposition indirecte par l'intermédiaire des OPC). Parmi les placements en titres de créance, on relèvera des obligations, des billets, des titres à revenu fixe similaires (entre autres des dépôts bancaires) et des titres à taux variable, des obligations convertibles, des billets convertibles et des warrants. Le Compartiment ne peut investir dans des positions directes, au total, plus de vingt-cinq pour cent (25 %) de ses actifs nets dans des obligations non notées, des obligations à haut rendement et des billets commerciaux européens.

Le compartiment peut détenir de la trésorerie et des équivalents de trésorerie à titre accessoire (à savoir jusqu'à quarante-neuf pour cent (49 %) de son actif net). Dans de rares circonstances et dès lors que les conditions des marchés financiers l'imposent, jusqu'à cent pour cent (100 %) des actifs du compartiment peuvent être détenus à titre provisoire en espèces et équivalents de trésorerie. Le compartiment peut investir dans des instruments financiers dérivés ou recourir à un certain nombre de techniques de couverture et/ou à d'autres fins dans toute la mesure autorisée, y compris les options, les contrats à terme de gré à gré, les contrats à terme standardisés et/ou les swaps sur valeurs mobilières et/ou d'autres investissements admissibles.

Les investissements dans des parts de placements collectifs de capitaux comprendront les OPCVM, les OPC, les organismes de placement collectif soumis à la réglementation des gestionnaires ainsi que les OPCVM et/ou les OPC et FIA du groupe Banca March. L'investissement dans d'autres OPC peut représenter au moins dix pour cent (10 %) de l'actif net du compartiment, bien que le gestionnaire d'investissement puisse décider à sa discrétion d'augmenter l'exposition à d'autres OPC jusqu'à cent pour cent (100 %) de l'actif net des compartiments (sous réserve du respect du principe de diversification des risques). Jusqu'à vingt-cinq pour cent (25 %) du compartiment peuvent investir dans des OPC qui n'ont pas de liquidités quotidiennes. Les limitations suivantes s'appliqueront : Les OPC présentant une liquidité mensuelle de jusqu'à 25 % du compartiment, les OPC d'une liquidité supérieure à un mois mais en aucun cas supérieure à la liquidité trimestrielle jusqu'à dix pour cent (10 %) du compartiment.

Le Compartiment est conforme à l'article 8 du SFDR. Le compartiment est géré de manière à promouvoir, entre autres caractéristiques, un ensemble de caractéristiques environnementales et sociales (telles que stipulées dans l'article 8 du SFDR) et investira au moins 5 % de ses actifs nets dans un assortiment de placements durables tels que définis par le SFDR et dans des activités économiques considérées comme respectueuses de l'environnement conformément au règlement Taxinomie (concernant ces activités, la part minimale est fixée à 0.01 % dans le cadre des 5 % susmentionnés).

March AM tient compte des risques et des opportunités en matière de durabilité dans ses processus de recherche, d'analyse et de prise de décision concernant les investissements. Pour obtenir de plus amples renseignements sur la politique ESG du Gérant, veuillez consulter la page <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

Dans le cadre de sa politique d'investissement, les placements de produits financiers appliquent des critères de sélection négatifs pour sélectionner les actifs composant son portefeuille. En général, le Compartiment s'abstient d'investir et limite par conséquent les investissements dans des sociétés dont l'activité principale implique la production d'armes controversées, de charbon thermique, de tabac, de contenus pour adultes, de jeux d'argent, d'OGM et d'alcool. Enfin, March AM réalise une analyse reposant sur des normes pour déterminer si les investissements sont conformes aux 10 principes du Pacte mondial des Nations Unies (March AM est un partenaire signataire du Pacte).

Le processus d'investissement de la société réalise une analyse extra-financière conformément aux normes ESG. À cet égard, il convient de noter que March AM est signataire des Principes pour l'investissement responsable des Nations Unies, en vertu desquels elle s'engage à :

- *intégrer les risques ESG au processus décisionnel ;*
- *assurer pleinement sa qualité d'actionnaire par l'exercice de ses droits de vote ;*
- *promouvoir la publication des politiques ESG via les sociétés dans lesquelles le produit financier investit ;*
- *promouvoir l'acceptation et la mise en œuvre des UNPRI dans le secteur de l'investissement ;*
- *travailler en collaboration pour accroître l'efficacité de l'application des UNPRI ; et*
- *publier des rapports réguliers sur les activités et les progrès réalisés quant à l'application des principes.*

La sélection des actifs repose sur notre propre analyse extra-financière. En outre, une analyse des controverses et de la structure de gouvernance de la société est réalisée dans le cas des actifs de l'entreprise.

