ANNEX III

`ANNEX IV

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: Long Term ESG Fund
Legal entity identifier: 213800QDYJJDHIDKHO83

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

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**

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

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

During the reporting period, the Fund committed to promoting a range of environmental and social characteristics by integrating environmental, social and governance ('ESG') criteria into the investment process and by allocating its resources to issuers that contribute to environmental challenges such as energy consumption, waste, pollution, greenhouse gas emission reduction, biodiversity protection and climate change, and by investing in companies that aim to develop their human capital by referring to fundamental principles of universal relevance, such as human resource management, equal opportunities, health and safety.

The Fund is committed to promoting, through the implementation of specific screening criteria and the application of exclusion lists, investments aimed at reducing the negative impacts on society and the environment, favouring the allocation of its resources in production processes that do not generate negative effects on the climate, and excluding from its investment universe certain issuers operating in sectors or countries considered controversial, identified in the context of the Sub-fund's responsible investment policy, to which please refer to the following link for more details: https://www.ersel.it/en/ersel-group/sustainability.

No benchmark index has been designated to meet the environmental or social characteristics of the Sub-Fund.

How did the sustainability indicators perform?

The attainment of each environmental and/or social characteristic was assessed and monitored based on an approach that included the identification of appropriate sustainability indicators. In the pursuit of the environmental and social characteristics promoted by the Fund, the investment process was based on the adoption of:

- **negative exclusion criteria**, aimed at excluding from the investable universe sectors, companies and activities that conflict with the ESG values promoted by the Ersel Group and specific to the Fund: for example, issuers involved in violations of the principles of the United Nations Global Compact (UNGC) or that do not comply with international treaties such as those on controversial weapons or whose revenues come from tobacco production.
- **positive selection criteria**, aimed at excluding issuers characterised by poor ESG performance and, at the same time, promoting investments in issuers with an ESG rating above a certain threshold and which are best-in-class in their sector (for further details, please consult the Sub-Fund's Responsible Investment Policy available at the following link: https://www.ersel.it/en/ersel-group/sustainability)

Once the screening phase was passed, the ESG performance of each issuer was evaluated through appropriate ESG scoring, provided by the MSCI info-provider, which assess each issuer's ability to manage environmental, social, and governance risks and opportunities. Seven different levels are used for scoring, from the best AAA rating to the worst CCC, and issuers are then defined as:

- Leaders: rating AAA, AA
- Average: rating A, BBB, BB
- Laggards: rating B, CCC

During the period covered by this periodic report, the portfolio's weighted average ESG score was AA, while the total weight of investments in issuers with poor ESG ratings (below BB) was 0% of the investment portfolio.

Meanwhile, the exposure to issuers without an ESG rating and to funds and ETFs not classified as 'Article 8 or 9' under the SFDR compared to the Fund's total portfolio was 23.71%.

During the period covered by this report, the Fund also paid attention to MSCI sustainable impact metrics designed to measure revenue exposure to sustainable impact solutions and support viable thematic allocations in line with the United Nations Sustainable Development Goals (SDGs), the EU Sustainable Business Taxonomy and other sustainability-related frameworks; during the period under review, approximately 14.19% of the underlying issuers' revenues were exposed to sustainable impact solutions.

…and compared to previous periods?

The average portfolio rating remained constant: AA rating.

The average weight of investments in issuers with insufficient ESG ratings (below BB) remained constant at 0%.

The average weight of investments in issuers without ESG ratings and to funds and ETFs not classified as 'Article 8 or 9' under the SFDR slightly decreased from 24.31% recorded in 2022, to 23.71% of the total portfolio.

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

Long Term ESG Fund aims to have at least 10% of the underlying issuers' revenues exposed to sustainable impact solutions. Sustainable impact measures revenue exposure to sustainable impact solutions, reflecting the extent to which a company's revenues are exposed to products and services that help solve the world's major social and environmental challenges.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

EGI Responsible Investment ESG Policy excludes certain categories of sectors, countries or issuers, that operate in sectors that are considered "non ESG" or that behave in a way that contradicts ESG values. The sustainable investments of the Sub-Fund respect the "do no significant harm principle" by abiding to the following negative screening criteria:

- Exclusion from the investible universe of the Sub-Fund of all investments in companies that do not comply with international treaties such as those on controversial weapons (as for example the 2008 Convention on Cluster Munitions, or the 1997 Ottawa Treaty on anti-personnel mines) or the rules on the use of depleted uranium.
- Exclusion from the investible universe of the Sub-Fund of issuers whose revenues come from tobacco production or that earn more than:
    - 50% of their revenues from tobacco distribution;

- 25% of their revenues from coal mining;
- 25% of their revenues from coal-based electricity generation;
- 25% of their revenues from extraction of hydrocarbons from tar sand or fracking;
- 10% of their revenues from extraction of hydrocarbons in the Arctic are also excluded.

