

Product name: Discretionary Portfolio Management (EUR Neutral)
Legal entity identifier: 213800JQ3ZED2VM5WX46

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?	
<div><div><div></div><div></div><div></div></div><div>Yes</div></div>	<div><div><div></div><div></div><div></div></div><div>No</div></div>
<div><div><div></div><div>It made sustainable investments with an environmental objective: ____%</div></div><div><div><div></div><div>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div></div><div>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div><div><div><div></div><div>It made sustainable investments with a social objective: ____%</div></div></div></div>	<div><div><div><div></div><div></div></div><div>It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 23% of sustainable investments</div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div><div><div><div></div><div></div></div><div>with a social objective</div></div></div><div><div><div></div><div>It promoted E/S characteristics, but did not make any sustainable investments</div></div></div></div>

From this point forward, unless otherwise specified, the resent report is based on the top 5 investments composing a EUR neutral discretionary portfolio. As of 31.12.2024 these top 5 investments represented 60% of the portfolio, of which all were SFDR article 8 funds.

Overall, SFDR article 8 funds represented 82% of the portfolio, SDFR article 6 funds 17%, SDFR article 9 funds 1%



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

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

The product selects external fund managers implementing a variety of sustainability and ESG strategies that are aligned with DNB Luxembourg S.A.'s responsible investments. The resulting environmental and/or social characteristics promoted by this financial product were among others:

- Climate action (activities to combat climate change and its negative impacts);

- Compliance with international norms and conventions on human rights, labour rights, the environment and anti-corruption; and
- Consideration of the United Nations Sustainable Development Goals (the "SDGs")
- Exclusion of issuers that produced controversial weapons;
- Lowering of carbon intensity and carbon footprint.

● **How did the sustainability indicators perform?**

The assessment of various issuers' sustainability indicator is considered satisfactory overall. Especially as the proportion of sustainable investments achieved by the product reached 23% compared to a minimum target of 1%. However, the lack of appropriate benchmarks, comparative figures and goals may impede the ability to form an explicit unique opinion on the performance of sustainability indicators.

● **...and compared to previous periods?** *The sustainability indicators have remained stable compared to the previous period.*

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.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?** *Not applicable.*

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

— How were the indicators for adverse impacts on sustainability factors taken into account? *Not applicable.*

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? *Details: Not applicable.*



How did this financial product consider principal adverse impacts on sustainability factors? *The product relies on issuers' framework for PAI considerations. In 2024, all of the top 5 positions considered PAIs, including:*

- greenhouse gas emissions
- violation of international norms

- Carbon footprint
- Violations of UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Board gender diversity
- Exposure to controversial weapons
- Biodiversity



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
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JPM Global	Equity	17	Global
Brummer Multi Strategy	Multi Asset	16	Global
Sparinvest	Fixed Income	11	Global
Blue Bay	Fixed Income	10	Europe
Vontobel	Equity	6	USA

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2024

What was the proportion of sustainability-related investments?

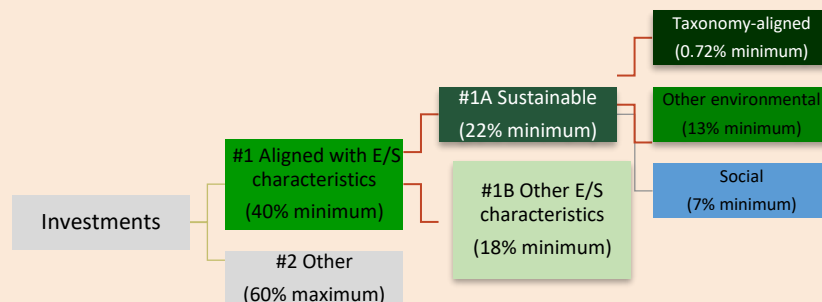
Based on available data the minimum proportion of sustainability-related investment was 40% in 2024.

What was the asset allocation?

Based on issuers data available, the asset allocation in sustainability-related investments was composed of the minimum proportions presented in the table below. These investments were made in sectors, geographical locations and asset classes that vary depending on the underlying asset strategy, according to the fund manager investment policy.



Asset allocation describes the share of investments in specific assets.



#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.

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.

Note: percentages expressed as a proportion of the total portfolio

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?

Sectors	Proportion (%)
Financials	9.7%
Technology	5.8%
Health care	3.3%
Communications	3.1%
Industrials	2.9%
Consumer staples	2.8%
Insurance	1.5%
Oil and gas	1.3%
Sovereign	1.0%
Energy	0.9%
Real estate	0.8%
Materials	0.7%




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

The product's minimum share of sustainable investments with an environmental objective aligned with the EU Taxonomy was 0.72%. The taxonomy alignment numbers has not been audited.

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.

 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.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

Note: graphs on taxonomy alignment of turnover, CapEx and OpEx cannot be presented due to lack of granular data and inability to aggregate percentages published at funds level.

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

No data is published for this category as it is not applicable as per the product's characteristics or by lack of data.

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

This year's percentage of alignment with the EU Taxonomy is of at least 0.72%. This is a decrease from 0.86% the previous year.



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

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was of at least 13%.



What was the share of socially sustainable investments?

The share of socially investments was of at least 7%.



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

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.

The product's underlying exposures either held certain instruments which do not contribute directly to the E/S characteristics promoted or whose E/S characteristics are unknown (this report is based on the top 5 exposures).



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

The Investment Manager selects and monitors assets composing the portfolio in accordance with the responsible investments guidelines of the Bank. The SFDR characteristics of the underlying positions (SFDR article of the fund) are monitored on a monthly basis to ensure alignment with internal ESG investment strategies.



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

No specific index has been designated as a reference benchmark to determine whether the product has been aligned with the environmental or social characteristics that it promotes.

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