Une stratégie « best in class » est employée dans l'analyse de tous les actifs composant le portefeuille, en fonction de la position de la société objet d'un investissement dans son industrie ou secteur (en utilisant les données et la méthodologie des principaux fournisseurs ESG). Pour les actifs de la dette souveraine, le centile que la nation occupe dans un univers spécifique est établi à l'aide des informations et des méthodes des fournisseurs susmentionnés en raison de l'absence d'un centile de l'industrie avec lequel son secteur ou son industrie. Au minimum, 50% des actifs du produit financier (dont les OPC par le biais d'une analyse prospective) qui seront investis relèveront des deux premiers quartiles.

Le processus d'identification des principaux impacts négatifs connexes (ceux qui peuvent être à l'origine d'un préjudice conséquent par rapport à tout objectif environnemental ou social (DNSH dans le cadre du SFDR)) est entrepris à la sélection des actifs dans lesquels investir. Les critères d'exclusion internes susmentionnés et l'analyse fondée sur des normes reposant sur le Pacte mondial des Nations Unies servent de base à cette sélection.

March AM intervient sur (gère, évite ou atténue) les principales incidences négatives (les « indicateurs de PAI ») sur les facteurs de durabilité en prenant en compte certains indicateurs sociaux liés aux critères d'exclusion applicables ainsi que d'autres indicateurs environnementaux liés à des initiatives de réduction des émissions de carbone. Pour les actifs de la dette souveraine, les infractions ou violations sociales et, indirectement, d'autres indicateurs environnementaux et ceux découlant de la stabilité politique et de l'état de droit.

La couverture actuelle pour collecter les données nécessaires est hétérogène et, dans certaines circonstances, faible ou inexistante, même lorsque l'on fait appel à des fournisseurs de données spécialisés de confiance pour accéder aux indicateurs PAI. Néanmoins, March AM évaluera périodiquement si la disponibilité des données s'est suffisamment améliorée pour éventuellement inclure les données dans le processus d'investissement.

Outre ce filtrage négatif, le niveau et l'importance des controverses produites par les entreprises dans lesquelles le produit financier investit sont pris en compte à l'aide de données communiquées par des fournisseurs externes. Les produits financiers ne considèrent comme investissements durables potentiels que les entreprises ayant un niveau de controverse faible ou modéré, à l'exclusion de toutes les sociétés ayant un niveau de controverse significatif, élevé ou grave.

Les sociétés dans lesquelles le portefeuille comporte des investissements exercent une gouvernance d'entreprise solide. La protection de la valeur de l'entreprise est notre priorité absolue en matière de gouvernance. Selon nous, une équipe de direction doit aligner ses objectifs sur ceux de ses actionnaires

minoritaires. Le produit financier analyse l'alignement des équipes de direction et des conseils d'administration des entreprises par rapport aux actionnaires.

Plus précisément, les variables clés prises en compte lors de l'analyse des pratiques de gouvernance des équipes de direction et des conseils d'administration des sociétés analysées sont la qualité et l'intégrité, la structure, la propriété, les droits des actionnaires, la rémunération, l'audit, l'information financière et la gouvernance des parties prenantes. Il est fait appel à des fournisseurs de données tiers de premier ordre pour réaliser l'analyse. Cela fait partie de l'analyse financière et extra-financière effectuée par le gestionnaire du produit financier pour chaque actif du produit financier ex ante son inclusion dans le portefeuille ; cette analyse est mise à jour périodiquement pour tous les actifs du portefeuille qui sont couverts par nos fournisseurs de données tiers. Pour ceux qui ne sont pas couverts (une partie mineure des actifs directs), le gérant du produit financier réalisera cette analyse de la meilleure façon possible.

À l'exception de celles classées réalisant des performances « inférieures » ou « mauvaises », seules les sociétés dont la gouvernance est évaluée comme « hors pair », « supérieure à la moyenne » ou « moyenne » seront assimilées à des sociétés que le gérant de produits financiers considère comme des investissements durables.

een defined to determine the alignment of the product with these characteristics.

b. No sustainable investment objective

This financial product 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 5% of sustainable investments with:

- a. an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;*
- b. an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;*
- c. a social objective.*

The process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening.

