SUPPLEMENT II

Pre-contractual 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

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.

Product name: MARCH RAIF SA SICAV-RAIF – MARCH ENDOWMENTS **Legal entity identifier:** 213800YOK9JL6VOJK525

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ 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 5% 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 will make a minimum of **sustainable investments with a social objective:** ___%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

Each asset in the portfolio has its environmental and social features examined as part of the investment process, providing each asset and the aggregated portfolio with an internal ESG rating. This internal rating, which is based on the degree of promotion of each individual asset comprising the portfolio, is obtained using data and methodology from leading ESG providers. Among other features, this financial instrument promotes:

a. *Environmental features: Environmentally sound governance and processes are important, as are sustainable resource utilization (energy, water, and land), a*

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

decrease in emissions (carbon, waste, and air pollution), and improved environmental footprints from suppliers and goods.

b. *Social features: It promotes better employee relationships and working conditions, skill-enhancing training, and a reduction in accidents. Furthermore, it encourages improvements in the customer experience and accountability in the effects the company's product has on its customers and its products.*

No specific index has been defined to determine the alignment of the product with these characteristics.

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

A wide range of sustainable indicators are considered at the environmental level such as energy efficiency targets, use of renewable energies, total energy consumption, water consumption efficiency target, recycled water ratio, greenhouse gas emissions, waste treatment, indirect cost of supplier emissions, degree of environmental impact of products, environmental investments, environmental risk analysis, and the existence and analysis of the company's environmental team and its training.

On a social level, we consider not only objectives linked to the company and its environment but also to the rest of the stakeholders. The main sustainable indicators used on the social side are the existence of union policies and representation, training hours, employee days lost vs. total days, employee satisfaction, flexible working hours, remuneration and working conditions, employee turnover, occupational accident rate, occupational fatality rate, occupational health and safety incidents, diversity among its employees, employees with disabilities, ratio of women in the company and amongst the management team, level of satisfaction amongst its customers, privacy policies, the existence of supplier management policies, the existence of whistleblowing policies, company community involvement projects and employment and local impact.

In the Sovereign Debt part of the financial product's portfolio, the sustainable indicators used are as follows:

a. *At the environmental level, three indicators are used: carbon intenisity, renewable energy consumption, and energy intensity.*
b. *At the social level, three indicators are used: life expectancy, ease of access to secondary education, and wealth per capita.*
c. *At the governance level, six indicators are used: voting rights, political stability, government effectiveness, regulatory quality, equality of rights, and corruption control.*

It must be specified that, at this precise moment, the coverage to collect all these sustainable indicators is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers. Due to the present lack of data, it is feasible that the product manager could be now unable to evaluate one or some sustainable indicators mentioned. Nevertheless the financial product manager(s) will continuosly assess whether data availability has improved enough to potentially include the indicator into consideration in the investment process.

- ***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 commits to hold sustainable investments in its portfolio as defined by the Sustainability Disclosure Regulation (EU) 2019/2008 (SFDR). Investments classified as sustainable that follow this regulation reach a minimum of 5% of the portfolio. They are investments that, in accordance with the regulation's definition, contribute to one or multiple environmental or social goals, do not do *significant harm to any other environmental or social objectives, and adhere to good corporate governance principles.*

For this product, investments must fulfill one of the requirements listed below in order to be deemed sustainable:

For Equities and Corporate debt:

a. Their involvement in a well-defined GHG emissions reduction strategy aligned with the goals of the Paris Agreement; we use the worldwide project "Science Based Targets Initiative (SBTi)" to select these investments. SBTi is a partnership between the World Resources Institute (WRI), the UN Global Compact, the Carbon Disclosure Project (CDP), and the World Wildlife Fund for Nature (WWF). The SBTi initiative:

- *defines and promotes best practices in emissions reduction and net-zero emissions targets, in line with climate science.*
- *provides technical assistance and expert resources to companies setting science-based targets (SBTs).*
- *brings together a team of specialized experts to provide companies with independent advice and technical validation of their objectives.*
- *is the Business Ambition for 1.5°C campaign lead partner, which is an urgent call to action from a worldwide coalition of UN agencies, business and industry leaders that aims to mobilize enterprises to establish net-zero SBT targets aligned with a 1.5°C future.*