- Exclusion from the investible universe of the Sub-Fund of countries subject to international sanctions or which violate the UN Global Compact principles.
- Exclusion from the investible universe of the Sub-Fund of companies involved in either violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises, or are subject to investment restrictions by the UN, EU, USA.

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

The Fund, in its investment activity, takes into account some of the indicators for adverse impacts on sustainability, such as prioritising, in particular, the collection and monitoring of indicators relating to greenhouse gas emissions of investments (Carbon Footprint and GHG Intensity of beneficiary companies) and indicators relating to social issues for companies, (violations of UNGC principles and OECD guidelines for multinational companies, lack of adequate procedures and mechanisms to monitor compliance to the previous point and exposure to controversial weapons) and sovereign (Investee countries subject to social violations). Regarding the monitoring of the environmental indicators, the fund aims to have a trend of declining emission intensity (over a 3 -year rolling period) while for the social ones, the fund aims to have no exposure to companies/countries flagged by the selected adverse impact indicators. The average 2023 emission intensity has been equal to 686 (decreased with respect of the average of 2022).

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

In order to assess the alignment of sustainable investments with the OECD guidelines and the UN Guiding Principles, the sub-fund uses a framework of metrics provided by the reference info-provider, namely "MSCI Sustainable Impact Metrics". The aim is to assess to which extent the products and services of issuing companies address at least one of the key social and environmental challenges, as defined by the United Nations Sustainable Development Goals (UN SDGs). For the companies, funds and ETFs in the portfolio, MSCI ESG provides the aggregate percentage calculated with the look-through of the underlying issuers, which in the period covered by this periodic report was 14.19%.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

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

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

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

This financial product did not consider PAI indicators during the period covered by this periodic report.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023

Largest Investments	Sector	%	Country
ABERDEEN GLOBAL PRIVATE MARKETS FUND	Diversified*	6,82%	Diversified*
DECALIA PRIVATE CREDIT STRATEGY RAIF	Diversified *	4,83%	Diversified *
LONGCHAMP DALTON JAPAN LONG ONLY	Diversified *	4,39%	Diversified *
FEDERATED HERMES ASIA EX-JAPAN EQUITY FUND	Diversified *	4,05%	Diversified *
HELIKON LONG SHORT EQUITY FUND	Diversified *	3,46%	Diversified *
HEDGE INVEST DISTRESSED OPPORTUNITY FUND	Diversified *	3,03%	Diversified *
UBP PRIVATE DEBT FUND	Diversified *	2,94%	Diversified *
STOREBRAND SICAV SKAGEN KON-TIKI	Diversified *	2,65%	Diversified *

FONDERSEL ORIZZONTE 25	Diversified *	2,62%	Diversified *
ALPHA UCITS FAIR OAKS DYNAMIC CREDIT FUND	Diversified *	2,35%	Diversified *
GLOBAL EVOLUTION FUNDS - FRONTIER MARKET	Diversified *	2,17%	Diversified *
BTP ITALIA 05/2025	General public administration activities	2,08%	ITA
CHEYNE TOTAL RETURN CREDIT FUND	Diversified *	1,84%	Diversified *
BIRS MXN 01/26 4,25%	Activities of extraterritorial organisations and bodies	1,74%	Sovereign
MICROSOFT CORPORATION (US)	Software publishing	1,54%	USA

* Given the structure of the funds and their diversified nature, it is not possible to provide a meaningful sectorial and geographical summary for each position.

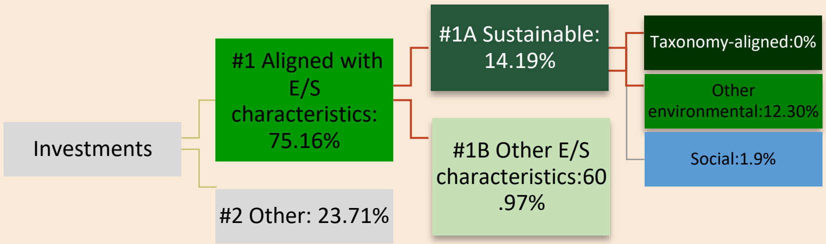
What was the proportion of sustainability-related investments?

In the SFDR Level 2 Pre-Contractual Disclosure (annex to the Fund Prospectus) the Fund committed to 75% of the Fund to be aligned to the promoted E/S characteristics and a minimum of 10% in Sustainable Investments.

