

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: Leadersel Innotech ESG
Legal entity identifier: 21380085UQ93P1L78V23

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective? <i>[tick and fill in as relevant, the percentage figure represents sustainable investments]</i>	
<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

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

Leadersel Innotech ESG promoted a range of environmental and social characteristics by integrating environmental, social and governance ('ESG') criteria into the investment process and allocating its resources in issuers implementing a production processes that do not generate negative effects on the climate through the reduction of energy consumption/production from fossil fuels, reduction of greenhouse gas emissions, combating resource depletion and deforestation, protection of biodiversity; and analysing how a company develops its human capital by referring to fundamental principles that are universal in scope (e.g. human resources management, diversity and equal opportunities, working conditions, health and safety).

The Sub-fund promoted, 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 and excluding from its investment universe certain issuers operating in sectors considered controversial, identified in the context of the sub-fund's responsible investment policy, to which we invite you to refer for further details at the following link: <https://www.ersel.it/en/ersel-group/sustainability>

With reference to the characteristics described above, the Investment Manager undertakes to assess whether the issuing companies aim to respect and promote them through the development of innovation, products and processes capable of fostering them, since the Sub-fund is intended to invest in companies which, through technological innovation, are or will be able to intercept or address structural trends that have as their centre of influence the change in the way people act and interact on a daily basis.

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

1.1. How did the sustainability indicators perform?

The achievement of each environmental and/or social characteristic was assessed and monitored on the basis of an approach that involved the identification of appropriate sustainability indicators. In pursuing the environmental and social characteristics promoted by the Sub-fund, the investment process was based on the adoption of:

- **specific exclusion lists**, aimed at excluding from the investable universe economic sectors, companies and activities in conflict with the ESG values promoted by the Ersel Group and specific to the Sub-fund; on the merits, issuers involved in violations of the United Nations Global Compact (UNGC) active in the production or sale of controversial weapons were excluded.
- **positive selection criteria**, aimed at promoting investments in best-in-class issuers, and at the same time excluding issuers characterized by insufficient ESG performance.

The above screenings were carried out using sustainability data provided by the information provider MSCI ESG Research ("MSCI"). In particular, the ESG performance of each issuer was assessed through the attribution of appropriate ESG scores, which provide information on the ability of the issuers themselves to manage environmental, social and governance risks and opportunities. Seven different levels are used to assign scores, from best AAA rating to worst CCC and issuers are then defined as:

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

During the period taken into consideration in this report, the weighted average ESG rating was **A**; the average weight of investments in issuers with poor ESG ratings (below BB) and investments in issuers with no ESG rating has been equal to **6.87%** and **6.25%** respectively.

1.2 ...and compared to previous periods?

The average portfolio rating remained constant: **A** rating.

The average incidence of investments in issuers with insufficient ESG ratings (below BB) decreased from 9.36% recorded at the end of 2022, to **6.87%** of the total portfolio.

The average incidence of investments in issuers without ESG ratings decreased from 12.21% recorded at the end of 2022, to **6.25%** of the total portfolio.

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

This financial product promoted environmental and/or social characteristics but did not have sustainable investment as an objective.

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

N/A

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

N/A

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

N/A

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

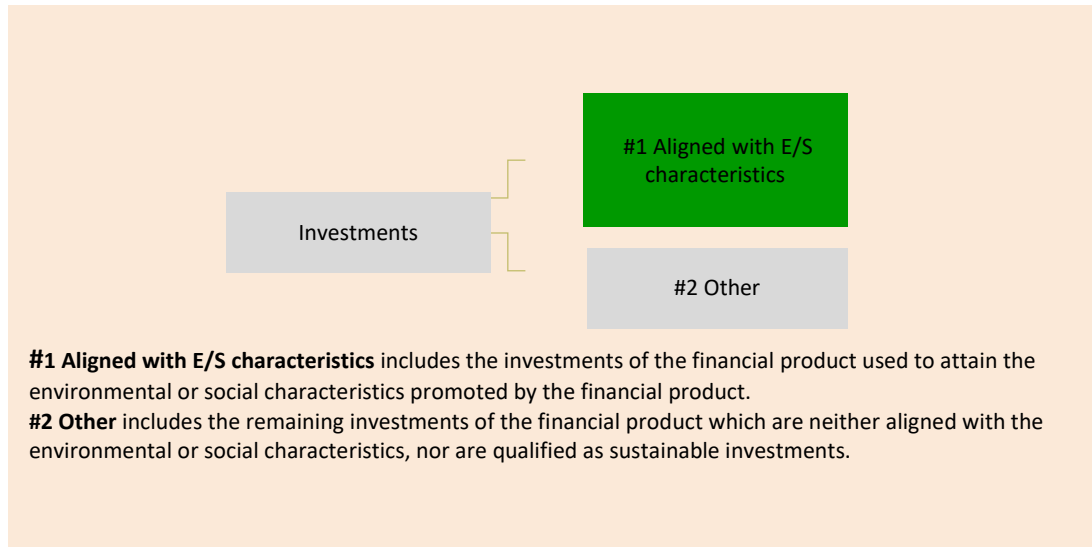
This financial product did not take into consideration principal adverse impact during the period of interest covered by this report.