The financial product selects investments that have a reduction target in place or are committed to reducing their GHG emissions in accordance with the Paris Agreement targets. Additional information on the SBTi initiative can be found on the following website: https://sciencebasedtargets.org.

b. Have a measurable impact within the framework of the United Nations' 17 Sustainable Development Goals (SDGs), which are designed to spearhead the eradication of poverty and other forms of deprivation by enhancing health and education, reducing inequality, safeguarding the environment, and boosting prosperity. The selection process is based on the analysis of companies whose activity, management model and results are aimed at mitigating general social problems and the planet's resource sustainability identified by the SDGs. The degree of alignment with each of the 17 SDGs is monitored through data from external suppliers of recognized solvency; at the same time, the percentage of company revenues directly linked to the SDGs is analyzed.

c. Measurable impact indicators: Specific metrics related to SDG activities are regularly examined and monitored (using data from top-tier knowledgeable and established creditworthiness suppliers). These metrics are analyzed at the company level and gauge the success or failure of the organization's operational or governance practices.

The process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening. The UN Global Compact- March AM is a signatory partner of it- is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labor, the environment, and anti-corruption into their corporate and operational strategies. Aditionally,the financial product only considers sustainable investments for those companies with a low or moderate level of controversies, excluding from this part of sustainable investments all companies with a significant, high, or severe level of controversies. In addition to this negative screening, we consider the level and importance of controversies produced by the companies invested by the portfolio using data from external providers.

The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The financial product manager should analyze the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analyzing the governance practices of the management teams and boards of the companies analyzed would be quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. Reputable third-party data providers are used to carry out the analysis. Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the financial product manager deems to be sustainable investments.

This financial product also allows investment in green, social or sustainability-linked bonds or commercial paper/note programs. These are fixed-income debt instruments that allow issuers:

- *To finance or refinance initiatives/activities that have a positive environmental impacts;*
- *To raise funds for initiatives that address social problems or have a positive social impacts; and,*
- *To raise money for initiatives with a positive environmental and social impact, combining both objectives.*

Depending on the projects that this product finances, the financial product considers this type of investment as sustainable (if they promote environmental characteristics in accordance with Art. 8 of the Disclosure Regulation (SFDR)) or as taxonomy (if they contribute to one or more of the environmental goals outlined in Art. 9 of the Taxonomy Regulation (EU) 2020/852).

For Sovereign debt

As part of the analysis process for considering sovereign debt investments as sustainable, 12 quantifiable and trackable metrics (compiled by renowned ESG providers from reputable and authoritative sources such as the World Bank and the UN) are examined to quantify the environmental, governance, and social commitment of nations.

Three indicators linked to wealth per capita, ease of access to secondary education, and life expextancy will be assessed for the social component, according to World Bank guidelines.

Three indicators linked to energy intensity, renewable energy consumption, and carbon intensity will be assessed for the environmental component, according to World Bank guidelines.

Six indicators linked to voting rights, political stability, government effectiveness, regulatory quality, equal rights and control of corruption will be assessed for the governance component, in accordance with World Bank guidelines.

The sustainability percentage in Sovereign Debt investments will be quantified using an internal valuation model based on the aforementioned metrics, excluding the consideration of a sustainability percentage in those nations deemed to have a significant impact on any environmental or social objectives measured by the metrics.

In this respect, a maximum sustainability factor of 50% will be given to the top-ranked nation. This sustainability factor will linearly decline as it moves up in the ranking. The model score (based on the 12 metrics examined) will be multiplied by the resulting sustainability percentage for each country, obtaining the sustainable investment percentage for each country. The sustainable investment percentage for nations not located in the top quartile of the sample under study is zero percent.

Furthermore, this financial product allows investment in green, social or sustainability-linked bonds or commercial paper/note programs. Depending on the projects that this product finance, the financial product considers this type of investment as sustainable (if they promote environmental characteristics in accordance with Art. 8 of the Disclosure Regulation (SFDR)).