This financial product weighs in (addresses, avoids, and/or mitigates) on the main adverse impacts on sustainability factors (PAI indicators) considering :

- a. For corporate assets, certain social indicators linked to the applicable exclusion criteria together with other environmental indicators linked to carbon emission reduction initiatives.*
- b. For those sovereign debt assets, social infractions/violations and, indirectly, other environmental indicators as well as those derived from political stability and the rule of law.*
- c. It will be analyzed how these products consider PAI for UCIs; and if so, which specific ones are being considered.*

PAIs are primarily considered and integrated into the decision-making process through exclusions. The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers to access PAI indicators. Due to the lack of data, it is feasible that the product manager is now unable to evaluate some investment PAIs.

Additionally, the coverage of data related to water and waste is reduced and the related PAI indicators are considered through the exclusions of severe controversies within the UN Global Compact (norm-based analysis). In that circumstance, it is important to note that the financial product may have problems to increase the data coverage of some PAI indicators. However, the financial product manager(s) will periodically assess whether data availability has improved enough to potentially include the data into consideration in the investment process.

The UN Global Compact- of which March AM is a signatory partner- is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labor, the environment, and anti-corruption into their corporate and operational strategies.

The financial products only considers as potential sustainable investments those companies with a low or moderate level of controversies, excluding all companies with a significant, high, or severe level of controversies. In addition to this negative screening, the level and importance of the controversies produced by the companies in which the financial product invests is considered using data from external providers.

The Investment Manager's sustainable minimum exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, and are embedded in the Sustainable Development Goals.

c. Environmental or social characteristics of the financial product

Each asset in the portfolio has its environmental and social features examined as part of the investment process, providing each asset and the aggregated portfolio with an internal ESG rating.

This internal rating, which is based on the degree of promotion of each individual asset comprising the portfolio, is obtained using data and methodology from leading ESG providers. Among other features, this financial instrument promotes:

a. Environmental features: Environmentally sound governance and processes are important, as are sustainable resource utilization (energy, water, and land), a decrease in emissions (carbon, waste, and air pollution), and improved environmental footprints from suppliers and goods.

b. Social features: It promotes better employee relationships and working conditions, skill-enhancing training, and a reduction in accidents. Furthermore, it encourages improvements in the customer experience and accountability in the effects the company's product has on its customers and its products.

A wide range of sustainable indicators are considered at the environmental level such as energy efficiency targets, use of renewable energies, total energy consumption, water consumption efficiency target, recycled water ratio, greenhouse gas emissions, waste treatment, indirect cost of supplier emissions, degree of environmental impact of products, environmental investments, environmental risk analysis and existing environmental risk policies, and the existence and analysis of the company's environmental team and its training.

On a social level, we consider not only objectives linked to the company and its environment but also to the rest of the stakeholders. The main sustainable indicators used on the social side are the existence of union policies and representation, training hours, employee days lost vs. total days, employee satisfaction, flexible working hours, remuneration and working conditions, employee turnover, occupational accident rate, occupational fatality rate, occupational health and safety incidents, diversity among its employees, employees with disabilities, rate of women in the company and among the management team, level of satisfaction among its customers, privacy policies, the existence of supplier management policies, the existence of whistleblowing policies, company community involvement projects and employment and local impact.

As part of the analysis process for considering sovereign debt investments as sustainable, 12 quantifiable and trackable metrics (compiled by renowned ESG providers from reputable and authoritative sources such as the World Bank and the UN) are examined to quantify the environmental, governance, and social commitment of nations.

Three indicators linked to wealth per capita, ease of access to secondary education, and life expectancy will be assessed for the social component, according to World Bank guidelines.

Three indicators linked to energy intensity, renewable energy consumption, and carbon intensity will be assessed for the environmental component, according to World Bank guidelines.

Six indicators linked to voting rights, political stability, government effectiveness, regulatory quality, equal rights and control of corruption will be assessed for the governance component, in accordance with World Bank guidelines.

d. Investment strategy

In compliance with the provisions of the RAIF Law, the investment strategy of this financial product is based on the principle of risk diversification. The investment objective of this financial product is to provide long-term capital appreciation and income growth. The financial product is actively managed in line with its strategic asset allocation.

