

Website Disclosure ex art. 10 Reg. EU 2019/2088

ANIMA Euro Government Bond

Document versions

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1. Summary

Overall, this financial product promotes environmental and social characteristics, while limiting the weight of issuers with a poor ESG quality. More specifically, this financial product promotes the fight against climate change, the respect of human rights, the protection of human health and the protection of human well-being, through the exclusion of issuers involved in controversial activities or sectors. The ESG quality of the financial product is monitored in order to avoid a high concentration of issuers rated poorly in respect of ESG; in particular, issuers are selected so that less than 15% of the financial product's net assets are invested in ancillary liquid assets or in corporate or government issuers without an ESG Combined Score or with an ESG Combined Score below 25, on a scale from 0 to 100 (where 100 is the maximum/best), subject to a maximum limit of 10% of the financial product's net assets for the latter, which must comply with the exclusion criteria mentioned above. Therefore, not less than 85% of the financial product's assets are invested in issuers which are aligned with the environmental and social characteristics promoted by the product.

The Manager makes use of third party ESG data, which come from some of the most widely used and respected providers on the markets.

2. No Sustainable Investment Objective

This financial product promotes environmental and social characteristics, but does not have as its objective sustainable investments.

3. Environmental or Social Characteristics of the financial product

This financial product promotes both the preservation of the environment and natural resources, and fair work conditions, democracy and human and social rights on the social side, as pursued by government issuers. From a corporate point of view, this financial product promotes also the following environmental and social characteristics:

- the fight against climate change,
- the respect of human rights,

- the protection of human health,
- the protection of human well-being.

4. Investment Strategy

The financial product ESG strategy is based on two pillars:

1. the promotion of certain environmental and social characteristics,
2. the limitation of investments in issuers with low ESG quality.

More specifically:

1. This financial product promotes in particular:
 - the fight against climate change through the exclusion of corporate issuers involved in the production of thermal coal which accounts for more than 30% of their revenues,
 - the respect of human rights, through the exclusion of:
 - corporate issuers involved in the production of controversial weapons, which include anti-personnel land mines, cluster munitions, biological, chemical, blinding weapons, white phosphorus, nuclear armaments and which have mostly been banned by UN treaties,
 - countries sanctioned at the central government level by the UN for systematic violations of human rights,
 - the protection of human health, through the exclusion of issuers involved in the production of tobacco,
 - the protection of human well-being, through the exclusion of corporate issuers involved in the gambling sector.

The above exclusions are determined by the Manager based on the analysis carried out by specialized third party index and ESG data providers, in particular:

- Urgewald for thermal coal,
- Vigeo for controversial weapons,
- Sustainalytics for countries sanctioned by UN for systematic violations of human rights,
- MSCI, ICE-BofA indices for identifying issuers involved in tobacco and gambling.

2. The ESG quality of the financial product is monitored in order to avoid a high concentration of poorly rated issuers, where the concentration is taken into consideration in absolute terms (i.e. with reference to the net assets of the financial product) and not relative to the financial product's benchmark (i.e. not in relation to its composition in terms of ESG scores). In particular, issuers are selected so that less than 10% of the financial product's net assets are invested in corporate or government issuers without an ESG Combined Score or with an ESG Combined Score below 25, on a scale from 0 to 100 (where 100 is the maximum/best).

Regarding the application of ESG scores to corporate or government issuers, the Manager uses scoring data of third party ESG data providers. In particular:

- Refinitiv provides ESG scores and ratings for corporates,
- Sustainalytics provides ESG scores, ratings and analyses for countries.

The overall ESG quality of the financial portfolio is monitored on a continuous basis and issuers with no ESG Combined Score or with an ESG Combined Score lower than 25 are evaluated at each quarterly meeting of the ESG Committee of the Manager.

The above exclusions and limitations do not apply to positions derived from investments in other collective investment schemes or in index derivatives.

When considering good governance practices, the Manager follows an internal process in order to monitor the governance scores provided by a third party ESG data provider as far as directly owned issuers are concerned. Those governance scores are calculated on the basis of 56 sub-indicators that relate to Management Quality (35 indicators), Attention to Shareholders (12 indicators) and CSR Strategy (9 indicators), which take into account specific factors such as: management structures, employee relations, remuneration of staff and tax compliance.

5. Proportion of Investments

The financial product's strategic asset allocation is defined by its risk-return profile and implemented through the active investment in variable proportions.

A minimum proportion of 85% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Combined Score higher than 25. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product.

Up to 15% of the financial product's net assets may be invested in money market instruments or consists of margins, collateral and market value of derivative instruments, or a mix of those and investments in issuers that have no ESG Combined Score or have an ESG Combined Score lower than 25, subject to a maximum limit of 10% of the financial product net assets for the latter. Those issuers that have no ESG Combined Score or have an ESG Combined Score lower than 25 are deemed to be of interest from a strictly financial point of view and/or, given their characteristics, help to complete the thematic, sector and geographic profile of the portfolio. Those issuers will still be compliant with the exclusion criteria set out in the "Investment Strategy" section above.

