MARCH RAIF SA SICAV-RAIF

Investment Company under Luxembourg Law (SICAV) – Reserved Alternative Investment Fund (RAIF)

Report including Audited Financial Statements from
May 10, 2023 (date of incorporation) until December 31, 2023

R.C.S. Luxembourg B277391

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MARCH RAIF SA SICAV-RAIF

Management and Administration

Registered Office

11-13, Boulevard de la Foire
L-1528 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Enrique Ruiz
Paloma Garcia
Giovanni Mancuso

Alternative Investment Fund Manager

Fund Rock Management Company S.A.
33, Rue de Gasperich
L-5826 Hesperange
Grand Duchy of Luxembourg

Investment Manager

March Asset Management S.G.I.I.C. S.A.U.
C/ Castelló 74
28006 Madrid
Spain

Depositary and Paying Agent

CACEIS Investor Services Bank S.A.*
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Domiciliary Agent, Central Administrative, Registrar and Transfer Agent

CACEIS Investor Services Bank S.A.*
14, Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Cabinet de révision agréé

Deloitte Audit, Société à responsabilité limitée
20, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Legal Adviser under Luxembourg Law

Eversheds Sutherland (Luxembourg) SCS
represented by Eversheds Sutherland (Luxembourg) GP S.à r.l.
33, Rue Sainte-Zithe
L-2763 Luxembourg
Grand Duchy of Luxembourg

The sales prospectus, the articles of association of the Company, the periodic report as well as the portfolio movements of the Company mentioned in this publication are available free of charge at the registered office of the Company.

* Please refer to Note 9 to the Financial Statements.

Report of the AIFM

March Endowments' investment objective is to provide long-term capital appreciation and income growth. The fund aims to achieve this through a long-term strategic asset allocation to multiple asset classes with a bias to global equities and listed real assets (REITS and listed infrastructure).

March Endowments was launched on October 16, 2023 with EUR 20 million in seed capital and ended 2023 with over EUR 21 million in assets under management. Over the period and since launch, March Endowments was up +4.68% through to December 31, 2023. This compares to +4.97% for the Bloomberg Developed Markets Large & Mid Cap net total return Index and +2.29% for the Bloomberg Euro-Aggregate 1-3 year index over the same time period in EUR.

We took a conscientious decision to invest the initial seed capital relatively quickly. As a result the fund was able to keep up with both equity and bond markets as they rallied into the year end. Inflationary pressures diminished faster than expected in the USA during Q4 2023, resulting in a shift in monetary policy expectations, and leading to a strong rally in equity markets, as well as a significant decrease in government bonds yields since mid-October, when 10-year USA Treasury yields peaked at 5%.

The fund ended the year with the following asset class exposures: 53.21% in global equities, 8.31% in real assets (REITS and listed infrastructure), 24.99% in fixed income, 8.09% in alternatives and 5.41% in cash. In terms of currencies, 54.82% of the fund was exposed to EUR and 34.49% to USD. There is currently no currency hedging in place.

With respect to global equities, the year end exposure was slightly below the portfolio's long-term strategic neutral asset allocation of 60% given a combination of high valuations and a cautious outlook going forwards. In terms of geographical exposure, within global equities the fund maintained an overweight to the USA (26.98%), closely followed by Europe (24.58%), Japan (3.50%) and Emerging Markets (3.10%).

From a sectorial point of view, the fund is well diversified, with a higher weighting in Healthcare, Technology and Financials in absolute terms. Relative to our neutral strategic allocation, we are overweight in Healthcare, Materials (given our exposure to precious metals) and Telecommunications. We have a bias towards dividend paying companies.

Listed real assets accounted for 8.31% of the fund: two-thirds in listed infrastructure and the balance in European REITs.

The fixed income exposure as of the end of December stood at 24.90%, of which 13.49% was through USA Treasuries and Northern European government and supranational bonds. The remaining fixed income allocation is indirect through specialised third-party funds.

The total duration of the fixed income portfolio (including specialist third party funds) stood at 2.3 years, reflecting a slight overweight in duration versus the fund's long-term neutral strategic fixed income allocation. As of year end the yield in EUR of the fixed income sleeve was close to 5%.

Finally, we invested 8.09% in Alternative Assets, such as Gold, Trade Finance, Insurance Linked Securities and Microfinance, which we expect will help diversify the sources of return and reduce the portfolio's volatility.

The top three stocks contributing to the fund's performance since its launch on 16th October were DPAM Real Estate Fund (+0.87%), Qualcomm (+0.40%) and Freeport McMoran (+0.30%).

Top detractors were Bayer (-0.28%), Diageo (-0.13%) and Cisco (-0.12%). As we move into 2024, we maintain a cautious approach and believe that both sector and stock selection will be just as important as in 2023.