The Investment Manager will determine asset allocation operating ranges for each asset class at its discretion and in pursuit of the financial product's investment objectives. The investment objectives and strategy of the financial product do not refer to a specific benchmark.

This financial product is an investment vehicle for investors who wish to be exposed to multiple asset classes (shares, debt securities, real estate, infrastructure, commodities and precious metals and currencies) and who have a medium to long-term investment time horizon (three (3) to five (5) years).

The financial product will invest in a broadly diversified global portfolio of securities. The transferable securities will include: selected investments in equity securities (including real estate investment trusts (REITS) and infrastructure equity securities), investments in units of other UCIs (including absolute return strategies), exchange traded funds (ETFs), as well as, to a lesser extent, debt securities and commodities (including ETCs). The financial product will invest globally with no specific geographical focus. In addition, from time to time the financial product may use options in isolation, or in combination with underlying assets, to express a view on a given position, to generate income, or to protect the financial risk of underlying assets.

In order to achieve its investment objective, this financial product integrates a fundamental analysis of the securities, UCIs and other assets comprising the portfolio. Additionally, this analysis integrates ESG factors in the asset selection process and includes the exercise of voting rights inherent to the position in each of the equity positions according to ESG criteria.

The company's investment process conducts an extra-financial analysis in accordance with ESG standards. In this regard, it should be noted that March AM is a signatory of the United Nations Principles for Responsible Investment, through which it commits to:

- a. incorporate ESG risks in the decision-making process;*
- b. be an active shareholder through the exercise of voting rights;*
- c. promote the disclosure of ESG policies by the companies in which the financial product invests;*
- d. promote the acceptance and implementation of the UNPRI in the investment sector;*
- e. work collaboratively to increase the effectiveness of the application of the UNPRI; and*
- f. publish regular reports on activities and progress in the application of the principles.*

Additionally, March AM is a signatory member of the UN Global Compact and actively works to advance sustainability. The company has pledged to develop and convert its products to promote sustainable investing with the goal of more responsible returns and greater integration of risks derived from ESG factors. For voting rights exercise, March AM relies on the expertise of highly respected and knowledgeable proxy voting advisors.

This product applies, in its investment strategy, exclusion criteria based on March AM's exclusion policy currently in effect for SRI products, which is based on three main blocks and considers environmental and social aspects and indicators in addition to extra-financial analysis carried out to choose the assets that are part of the product portfolio.

- I. General exclusion policy: The excluded activities are controversial weapons, tobacco, and thermal coal (each of the activities are excluded based on specific thresholds set out in the March AM Exclusions Policy, published on the website www.march-am.com). At the same time, the firm engages in the analysis of activities under oppressive regimes.*
- II. Exclusion policy for SRI products: In addition to the general policy, adult content/pornography, gambling/gaming, and GMOs. Alcohol exposure and the existence of a responsible drinking policy are excluded as well (each of these activities are excluded based on specific limits set out in the March AM Exclusions Policy, published on the website www.march-am.com).*

- III. Lastly, March AM conducts a norm-based analysis to determine whether the company complies with the 10 principles of the United Nations Global Compact for each of the four categories comprising the pact (Human Rights, Labor, Environment, and Anti-Corruption), given the fact that the company is a signatory partner of the UNGC. Based on this analysis, companies that display evidence of violating one or multiple principles are eligible for exclusion.

In the case of UCIs, regardless of their SFDR classification, our exclusion policy must be simplified at this time due to the tangible impossibility of analysing and filtering the direct investments of the individual UCIs in the portfolios and in some cases even to have access to the direct investments of these portfolios in a timely manner.

Therefore, the exclusion policy for these portfolios will be based primarily on a due diligence analysis of the UCI manager's own exclusion policy for each of the UCIs and its comparison with our own exclusion policy. In that sense, it will not be required to comply 100% with our own exclusions policy, since in some points this policy will be more lax, but on the other hand, there will be additional exclusions to those of March MA; therefore, the existence of some subjectivity will be possible.

However, all managers/UCIs that are part of these portfolios should have an exclusion policy (if they do not, the investment in this strategy will have to be approved by March AM's SRI committee) and, furthermore, this exclusion policy will be analysed and should follow the same restrictive pattern as March AM's own policy.