For Undertakings for Collective Investment (UCIs)

The selection of UCIs comprising the financial product's portfolio is made using specialized sutainability analysis tools and ESG criteria, as well as information obtained through consultations with well recognised & public databases (i.e. the databases of the EU, the OECD and international organizations) and the European ESG Templates (EETs) of asset management firms.

Investees' environmental and social characteristics are analyzed (look-through) as part of the investment process, providing an internal ESG rating for each individual asset and the aggregate portfolio. March AM's internal rating, which is based on the degree of promotion of each individual asset in the portfolio, is obtained using data and methodology from renowned ESG providers.

For this financial product, investments must meet one (if not more) of the requirements listed below to be deemed sustainable:

a. *For UCIs targeting sustainable investments (as described in Art. 9 of the Taxonomy Regulation (EU) 2020/852), 100% of the position shall be considered as sustainable investments in this product.*

b. *For those UCIs promoting environmental or social characteristics (in accordance with Article 8 of the Disclosure Regulation (SFDR)), the minimum committed percentage of sustainable investment reflected in the respective sustainability annex (Annex II) will be considered as sustainable.*

   Additionally, a periodic analysis of the product's actual percentage in sustainable investments will be carried out (through the look-through and its respective Annex IV), which in most cases will greatly exceed this minimum percentage. However, only the minimum percentage of sustainable investment commited in its respective sustainability annexes will be considered as a conservative criterion.

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 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 process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening.

The UN Global Compact- of which March AM is a signatory partner- is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labor, the environment, and anti-corruption into their corporate and operational strategies.

The financial product only considers sustainable investments for those companies with a low or moderate level of controversies, excluding from this part of sustainable investments all companies with a significant, high, or severe level of controversies. In addition to this negative screening, we consider the level and importance of controversies produced by the companies invested by the portfolio using data from external providers.

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

PAIs are considered and integrated into portfolio investment decisions primarily through exclusions.

The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers to access PAI indicators. Due to the lack of data, it is feasible that the product manager is now unable to evaluate some investment PAIs.

Additionally, the coverage of data related to water and waste is reduced and the related PAI indicators are considered through the exclusions of severe controversies within the UN Global Compact (norm-based analysis). In that circumstance, it is important to note that the financial *product may have problems to increase the data coverage of some PAIA indicators. However, the financial product manager(s) will periodically assess whether data availability has improved enough to potentially include the data into consideration in the investment process.*

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 Investment Manager's sustainable minimum exclusion list screens out companies based on their involvement in controversial practices against international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights, and are embedded in the Sustainable Development Goals.

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.

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

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

☒ Yes,

This financial product weighs in (addresses, avoids, and/or mitigates) on the main adverse impacts on sustainability factors (PAI indicators) considering :

a. *For coporate assets, certain social indicators linked to the applicable exclusion criteria together with other environmental indicators linked to carbon emission reduction initiatives.*

b. *For those sovereign debt assets, social infractions/violations and, indirectly, other environmental indicators as well as those derived from political stability and the rule of law.*

c. *It will be analyzed how these products consider PAI for UCIs; and if so, which specific ones are being considered.*

As aforementioned, PAIs are primarily considered and integrated into the decision-making process through exclusions. The Investment Managers might find difficulties when evaluating some investment PAIs due to the lack of data. Nevertheless, the Investment Manager will assess if data availability has improved enough to include it in the investment decision process.

☐ No

What investment strategy does this financial product follow?

In compliance with the provisions of the RAIF Law, the investment strategy of this financial product is based on the principle of risk diversification. The investment objective of this financial product is to provide long-term capital appreciation and income growth. The financial product is actively managed in line with its strategic asset allocation.

The Investment Manager will determine asset allocation operating ranges for each asset class at its discretion and in pursuit of the financial product's investment objectives. The investment objectives and strategy of the financial product do not refer to a specific benchmark.

This financial product is an investment vehicle for investors who wish to be exposed to multiple asset classes (shares, debt securities, real estate, infrastructure, commodities and precious metals and currencies) and who have a medium to long-term investment time horizon (three (3) to five (5) years). The financial product will invest in a broadly diversified global portfolio of securities. The transferable securities will include: selected investments in equity securities (including real estate investment trusts (REITS) and infrastructure equity securities), investments in units of other UCIs (including absolute return strategies), exchange traded funds (ETFs), as well as, to a lesser extent, debt securities and commodities (including ETCs). The financial product will invest globally with no specific geographical focus. In addition, from time to time the financial product may use options in isolation, or in combination with underlying assets, to express a view on a given position, to generate income, or to protect the financial risk of underlying assets.