The Market is discounting that the global economy will be resilient to the financial tightening conditions that we have seen in recent years and is anticipating a soft landing. Economic growth is expected to continue albeit at a slower pace without major developed economies going into recession and inflation is expected to readjust closer to 2%. However, we think there are still some upside risks in this regard, with a possibility that inflation will remain above Central Bank 2% targets for longer than expected. In our view Central Banks might well not be able to cut rates as soon, or as aggressively, as the Market is expecting and currently discounting. Closely following both inflation and economic activity data points and indicators over the coming weeks will be essential to get further clues. Moreover 2024 will be challenging from a geopolitical standpoint, which may well add additional volatility to markets with continued tensions in Ukraine, Asia (Taiwan) and the Middle East (Israel and the Red Sea). Lastly, from political standpoint elections are expected to be held in well over 30 democracies in 2024, most notably at a European level in Brussels, in the UK, India and Taiwan, culminating in November with the USA presidential election.

The figures stated in the report are historical and not necessarily indicative of future performance.

Deloitte.

Deloitte Audit
Société à responsabilité limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg

Tel: +352 451 451
www.deloitte.lu

To the Shareholders of
March RAIF SA SICAV-RAIF
11-13, Boulevard de la Foire
L-1528 Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the financial statements of March RAIF SA SICAV-RAIF (the "Fund") and of its sub-fund, which comprise the statement of net assets and the statement of investments as at December 31, 2023 and the statement of operations and changes in net assets for the period from May 10, 2023 (date of incorporation) to December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of its sub-fund as at December 31, 2023, and of the results of its operations and changes in its net assets for the period from May 10, 2023 (date of incorporation) to December 31, 2023 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of the *réviseur d'entreprises agréé* thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the Financial Statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

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Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *réviseur d'entreprises agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

- Conclude on the appropriateness of the Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

Yann Mérillou

Yann Mérillou, *Réviseur d'entreprises agréé*
Partner

May 30, 2024

Statement of Net Assets as at December 31, 2023

	Notes	MARCH ENDOWMENTS EUR
ASSETS		
Investment portfolio at market value	(2)	20,172,368
Cash at bank		1,076,782
Interest and dividend receivable, net	(2)	36,234
Formation expenses	(3)	140,290
Other assets		13,223
TOTAL ASSETS		**21,438,897**
LIABILITIES		
AIFM fee payable	(3)	7,279
Investment management fee payable	(3)	17,160
Depositary fee payable	(3)	4,853
Distribution fee payable	(3)	17,160
Administration fee payable	(3)	14,355
Audit and legal fee payable	(3)	16,963
Formation expenses payable	(3)	5,667
Subscription tax payable	(4)	495
Other liabilities		9,081
TOTAL LIABILITIES		**93,013**
TOTAL NET ASSETS		**21,345,884**

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets for the period from May 10, 2023 (date of incorporation) to December 31, 2023

	Notes	MARCH ENDOWMENTS EUR
NET ASSETS AT THE BEGINNING OF THE PERIOD		**-**
INCOME		
Dividend income, net	(2)	56,647
Interest on bonds, net	(2)	8,470
Bank interest	(2)	34,814
Other Income		95
TOTAL INCOME		**100,026**
EXPENSES		
AIFM fee	(3)	8,492
Investment management fee	(3)	17,160
Depositary fee	(3)	6,066
Distribution fee	(3)	17,160
Administration fee	(3)	14,355
Audit and legal fee		16,963
Directors fee	(3)	3,033
Subscription tax	(4)	495
Formation expenses	(2c)	5,667
Interest paid		46
Other expenses	(3)	9,932
TOTAL EXPENSES		**99,369**
NET INCOME / (LOSS)		**657**
Net realised profit / (loss) on sale of investments	(2b)	48,542
Net realised profit / (loss) on foreign exchange	(2b)	7,537
Net realised profit / (loss) on forward foreign exchange contracts	(2b)	(17,007)
NET REALISED GAIN / (LOSS)		**39,729**
Change in net unrealised appreciation / (depreciation) on:		
Investments		906,355
NET INCREASE / (DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS		**946,084**
EVOLUTION OF THE CAPITAL		
Subscription of shares		20,399,800
Redemption of shares		-
NET ASSETS AT THE END OF THE PERIOD		**21,345,884**

The accompanying notes form an integral part of these financial statements.