The thresholds mentioned above hold unless market or other special conditions warrant a varied asset allocation (i.e. the 85% and 15% thresholds, whereas the 10% maximum threshold is not subject to variation).

6. Monitoring of Environmental or Social Characteristics

The investment strategy is implemented by the portfolio management team on a discretionary basis. The risk management team monitors on an ongoing basis the compliance of the financial product with the ESG investment strategy, having due regard to ESG data provided by third party data providers. Any deviation from the intended ESG investment strategy (i.e. due to price movement or revision of the ESG classification/scoring of the assets in which this financial product is invested into) is analyzed by the Manager and due consideration is given as to the continued holding, or not, as the case may be, of the relevant assets within the portfolio of the financial product, taking into account the best interests of its investors.

7. Methodologies for Environmental or Social Characteristics

As illustrated in the Investment Strategy section above, the environmental and social characteristics promoted by this financial product are attained through the application of exclusion criteria. Therefore, the methodologies used to measure that attainment refer to the involvement of investee issuers in controversial activities or sectors.

More specifically:

- the methodology used to identify countries sanctioned by the UN for violations of human rights is developed by Sustainalytics;
- the methodology used to identify corporate issuers directly involved in the production or sale of controversial weapons, banned by international treaties, is developed by Vigeo-Moody's;
- the methodology used to identify corporate issuers involved in production of thermal coal is developed by Uргenwald;
- the methodology used to identify companies operating in the tobacco and gambling sectors are developed by MSCI (for equity issuers) and ICE (for bond issuers).

Further details on the analysis of the methodologies used can be found on the websites of the above-mentioned companies, who are among the best known and widely used on the market, so that their well appreciated professional skills are the main assurance on the quality of their ESG data.

8. Data Sources and Processing

As illustrated in the Investment Strategy section above, the environmental and social characteristics promoted by this financial product are attained through the application of exclusion criteria. Therefore, the data, sourced from third party providers, used to measure that attainment reflect the involvement of investee issuers in controversial activities or sectors.

More specifically:

- the data used to identify countries sanctioned by the UN for violations of human rights is sourced from Sustainalytics;
- the data used to identify corporate issuers directly involved in the production or sale of controversial weapons, banned by international treaties, is sourced from Vigeo-Moody's;
- the data used to identify corporate issuers involved in production of thermal coal is sourced from Uргenwald;
- the data used to identify companies operating in the tobacco and gambling sectors is sourced from MSCI (for equity issuers) and ICE (for bond issuers).

Given that the above data is not quantitatively calculated, it is qualitatively assessed.

Data is managed and processed electronically, via informatic flows directly connecting third party

providers with the Risk Management of the Asset Manager.

At the moment, the Manager does not use internally estimated ESG data. While the proportion of estimated data by third party providers is not significant, an exact figure cannot be provided. It is reasonable though to assume that the use of estimated data will decrease over time, given the coming obligations for companies to publish a larger set of sustainability related information and data points.

9. Limitations to Methodologies and Data

The main limitations to the analysis described above are represented by the degree of ESG coverage of the issuers in the portfolio of the financial product by external suppliers and by the possible inaccuracies deriving from the standardization of different measurement systems used by the various suppliers for the calculation of issuers ESG scores. Such limitations do not affect how the environmental and social characteristics promoted by this financial product are met, because the promotion of those characteristics is met through exclusion criteria, not based on ESG scores.

10. Due Diligence

The correct application of ESG assessments to the financial product assets is ensured by the automatic and electronic acquisition of third party ESG data, as carried out by the internal Risk Management function. Furthermore, the binding elements of the investment strategy are translated into investment restrictions, which are defined by the Manager ESG Committee, approved by its Product Committee and shared with the BoD. Those quantitative restrictions are then applied to the compliance software by the Risk Management team of the Manager.

11. Engagement Policy

With reference to active share ownership practices, the Manager, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni on the basis of the EFAMA Stewardship Code, has prepared a documented and publicly available policy (see <https://www.animasgr.it/EN/sustainability/Pages/Policies-procedures.aspx>) in which it describes how:

- it monitors investee companies, with shares admitted to trading on a regulated market in Italy or in another EU Member State, on relevant issues, including strategy, financial and non-financial results as well as risks, capital structure, social and environmental impact and corporate governance,
- it communicates with investee companies,
- it exercises voting rights and other rights connected to the shares,
- it collaborates with other shareholders,
- it communicates with the relevant stakeholders of the investee companies.

12. Designated Reference Benchmark

The financial product does not have a reference benchmark for the purpose of measuring its achievement of its promoted environmental or social characteristics.