In order to achieve its investment objective, this financial product integrates a fundamental analysis of the securities, UCIs and other assets comprising the portfolio. Additionally, this analysis integrates ESG factors in the asset selection proccess and includes the exercise of voting rights inherent to the position in each of the equity positions according to ESG criteria.

The company's investment process conducts an extra-financial analysis in accordance with ESG standards. In this regard, it should be noted that March AM is a signatory of the United Nations Principles for Responsible Investment, through which it commits to:

a. *incorporate ESG risks in the decision-making process;*
b. *be an active shareholder through the exercise of voting rights;*
c. *promote the disclosure of ESG policies by the companies in which the financial product invests;*
d. *promote the acceptance and implementation of the UNPRI in the investment sector;*
e. *work collaboratively to increase the effectiveness of the application of the UNPRI; and*
f. *publish regular reports on activities and progress in the application of the principles.*

Additionally, March AM is a signatory member of the UN Global Compact and actively works to advance sustainability. The company has pledged to develop and convert its products to promote sustainable investing with the goal of more responsible returns and greater integration of risks derived from ESG factors.

For voting rights exercise, March AM relies on the expertise of highly respected and knowledgeable proxy voting advisors.

- ***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?***

  This product applies, in its investment strategy, exclusion criteria based on March AM's exclusion policy currently in effect for SRI products, which is based on three main blocks and considers environmental and social aspects and indicators in addition to extra-financial analysis carried out to choose the assets that are part of the product portfolio.

  I. *General exclusion policy: The excluded activities are controversial weapons, tobacco, and thermal coal (each of the activities are excluded based on specific thresholds set out in the March AM Exclusions Policy, published on the website www.march-am.com). At the same time, the firm engages in the analysis of activities under oppressive regimes.*

  II. *Exclusion policy for SRI products: In addition to the general policy, adult content/pornography, gambling/gaming, and GMOs. Alcohol exposure and the existence of a responsible drinking policy are excluded as well (each of* *these activities are excluded based on specific limits set out in the March AM Exclusions Policy, published on the website www.march-am.com).*

III. *Lastly, March AM conducts a norm-based analysis to determine whether the company complies with the 10 principles of the United Nations Global Compact for each of the four categories comprising the pact (Human Rights, Labor, Environment, and Anti-Corruption), given the fact that the company is a signatory partner of the UNGC. Based on this analysis, companies that display evidence of violating one or multiple principles are eligible for exclusion.*

In the case of UCIs, regardless of their SFDR classification, our exclusion policy must be simplified at this time due to the tangible impossibility of analysing and filtering the direct investments of the individual UCIs in the portfolios and in some cases even to have access to the direct investments of these portfolios in a timely manner.

Therefore, the exclusion policy for these portfolios will be based primarily on a due diligence analysis of the UCI manager's own exclusion policy for each of the UCIs and its comparison with our own exclusion policy. In that sense, it will not be required to comply 100% with our own exclusions policy, since in some points this policy will be more lax, but on the other hand, there will be additional exclusions to those of March MA; therefore, the existence of some subjectivity will be possible. However, all managers/UCIs that are part of these portfolios will have to have an exclusion policy (if they do not, the investment in this strategy will have to be approved by March AM's SRI committee) and, furthermore, this exclusion policy will be analysed and will have to be at least as restrictive as March AM's own policy.

Asset allocation is based on an in-house fundamental analysis. For this purpose, the Firm analyze the Investee's Annual and Periodic Financial Reports (Annual Reports, Balance Sheet, Annual Accounts, Cash Flow Statements, etc.), as well as the main Non-Financial Reports of the companies. Additionally, the governance structure and controversies surrounding the corporation are examined.