Asset allocation is based on an in-house fundamental analysis. For this purpose, the Firm analyze the Investee's Annual and Periodic Financial Reports (Annual Reports, Balance Sheet, Annual Accounts, Cash Flow Statements, etc.), as well as the main Non-Financial Reports of the companies. Additionally, the governance structure and controversies surrounding the corporation are examined.

Furthermore, Financial product's Investment Managers hold regular meetings with investees' companies and asset managers. ESG matters, in addition to purely financial factors, are frequently discussed in the aforementioned meetings to analyze the development, commitment and vocation for improvement of these, as well as the measures taken by the investees' in this regard. In order to promote a combination of both social and environmental product characteristics in accordance with Art.8 of SFDR, the investment strategy aims to benefit companies with strong ESG ratings while detracting from and/or reducing the portfolio weight of companies with poor ESG ratings. The rating is based on an in-house ESG analysis, which uses top-tier external providers' data as a source, complemented with the managers' fundamental view.

The investment process combines the management team's own experience and expertise, as well as ESG ratings obtained from data and information provided by highly experienced and reputable providers (the basis of our own ESG rating).

The ratings assigned to assets in each pillar (environmental, social and governance) are standardized to create an aggregate ESG rating. Where investment valuation is materially impaired, companies with a poor ESG ratings will have their weighting reduced or be sold.

A "best in class" strategy is used in the analysis of all assets comprising the portfolio, based on the investee's position within its sector or industry (using data and methodology from main ESG providers). For sovereign debt assets, the percentile that the nation occupies within a specific universe is established using information and methods of the aforementioned providers due to the lack of an industry percentile with which its sector or industry. As a minimum requirement, 50% of the financial product's assets (including UCIs through a look-through analysis) will be invested belonging to the first two quartiles.

Additionally, in accordance with article 8 of the SFDR, at least 50% of the financial product's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The financial product analyzes the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analyzing the governance practices of the management teams and boards of the companies analyzed are quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. First-class third-party data providers are used to carry out the analysis; this is part of the financial and extra financial analysis conducted by the financial product's manager for each asset of the financial product ex-ante its inclusion to the portfolio; this analysis is updated periodically for all the portfolio's assets which are covered by our third party data providers. For those which are not covered (a minor part of the direct assets) the financial product's manager will conduct this analysis on a best-efforts way.

Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the financial product manager deems to be sustainable investments.

e. Proportion of investments

This financial product's asset allocation follows the following criteria:

- a. *All investments included in the financial product will adhere to the exclusion criteria set out on this document's seventh page (Investment Strategy).*
- b. *In accordance with article 8 of the SFDR, at least:*
 1. *50% of the financial product's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while a 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.*
 2. *50% of the financial product's assets (including UCIs through a look-through analysis) will be invested in assets belonging to the first two quartiles as part of the best-in-class strategy applied to all assets comprising its portfolio, as stated in this document's eighth page (Investment Strategy).*
- c. *At least 5% of total portfolio assets shall consider either:*
 1. *Sustainable investments according to SFDR, as described on the seventh page of this document (Methodology).*
 2. *Investments aligned with economic activities that contribute to one or more of the environmental objectives set out in Art. 9 of Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments (taxonomy), as stated on the ninth page of this document (Methodology). The latter must account for, at least, 0.01% of the assets comprising the portfolio.*

This financial product, which promotes environmental characteristics in accordance with Article 8 of the Disclosure Regulation (SFDR) and which partially invests in economic activities that contribute to one or more environmental or social objectives, may contribute to one or more of the environmental goals outlined in Art. 9 of the Taxonomy Regulation (EU) 2020/852, including but not limited to:

1. *the prevention and control of pollution;*
2. *the mitigation of climate change;*
3. *the adaptation to it;*
4. *the sustainable use and conservation of water and marine resources;*
5. *the transition to a circular economy; and,*
6. *the preservation and restoration of biodiversity and ecosystems.*

The financial product has established a minimum alignment with these environmental goals for the portfolio of, at least, 0.01%.

Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not covered yet under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria.

This financial product 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 5% of sustainable investments with:

- a. *an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;*
- b. *an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;*
- c. *a social objective.*

The Investment Manager considers but do not commit to a “specific” minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy, as the 5% minimum proportion committed refers to the combination of all the above-mentioned objectives. For the same reasons, The Investment Manager considers but do not commit to a “specific” minimum share of socially sustainable investments.