Asset allocations below are expressed as a percentage of Net Asset Value (NAV). The % of investments that were aligned to the environmental or social characteristic promoted averaged 75.16% of of assets during the reporting period. This comprised 14.19% of NAV in sustainable investments, and the remaining 60.97% of NAV in investments with other environmental and or social characteristics.

The Fund did not commit to invest in investments aligned to the EU Taxonomy, 0% were aligned to the EU Taxonomy, while 12.30% related to investments with other environmental characteristics, and 1.90% related to socially sustainable investments.

What was the asset allocation?



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

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

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

In which economic sectors were the investments made?

The Fund has made investments in the following economic sectors:

- ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES
- ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
- FINANCIAL AND INSURANCE ACTIVITIES
- INFORMATION AND COMMUNICATION
- MANUFACTURING
- MINING AND QUARRYING
- PUBLIC ADMINISTRATION AND DEFENCE
- REAL ESTATE ACTIVITIES
- TRANSPORTATION AND STORAGE
- WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
- CONSTRUCTION
- PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
- TRANSPORTING AND STORAGE

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

N/A. The financial product did not make sustainable investments with an environmental objective aligned with the EU Taxonomy during the reporting period.

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.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

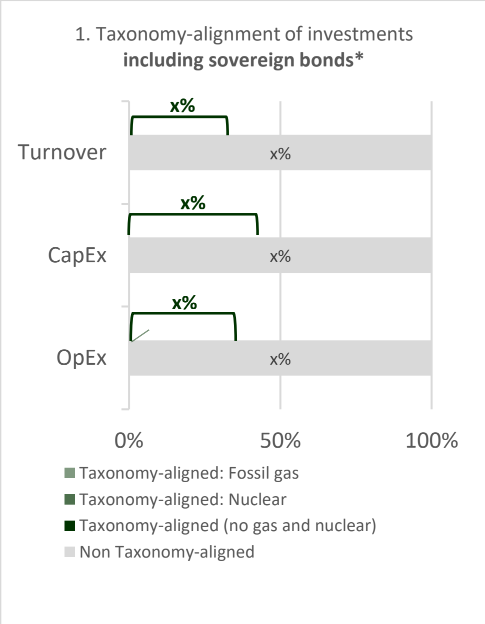
☐ Yes:

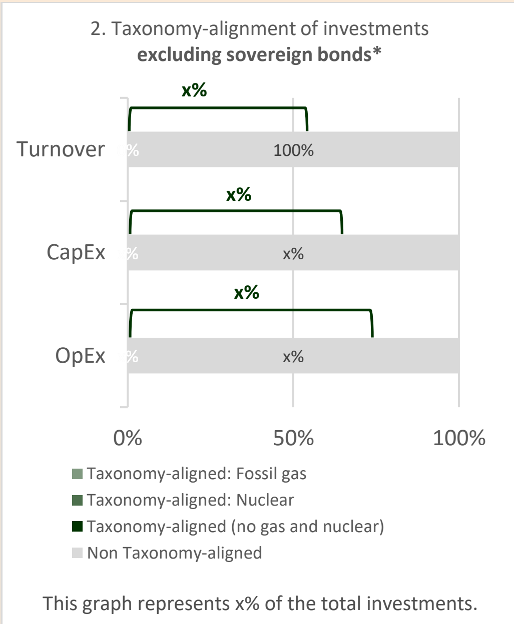
☐ In fossil gas ☐ In nuclear energy

☒ No

N/A. The financial product did not include investments in fossil gas and/or nuclear energy related assets that were compliant with the EU taxonomy.

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.*

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

N/A.

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

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

N/A.

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

Long Term ESG Fund aims to have at least 10% of the revenues of the underlying issuers exposed to sustainable impact solutions (as per MSCI Sustainable Impact Metrics) of which at least 6% exposed to environmental sustainable impact solutions, as this is the primary sustainable objective the fund promotes. During the period covered by this report, the Fund achieved 14.19% in aggregate, of which 12.30% was in sustainable investments with both environmental and social objectives.

This aggregate percentage is calculated as a weighted average, using portfolio weights and each issuer's percent of revenue generated from Environmental Sustainable Impact Solutions. For the funds and ETFs in portfolio, MSCI ESG supply the aggregate percentage calculated with the look-through of the underlying issuers. Only issuers and funds/ ETFs with the revenue data are included in the analysis. Green, Social and Sustainability Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance eligible Social/Environmental Projects. For green bonds specifically, any investment in those instruments is deemed to account for 100% exposure to Environmental sustainable impact solution as the European regulation explicitly recognizes their alignment with the EU taxonomy. For social, sustainability and sustainability-linked bonds, any investment in those instruments is deemed to account for 100% exposure to environmental sustainable impact solution as long as the following conditions are satisfied: 1) the issuers have publicly disclosed their external review reports, in accordance with the recommendations of the International Capital Market Association (ICMA); and. 2) The external review shows a positive alignment of the issue with the ICMA principles and the UN Environmental Sustainable Development Goals.