3. What were the top investments of this financial product?

Largest Investments	Sector	%assets	Country
INTEL CORP. (US)	Manufacture of electronic components	3,84%	USA
ALPHAWAVE IP (LN)	Manufacture of electronic components	3,51%	UK
TWILIO INC - A (US)	Other software publishing	3,47%	USA
VESTAS WIND SYSTEMS (DC)	Manufacture of engines and turbines	3,39%	DNK
ORSTED A/S (DC)	Distribution of electricity	3,39%	DNK
COHERENT CORP (US)	Manufacture of electronic components	3,32%	USA
NEXI (MI)	Other activities auxiliary to financial services	3,12%	ITA
PACIFIC BIOSCIENCES (US)	Manufacture of irradiation, electromedical and electrotherapeutic equipment	3,00%	USA
VITROLIFE AB (SS)	Manufacture of other chemical products n.e.c.	2,95%	SWE
SHOCKWAVE MEDICAL (US)	Manufacture of medical and dental instruments and supplies	2,91%	USA
NATERA INC (US)	Manufacture of pharmaceutical preparations	2,87%	USA
SHOALS TECHNOLOGIES (US)	Manufacture of other electrical equipment	2,85%	USA
TPI COMPOSITES (US)	Manufacture of engines and turbines	2,53%	USA
GLOBUS MEDICAL-A (US)	Manufacture of medical and dental instruments and supplies	2,44%	USA
UBISOFT ENTERTAINMENT (FP)	Publishing of computer games	2,34%	FRA

4. What was the proportion of sustainability-related investments?

4.1. What was the asset allocation? ¹



#1 The Sub-fund foresees a percentage of investments aligned with the promoted environmental and social characteristics that do not qualify as sustainable investments equal to at least 70% of the investment portfolio, net of cash, money market instruments and derivatives. During the period covered by this report, the percentage of investments aligned with these characteristics was equal to **86.89%**.

#2 The category “#2 Other” includes investments of the financial product that are neither aligned with environmental or social characteristics nor qualify as sustainable investments, such as issuers with no ESG rating or poor ESG rating (B and CCC). During the period covered by this report, the percentage of investments aligned with this category was equal to **13.11%**.

4.2. In which economic sectors were the investments made?

The Sub-fund invested in the following economic sectors:

- FINANCIAL AND INSURANCE ACTIVITIES
- INFORMATION AND COMMUNICATION
- MANUFACTURING
- PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES
- WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
- ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY

¹ Cash, money market instruments and derivatives were not used in the calculations for metrics represented in this report since they are not, by definition, aligned or not with the environmental or social characteristics promoted by the sub-fund.