Furthermore, Financial product's Investment Managers hold regular meetings with investees' companies and asset managers. ESG matters, in addition to purely financial factors, are frequently discussed in the aforementioned meetings to analyze the development, commitment and vocation for improvement of these, as well as the measures taken by the investees' in this regard.In order to promote a combination of both social and environmental product characteristics in accordance with Art.8 of SFDR, the investment strategy aims to benefit companies with strong ESG ratings while detracting from and/or reducing the portfolio weight of companies with poor ESG ratings. The rating is based on an in-house ESG analysis, which uses top-tier external providers' data as a source, complemented with the managers' fundamental view.

The investment process combines the management team's own experience and expertise, as well as ESG ratings obtained from data and information provided by highly experienced and reputable providers (the basis of our own ESG rating).

The ratings assigned to assets in each pillar (environmental, social and governance) are standardized to create an aggregate ESG rating. Where investment valuation is materially impaired, companies with a poor ESG ratings will have their weighting reduced or be sold.

A "best in class" strategy is used in the analysis of all assets comprising the portfolio, based on the investee's position within its sector or industry (using data and methodology from main ESG providers). For sovereign debt assets, the percentile that the nation occupies within a specific universe is established using information and methods of the aforementioned providers due to the lack of an industry percentile with which its sector or industry. As a minimum requirement, 50% of the financial product's assets (including UCIs through a look-through analysis) will be invested belonging to the first two quartiles.

Additionally, in accordance with article 8 of the SFDR, at least 50% of the financial product's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.

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

Not applicable

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

What is the policy to assess good governance practices of the investee companies? *The companies in which the portfolio has investments exercise solid corporate governance. Protecting the company's value is our highest priority when it comes to governance. In our view, a management team must have objectives aligned with those of its minority shareholders. The financial product analyzes the alignment of companies' management teams and boards of directors with the shareholders.*

More specifically, key variables considered when analyzing the governance practices of the management teams and boards of the companies analyzed are quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. First-class third-party data providers are used to carry out the analysis; this is part of the financial and extra financial analysis conducted by the financial product's manager for each asset of the financial product ex-ante its inclusion to the portfolio; this analysis is updated periodically for all the portfolio's assets which are covered by our third party data providers. For those which are not covered (a minor part of the direct assets) the financial product's manager will conduct this analysis on a best-efforts way.

Except for those categorized as "underperformers" or "laggards," only companies whose governance is assessed as "leader," "outperformer," or "average performance" will be considered as companies that the financial product manager deems to be sustainable investments.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product?

This financial product's asset allocation follows the following criteria:

a. *All companies included will adhere to the exclusion criteria listed in this document's section: "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?".*

b. *In accordance with article 8 of the SFDR, at least:*

   I. *50% of the financial product's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while a 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.*

   II. *50% of the financial product's assets (including UCIs through a look-through analysis) will be invested in assets belonging to the first two quartiles as part of the best-in-class strategy applied to all assets comprising its portfolio, as stated in this document's section: "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?".*

   III.

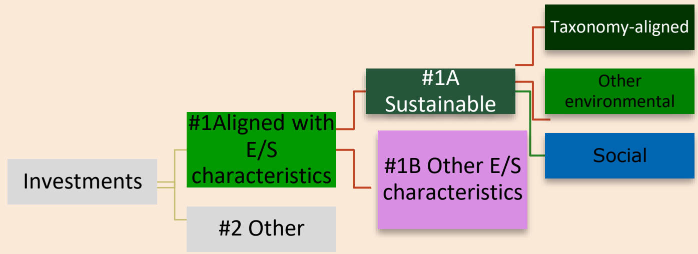
c. *At least 5% of total portfolio assets shall consider either:*

   1. *Sustainable investments according to SFDR, as defined in the document's section named "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?".*

   2. *Investments aligned with economic activities that contribute to one or more of the environmental objectives set out in Art. 9 of Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments (taxonomy), as defined in the document's section named "To what minimum*

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.

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.



#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 sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the

extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?". The latter must account for, at least, 0.01% of the assets comprising the portfolio.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not Applicable.