According to March AM, there may be a percentage of the portfolio (up to 50%) that has an ESG rating higher than 25, which means that it does not promote environmental or social features and may or may not have strong governance. It should be highlighted that this part of the portfolio will faithfully comply with the exclusion criteria set out in the fifth page of this document (Binding Elements of the Investment Strategy).

The purpose of these investments is to contribute to the long-term performance of the fund and an ongoing analysis will be made of their ESG risks and their evolution therein. In the long term, the percentage of this section may be reduced, as companies that do not align and improve will eventually be excluded due to the risks they may incur (reputational, litigation, sanctions, etc.).

f. Monitoring of environmental or social characteristics

The extra-financial analysis of a potential investment decision will begin with the monitoring of environmental and/or social characteristics (ex-ante). Once an investment decision is made, it will be regularly embedded and monitored through our own ESG rating tool, which is based on top-tier third-party ESG data suppliers (check this document’s point h for more information).

g. Methodologies

The product commits to hold sustainable investments in its portfolio as defined by the Sustainability Disclosure Regulation (EU) 2019/2008 (SFDR). Investments classified as sustainable that follow this regulation reach a minimum of 5% of the portfolio. They are investments that, in accordance with the regulation's definition, contribute to one or multiple environmental or social goals, do not do significant harm to any other environmental or social objectives, and adhere to good corporate governance principles.

For this product, investments must fulfill one of the requirements listed below in order to be deemed sustainable:

For Equities and Corporate Debt:

- a. *Their involvement in a well-defined GHG emissions reduction strategy aligned with the goals of the Paris Agreement; we use the worldwide project “Science Based Targets Initiative (SBTi)” to select these investments. SBTi is a partnership between the World Resources Institute (WRI), the UN Global Compact, the Carbon Disclosure Project (CDP), and the World Wildlife Fund for Nature (WWF). The SBTi initiative:*
 - *defines and promotes best practices in emissions reduction and net-zero emissions targets, in line with climate science.*
 - *provides technical assistance and expert resources to companies setting science-based targets (SBTs).*
 - *brings together a team of specialized experts to provide companies with independent advice and technical validation of their objectives.*
 - *is the Business Ambition for 1.5°C campaign lead partner, which is an urgent call to action from a worldwide coalition of UN agencies, business and industry leaders that aims to mobilize enterprises to establish net-zero SBT targets aligned with a 1.5°C future.*

This financial product selects investments that have a reduction target in place or are committed to reducing their GHG emissions in accordance with the Paris Agreement targets. Additional information on the SBTi initiative can be found on the following website: <https://sciencebasedtargets.org>.

- b. *Have a measurable impact within the framework of the 17 Sustainable Development Goals (SDGs), which are designed to spearhead the eradication of poverty and other forms of deprivation by enhancing health and education, reducing inequality, safeguarding the environment, and boosting prosperity. The selection process is based on the analysis of companies whose activity, management model and results are aimed at mitigating general social problems and the planet's resource sustainability identified by the SDGs. The degree of alignment with each of the 17 SDGs is monitored through data from external suppliers of recognized solvency; at the same time, the percentage of company revenues directly linked to the SDGs is analyzed.*
- c. *Measurable impact indicators: Specific metrics related to SDG activities are regularly examined and monitored (using data from top-tier knowledgeable and established creditworthiness suppliers). These metrics are analyzed at the company level and gauge the success or failure of the organization's operational or governance practices.*

The process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest.

The aforementioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening. The UN Global Compact- March AM is a signatory partner of it- is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labor, the environment, and anti-corruption into their corporate and operational strategies.

The fund only considers sustainable investments for those companies with a low or moderate level of controversies, excluding from this part of sustainable investments all companies with a significant, high, or severe level of controversies. In addition to this negative screening, we consider the level and importance of controversies produced by the companies invested by the portfolio using data from external providers.

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The fund manager should analyze the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analyzing the governance practices of the management teams and boards of the companies analyzed would be quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. Reputable third-party data providers are used to carry out the analysis. Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the fund manager deems to be sustainable investments.