What was the share of socially sustainable investments?

Long Term ESG Fund realised a percentage of investments with social investment objectives of 1.90% in aggregate. The fund's primary sustainable objective was environmental; therefore, the social category was a residual category and the fund did not explicitly set a minimum threshold.

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

The category "#2 Remaining Investments" includes the remaining investments of the financial product that are neither aligned with environmental or social characteristics nor can be considered sustainable investments. During the period, this category represented 24.31% of the investment portfolio, net of cash and money market instruments.

For securities included in “#2 Other”, minimum environmental or social safeguards apply. Issuers of such securities must not be involved in violations of the UNGC principles and must not be involved in very serious litigation concerning environmental, social or governance issues or socially controversial activities. The investments in “#2 Other” allow an efficient portfolio management by reducing concentration and market risk. For Underlying Funds that are included in “#2 Other”, a negative screening is carried in order to identify compatibility with reference to the Sub-Fund's ESG Policy, including only funds that manage the sustainability risk as defined in the SFDR.

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

The social and environmental characteristics promoted by the Fund were respected by applying the following safeguards during the investment selection phase:

- **Exclusion lists**: EGI's ESG responsible investment policy excludes certain categories of businesses, countries or issuers that operate in sectors considered 'non-ESG' or behave in a manner contrary to ESG values. For example, issuers that derive their revenues from tobacco production and that seriously violate the United Nations Principles (UNGC) have been excluded. More details on the Responsible Investment ESG Policy can be found at the following link: https://www.ersel.it/en/ersel-group/sustainability.
- **Negative screening**: aimed at excluding issuers and financial instruments characterised by poor ESG performance according to the MSCI methodology. In this context, the following binding elements, among others, have been identified: i) Issuers classified as "laggards", according to MSCI ESG, may represent a maximum of 5% of the investment portfolio, provided they show positive momentum in terms of ESG score improvement; the aim is to incentivise and support the efforts of these companies to improve their ESG practices. (ii) the maximum aggregate exposure to financial instruments of non-ESG rated issuers and to funds and ETFs not classified as "item 8 or 9" under the SFDR may not exceed twenty-five percent (25%) of the Sub-Fund's total assets.
- **Positive screening**: aimed at favouring issuers with an ESG rating above a certain threshold or with a better rating in each sector, over other comparable issuers and sustainable financial instruments within the meaning of the SFDR, when selecting and evaluating investments. To this end, the following binding elements have been identified: i) only issuers with 'leader' and 'average' ratings according to the MSCI methodology are considered during the security selection phase and the weighted average rating of the investment portfolio cannot be lower than 'average' of the MSCI score. ii) only funds and ETFs classified as 'Article 8 and 9 funds' under the Sustainable Finance Disclosure Regulation (SFDR) pass the positive screening.
- **Identification of a minimum proportion of sustainable investments**: to ensure the achievement of the environmental and social objectives promoted by the Fund. The Fund pays attention to MSCI Sustainable Impact Metrics aimed at measuring the exposure of revenues to sustainable impact solutions and supporting viable thematic allocations in line with the United Nations Sustainable Development Goals (SDGs) and other sustainability frameworks; in this context, the Fund aims to have at least 10% of the revenues of the underlying issuers exposed to sustainable impact solutions.
- **Assessment of issuers' good governance practices**, based on specific indicators provided by the MSCI info provider such as the MSCI ESG Controversies and MSCI ESG Rating Indexes relating to the Social and Governance pillars, led to the exclusion from the investment portfolio of all issuers for which red flags were identified. The Management Company's policy on 'good governance practices' is available at the following link: https://www.ersel.it/en/ersel-group/sustainability

The analysis of the ESG profile of investments does not end with the selection and evaluation of issuers and the allocation of capital; The respect of social and environmental characteristics promoted by the Fund was ensured by the following actions:

- **Periodic monitoring**: with the support of the Risk Management Function and leveraging the data provided by the info provider, of the compliance of the investment portfolio's ESG criteria with the sustainable investment policy adopted by the Company and the Fund.
- **Engagement activities**: aimed at promoting dialogue with issuers on sustainability issues.

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.

N/A. No reference index has been defined.

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.