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

This financial product may contribute to one or more of the environmental goals outlined in Art. 9 of the Taxonomy Regulation (EU) 2020/852, including but not limited to:

1. *the prevention and control of pollution;*
2. *the mitigation of climate change;*
3. *the adaptation to it;*
4. *the sustainable use and conservation of water and marine resources;*
5. *the transition to a circular economy; and,*
6. *the preservation and restoration of biodiversity and ecosystems.*

The financial product has established a minimum alignment with these environmental goals for the portfolio of, at least, 0.01%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

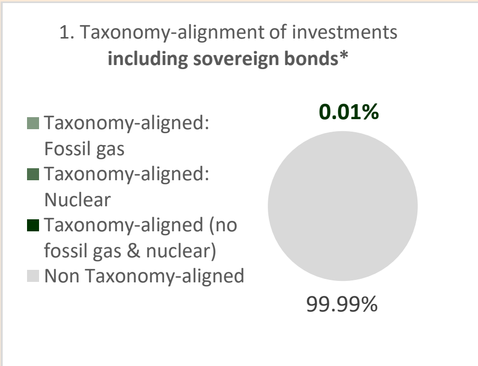
Yes: *[specify below, and details in the graphs of the box]*

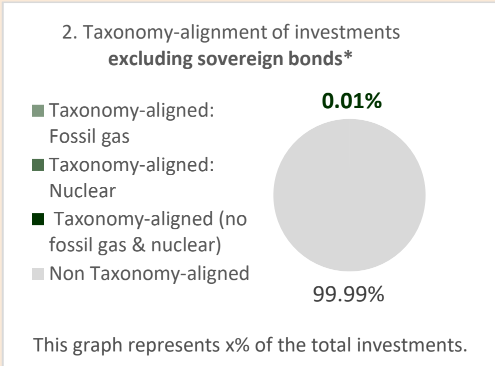
[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas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

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.***

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of investments in transitional and enabling activities?

The breakdown of investment shares by environmental objectives is currently not possible due to the lack of reliable taxonomy data. Non-financial undertakings will disclose information on the taxonomy-alignment of their economic activities in the form of pre-defined KPIs, indicating to which environmental objective activities contribute and whether it is a transitional or enabling economic activity, only starting from 01 January 2023 (financial undertakings - from 01 January 2024). This information is mandatory basis for this evaluation.

Nevertheless, the Investment Manager does not commit to a split of minimum taxonomy alignment into own performance, transitional, and enabling activities.

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

Taxonomy-aligned investments are considered a sub-category of Sustainable Investments. If an investment is not Taxonomy-aligned since the activity is not covered yet under the EU Taxonomy or the positive contribution is not substantial enough to comply with the Taxonomy technical screening criteria, the investment can still be considered an environmentally Sustainable Investment provided it complies with all criteria.

This financial product 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 5% of sustainable investments with:

a. an environmental objective in economic activities that qualify as environmentally sustainable under EU Taxonomy;
b. an environmental objective in economic activities that do not qualify as environmentally sustainable under EU Taxonomy, and;
c. a social objective.

The Investment Manager considers but do not commit to a "specific" minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy, as the 5% minimum proportion committed refers to the combination of all the above-mentioned objectives.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This financial product 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 5% of sustainable investments with:

a. *an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy;*
b. *an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy, and;*
c. *a social objective.*

The Investment Manager considers but do not commit to a "specific" minimum share of socially sustainable investments, as the 5% minimum proportion committed refers to the combination of all the above-mentioned objectives.

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

According to March AM, there may be a percentage of the portfolio (up to 50%) that has an ESG rating higher than 25, which means that it does not promote environmental or social features and may or may not have strong governance. It should be highlighted that this part of the portfolio will faithfully comply with the exclusion criteria set out in the fifth page of this document (Binding Elements of the Investment Strategy).

The purpose of these investments is to contribute to the long-term performance of the financial product and an ongoing analysis will be made of their ESG risks and their evolution therein. In the long term, the percentage of this section may be reduced, as companies that do not align and improve will eventually be excluded due to the risks they may incur (reputational, litigation, sanctions, etc.).

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

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 has been defined to determine the alignment of the product with these characteristics.

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

  NA.

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

  NA.

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

  NA.

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

  NA.

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.march-am.com/es/fondos-y-sicav/.