This financial product also allows investment in green, social or sustainability-linked bonds or commercial paper/note programs. These are fixed-income debt instruments that allow issuers:

- *To finance or refinance initiatives/activities that have a positive environmental impacts;*
- *To raise funds for initiatives that address social problems or have a positive social impacts; and,*
- *To raise money for initiatives with a positive environmental and social impact, combining both objectives.*

Depending on the projects that this product finances, the financial product considers this type of investment as sustainable (if they promote environmental characteristics in accordance with Art. 8 of the Disclosure Regulation (SFDR)) or as taxonomy (if they contribute to one or more of the environmental goals outlined in Art. 9 of the Taxonomy Regulation (EU) 2020/852).

For Sovereign Debt

As part of the analysis process for considering sovereign debt investments as sustainable, 12 quantifiable and trackable metrics (compiled by renowned ESG providers from reputable and authoritative sources such

as the World Bank and the UN) are examined to quantify the environmental, governance, and social commitment of nations.

Three indicators linked to wealth per capita, ease of access to secondary education, and life expectancy will be assessed for the social component, according to World Bank guidelines.

Three indicators linked to energy intensity, renewable energy consumption, and carbon intensity will be assessed for the environmental component, according to World Bank guidelines.

Six indicators linked to voting rights, political stability, government effectiveness, regulatory quality, equal rights and control of corruption will be assessed for the governance component, in accordance with World Bank guidelines.

The sustainability percentage in Sovereign Debt investments will be quantified using an internal valuation model based on the aforementioned metrics, excluding the consideration of a sustainability percentage in those nations deemed to have a significant impact on any environmental or social objectives measured by the metrics.

In this respect, a maximum sustainability factor of 50% will be given to the top-ranked nation. This sustainability factor will linearly decline as it moves up in the ranking. The model score (based on the 12 metrics examined) will be multiplied by the resulting sustainability percentage for each country, obtaining the sustainable investment percentage for each country. The sustainable investment percentage for nations not located in the top quartile of the sample under study is zero percent.

Furthermore, this financial product allows investment in green, social or sustainability-linked bonds or commercial paper/note programs. Depending on the projects that this product finance, the financial product considers this type of investment as sustainable (if they promote environmental characteristics in accordance with Art. 8 of the Disclosure Regulation (SFDR)).

For Undertakings for Collective Investment (UCIs)

The selection of UCIs comprising the financial product's portfolio is made using specialized sustainability analysis tools and ESG criteria, as well as information obtained through consultations with well recognised & public databases (i.e. the databases of the EU, the OECD and international organizations) and the European ESG Templates (EETs) of asset management firms.

Investees' environmental and social characteristics are analyzed (look-through) as part of the investment process, providing an internal ESG rating for each individual asset and the aggregate portfolio. March AM's internal rating, which is based on the degree of promotion of each individual asset in the portfolio, is obtained using data and methodology from renowned ESG providers.

For this financial product, investments must meet one (if not more) of the requirements listed below to be deemed sustainable:

- a. *For UCIs targeting sustainable investments (as described in Art. 9 of the Taxonomy Regulation (EU) 2020/852), 100% of the position shall be considered as sustainable investments in this product.*
- b. *For those UCIs promoting environmental or social characteristics (in accordance with Article 8 of the Disclosure Regulation (SFDR)), the minimum committed percentage of sustainable investment reflected in the respective sustainability annex (Annex II) will be considered as sustainable. Additionally, a periodic analysis of the product's actual percentage in sustainable investments will be carried out (through the look-through and its respective Annex IV), which in most cases will greatly exceed this minimum percentage. However, only the minimum percentage of sustainable investment committed in its respective sustainability annexes will be considered as a conservative criterion.*

h. Data sources and processing

Data Sources:

March AM has forged a significant number of relationships with top-tier ESG data, research, and processes providers focused on:

- *ESG data, rating and analysis providers, which integrate (by company and universe, and aggregate portfolio):*
 - *ESG Rating (Sustainalytics & Clarity)*
 - *Controversy Analysis (Sustainalytics)*

- Governance Analysis (Sustainalytics)
- Product Involvement (Exclusion) Analysis (Sustainalytics)
- Norm-based Analysis ("Global Standards Screening"; Sustainalytics)
- EU Taxonomy Analysis (Sustainalytics & Clarity)
- SDG Impact Metrics & Carbon Rating Analysis (Sustainalytics)
- PIAs Analysis (Clarity)
- Global and reputable provider of "proxy voting" (ISS) that allows for:
 - Analysis of all shareholder meetings in relation to all direct equity holdings of March AM
 - Voting analysis, decision and execution through a unified platform
- Fund of funds data providers ("Look-Through" analysis; Morningstar)

Data Processing:

March AM has developed, through its risk control department, an internal ESG tool which integrates and processes the data from the aforementioned ESG data providers to produce a proprietary March AM's ESG rating system, enabling the fund management team to perform the required extra-financial analysis.