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

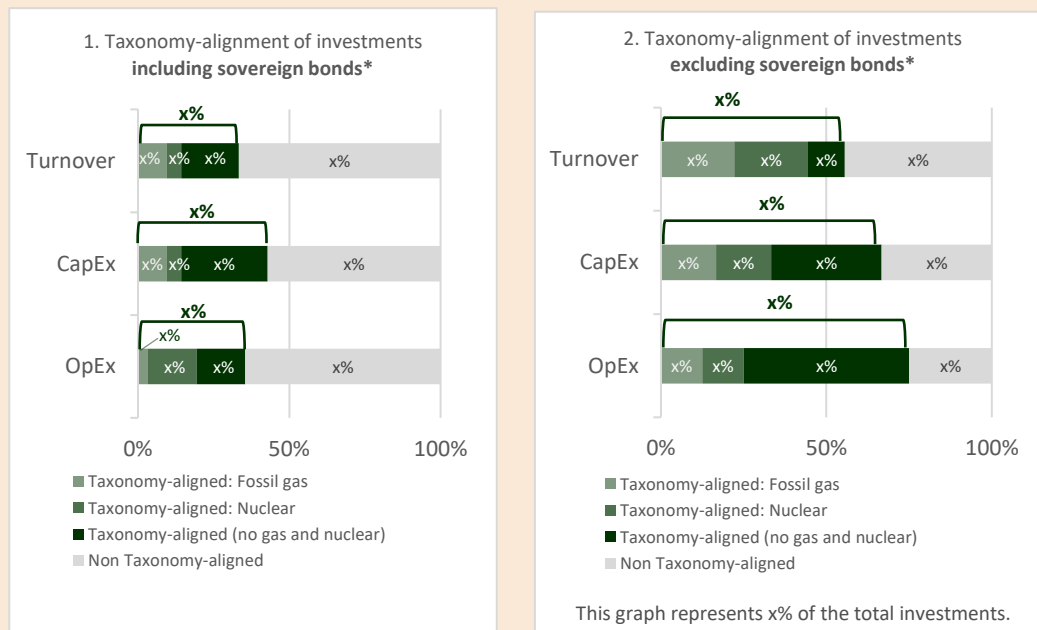
N/A. The Sub-fund did not implement sustainable investments aligned with the EU Taxonomy during the period reported in this document.

5.1. Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy²?

- Sì:
- Gas fossile Energia nucleare
- No

N/A. The Sub-fund did not include investments in assets related to fossil gas and/or nuclear energy 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

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

N/A.

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

N/A.

² 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.

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

N/A.

7. What was the share of socially sustainable investments?

N/A.

8. What investments were included under “#2 other”, what was their purpose and were there any minimum environmental or social safeguards?

The category “#2 Other” refers to the remaining investments of the Sub-fund that are neither aligned with environmental or social characteristics nor qualify as sustainable investments and can represent up to 30% of the invested assets, net of cash, money market instruments and derivatives. During the period covered by this report, the percentage of investments aligned with this category was equal to **13.11%**. They include investments in issuers with an insufficient ESG rating (below BB) and investments in issuers with no ESG rating. Investments in “#2 Other” aim at optimising exposure to concentration and market risks, thus contributing to the efficient management of the Sub-fund's portfolio.

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.

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

In selecting investments, the manager uses a proprietary investment evaluation model that integrates, among others, ESG risks and opportunities.

In addition to being considered during the investment selection phase, ESG risks and opportunities are assessed throughout the entire investment process, through the adoption of a proprietary assessment model that includes:

- **Exclusion lists** which, in addition to excluding issuers following the Ersel Group's Responsible Investment Policy, also exclude companies active in the production and extraction of uranium; companies active in the production of palm oil; companies that derive more than 30% of their revenues from the production of nuclear energy; companies that derive more than 5% of their revenues from the production and distribution of pornographic material.
- **Positive screening** through which the choice of best-in-class issuers is favoured, i.e., issuers with a better ESG rating overall, or compared to comparable issuers, or issuers with ESG ratings that are improving among those issuers considered equivalent according to traditional financial criteria.
- **Negative screening** through which it is assessed whether issuers that are suitable in terms of financial analysis, but not ESG analysis, are included in the investment portfolio.

Moreover, to assess good governance practices of the investee companies, the Management Company has adopted an approach based on the use of specific indicators provided by MSCI, i.e., the MSCI ESG Controversies and the MSCI ESG Rating indexes relating to the Social and Governance pillars. This approach envisages excluding from the investment portfolio of the Sub-fund all issuers for which red flags have been identified. The Management Company's 'Good Governance Assessment Practices' policy can be found at the following link: <https://www.ersel.it/en/ersel-group/sustainability>

The respect of the social and environmental characteristics promoted by the Sub-fund has been granted by the adoption of the following procedures:

- **Periodical assessment** of the conformity with respect to the ESG characteristics promoted, executed with the support of the Risk Manager, with the data provided by the info-provider.
- **Engagement activity** with the issuers on topics linked to sustainability.

10. How did this financial product perform compared to the reference benchmark?

N/A. No benchmark has been defined.

10.1. How does the reference benchmark differ from a broad market index?

N/A.

10.2. 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.

10.3. How did this financial product perform compared with the reference benchmark?

N/A.

10.4. How did this financial product perform compared with the broad market index?

N/A.