

ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS

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

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

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

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.

Does this financial product have a sustainable investment objective?

Yes No

- | | |
|---|--|
| <p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___ %</p> <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 | <p><input type="checkbox"/> It 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 ___% of sustainable investments</p> <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 |
| <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p> | <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p> |

What environmental and/or social characteristics are promoted by this financial product?

The environmental and/or social characteristics promoted by the product consist of investing in CLO notes that exclude underlying companies whose primary business activity is within thermal coal, controversial weapons or tobacco.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The indicators used are whether the CLO notes have appropriate restrictions in place by way of documentation or otherwise, that effectively restricts investments in companies generating more than 50% of their revenue from:

- Thermal coal mining or the generation of electricity using coal,
- The production of or trade in controversial weapons, and
- The production of or trade in tobacco.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The product promotes E/S characteristics, but is not committed to making sustainable investments.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The product promotes E/S characteristics, but is not committed to making sustainable investments.

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

The product does not take adverse impacts on sustainability factors into account.

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

The product promotes E/S characteristics, but is not committed to making sustainable investments.

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 EU 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.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes, how: N/A

No

What investment strategy does this financial product follow?

The product follows an investment strategy which ensures that investments are in accordance with the E/S characteristics promoted by the product. This is done by analysing the documentation of the CLO notes and the CLO investment manager.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The binding element of the investment strategy is to make sure that there are appropriate investments in place excluding investments in companies generating more than 50% of their revenue from:

- Thermal coal mining or the generation of electricity using coal,
- The production of or trade in controversial weapons, and
- The production of or trade in tobacco.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The product does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

What is the policy to assess good governance practices of the investee companies?

Due diligence is performed on the transaction setup of each CLO, with a particular analysis of the investment manager of each CLO and their governance setup.

What is the asset allocation planned for this financial product?

All investments will be CLO notes with appropriate restrictions on investments in thermal coal, controversial weapons, and tobacco. The product has no minimum proportion of investments compliant with the environmental or social characteristics promoted by the product according to the binding elements of the investment strategy.

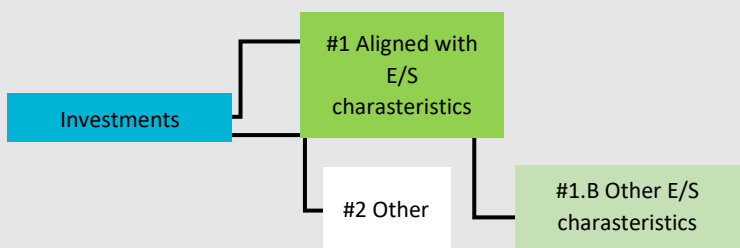
The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Asset allocation describes the share of investments in

Taxonomy-aligned activities are expressed as a share of:

- turnover** reflects the “greenness” of investee companies today.
- capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- operational expenditure** (OpEx) reflects the green operational activities of investee companies.



#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.

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

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?
 The product does not use derivatives for the attainment of its environmental or social characteristics.

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.

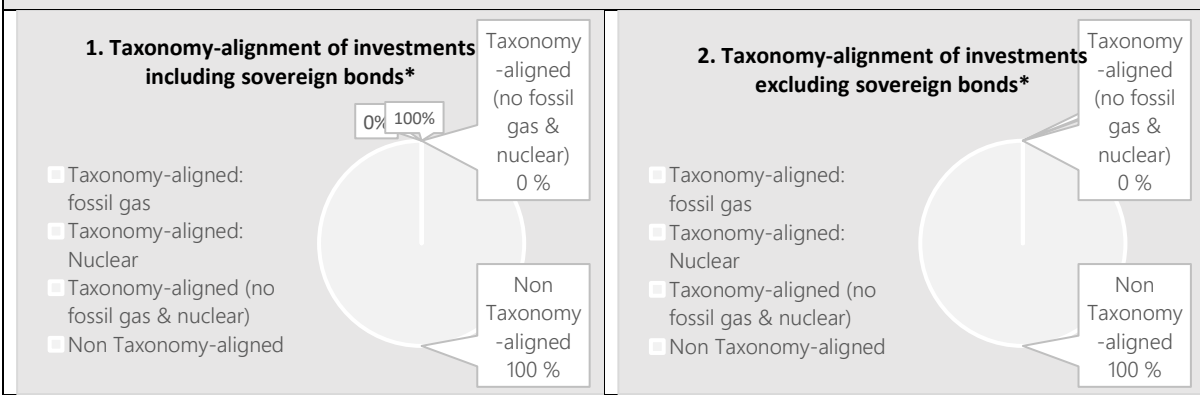
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The investments underlying this product do not take into account the EU Taxonomy criteria for environmentally sustainable economic activities, therefore the minimum extent is zero.

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

- Yes
 - In fossil gas
 - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are 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 is the minimum share of investments in transitional and enabling activities?

The product is not aligned with the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The product is not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The product is not aligned with the EU Taxonomy.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The product is not aligned with the EU Taxonomy.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to determine whether the product is aligned with environmental and social characteristics promoted.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

The product does not use a reference benchmark.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

The product does not use a reference benchmark.

How does the designated index differ from a relevant broad market index?


The product does not use a reference benchmark.

Where can the methodology used for the calculation of the designated index be found?

The product does not use a reference benchmark.

Where can I find more product specific information online?

More product-specific information can be found on the website: <https://accunia.com/fi/sijoitusrahasot/alpha-credit>

 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.

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