This tool combines ESG rating, controversies analysis, governance analysis, exclusion analysis, norms based analysis, taxonomy alignment, SDG alignment, PAI analysis and fund of funds portfolio look-through analysis into a single interface. Both the investable universe and the level of each specific financial product are examined in this analysis. Furthermore, this tool enables an ex-ante ESG analysis, performed before to each investment decision, and the control exercised by March AM's risk control and compliance department, which ensures that its legal requirements as per SFDR are being met.

i. Limitations to methodologies and data

While every effort has been made to ensure that the data obtained and processed is accurate and adequate, it must be mentioned that our sources of information are mainly based on third party data providers. These providers contain not only raw official data provided by companies and governments but may also contain estimates and forecasts and, therefore, may not be error-free.

The coverage for the data needed for the PAI Indicators is heterogeneous and, in some situations, weak or nonexistent in the specific case of PAI, even when employing specialized data providers to get the investment's PAI data. The Investment Manager of the Sub-Fund will strive to increase data coverage for PAI Indicators that currently have low coverage. Furthermore, it will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

March AM's methodologies used to promote sustainability are the following ones: the selection of sustainable ideas (according to SFDR), the consideration of taxonomy aligned activities, targeting non-compliant companies, the analysis of controversies, and the exclusion of potential investments.

It is important to bear in mind that methodology can quickly change as the regulation is advancing and potentially changing in a very dynamic way. Additionally, some of the data used to conduct the analysis and/or make ESG-based investment decisions maybe inaccurate or unreliable.

It is important to note that these restrictions do not alter how the environmental or social features emphasized by this financial product are fulfilled.

j. Due diligence

March AM's risk control & compliance department supervises both the fulfillment of our legal requirements under SFDR as well as the ESG characteristics promoted by this financial product. As aforementioned, March AM has developed an internal ESG tool, through its risk control department, that integrates and processes data from top-tier ESG data providers to create a proprietary March AM's rating and information system.

This system not only enables fund management team to perform the extra financial analysis that is required, but also permits March AM's risk control and compliance department to perform the necessary checks. The latter guarantees the compliance of our legal obligations according to SFDR. March AM's legal and ESG requirements can be tightly controlled with the use of this in-house developed tool (even on a daily basis). Additionally, our external auditor supervises/monitors how the ESG criteria of the items are met on a recurring basis (most often annually).

k. Engagement policies

Engagement is not a specific component of this product's environmental or social investment strategy. Nevertheless, March AM establishes in its engagement policy the long-term involvement in companies/issuers in which it invests. March AM is steadfast in its intention to evolve towards a sustainable economy in which long-term profitability is combined (with an adequate level of risk) with environmental protection, social justice, and influence in the best decision-making in the companies in which March AM products invest.

March AM believes that an informal and open dialogue with issuers can enhance its investment process and enable it to adequately manage the long-term risks of portfolios by promoting ESG practices in the companies in which it invests on behalf of its clients.

Through dialogue and engagement with the companies in which it invests, March AM seeks, on the one hand, to gain an in-depth understanding of the companies' business model, risks and opportunities and, on the other hand, to promote change to improve the strategy, management and reporting of the material environmental, social and governance aspects of each company, which March AM believe helps to protect its investments value. March AM generally rejects investing in companies or nations that engage in reprehensible practices that violate international treaties.

The integration of ESG criteria into investment analysis and processes is compatible with the establishment of exclusion criteria for certain areas of activity. In the event that any issuer maintains a severe level of controversy together with a very negative ESG rating (and it comprises March AM's portfolios), March AM (directly or indirectly) will promote (to the extent possible) an open informal dialogue with the issuers. It would be able to adopt in each case the appropriate method aimed at taking the necessary measures to modify the controversial practices or activities, being able to divest in case of incompatibility of the activities carried out by the issuer with the aspects indicated in this policy.

l. Designated reference benchmark

No specific index has been defined to determine the alignment of the product with these characteristics.