MARCH RAIF SA SICAV-RAIF

Statistical Information

	MARCH ENDOWMENTS EUR
Total Net Asset Value	
December 31, 2023	21,345,884
NAV per share at the end of the period	
December 31, 2023	
Class A-EUR Acc	104.627
Class B-EUR Acc	104.659
Class P-EUR Acc	104.680
Class SD-EUR Acc	104.680
Class SD-EUR Dis	104.680

MARCH RAIF SA SICAV-RAIF

MARCH ENDOWMENTS

Statement of Investments as at December 31, 2023

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% of net assets
Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market					
Bonds					
Austria					
AUSTRIA 1.2% 15-20.10.25	210,000	EUR	201,894	205,443	0.96
			201,894	**205,443**	**0.96**
Belgium					
EU 3.125% 23-05.12.28 REGS	615,000	EUR	614,041	633,807	2.97
			614,041	**633,807**	**2.97**
France					
FRANCE 1% 14-25.11.25 /OAT	420,000	EUR	401,066	408,912	1.91
FRANCE 1.75% 13-25.11.24 /OAT	202,908	EUR	199,057	200,368	0.94
			600,123	**609,280**	**2.85**
Luxembourg					
EIB 2.75% 23-30.07.30	625,000	EUR	611,363	635,337	2.98
			611,363	**635,337**	**2.98**
Netherlands					
NETHERLANDS 2% 14-15.07.24	203,446	EUR	201,200	201,987	0.95
			201,200	**201,987**	**0.95**
United States of America					
USA 0.25% 19-15.07.29 /INFL	205,000	USD	207,457	206,557	0.97
USA 4.625% 23-28.02.25 /TBO	214,000	USD	201,171	193,636	0.91
USA 4.625% 23-30.06.25 /TBO	212,000	USD	199,141	192,400	0.90
			607,769	**592,593**	**2.78**
Total - Bonds			**2,836,390**	**2,878,447**	**13.49**
Shares					
Canada					
BARRICK GOLD CORP	24,950	USD	364,510	408,587	1.91
			364,510	**408,587**	**1.91**
France					
BNP PARIBAS	6,726	EUR	377,338	420,980	1.97
L OREAL	523	EUR	206,379	235,690	1.10
LVMH ACT.	559	EUR	380,164	410,082	1.92
SANOFI	3,258	EUR	305,279	292,438	1.37
TOTALENERGIES SE	4,871	EUR	303,995	300,054	1.41
			1,573,155	**1,659,244**	**7.77**
Germany					
BAYER AG	7,436	EUR	304,800	250,073	1.17
DEUTSCHE BOERSE AG /NAM.	1,289	EUR	201,229	240,398	1.13
DEUTSCHE TELEKOM /NAM.	10,022	EUR	202,275	217,979	1.02
			708,304	**708,450**	**3.32**

MARCH ENDOWMENTS

Statement of Investments (continued)
as at December 31, 2023
(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% of net assets
Great Britain					
DIAGEO PLC	8,476	GBP	305,298	279,362	1.31
SHELL RG REGISTERED SHS	9,744	EUR	302,006	290,371	1.36
			607,304	**569,733**	**2.67**
Ireland					
ACCENTURE PLC -A-	712	USD	203,680	226,178	1.06
			203,680	**226,178**	**1.06**
Netherlands					
ASML HOLDING NV	526	EUR	305,670	358,574	1.68
			305,670	**358,574**	**1.68**
Spain					
IBERDROLA SA	29,475	EUR	305,648	349,868	1.64
INDITEX	5,945	EUR	203,537	234,412	1.10
			509,185	**584,280**	**2.74**
Sweden					
INV RG-B	5,900	SEK	101,613	123,751	0.58
			101,613	**123,751**	**0.58**
Switzerland					
NESTLE / ACT NOM	2,929	CHF	302,682	307,194	1.44
NOVARTIS AG BASEL/NAM.	3,429	CHF	305,150	313,015	1.47
			607,832	**620,209**	**2.91**
United States of America					
ALPHABET INC -A-	2,114	USD	249,330	267,329	1.25
CISCO SYSTEMS INC.	6,217	USD	305,407	284,328	1.33
DEERE & CO.	579	USD	204,812	209,591	0.98
FREEPORT MCMORAN INC	9,686	USD	317,549	373,270	1.75
MERCK & CO INC NEW COMMON	4,165	USD	402,598	411,052	1.93
MICROSOFT CORP	769	USD	246,587	261,780	1.23
MONDELEZ INTERNATIONAL INC WI	4,804	USD	310,961	314,990	1.47
NIKE INC -B-	4,247	USD	408,284	417,414	1.95
QUALCOMM INC.	3,306	USD	367,496	432,849	2.03
THERMO FISHER SCIENTIFIC INC	733	USD	308,181	352,210	1.65
VERIZON COMMUNICATIONS INC	12,084	USD	401,953	412,408	1.93
ZOETIS INC -A-	2,050	USD	307,924	366,278	1.72
			3,831,082	**4,103,499**	**19.22**
Total - Shares			**8,812,335**	**9,362,505**	**43.86**
Warrants					
Ireland					
XETC 23.04.80 CERT	7,050	USD	202,637	203,462	0.95
			202,637	**203,462**	**0.95**
Total - Warrants			**202,637**	**203,462**	**0.95**
Total - Transferable securities admitted to an official stock exchange listing or dealt in on another regulated market			**11,851,362**	**12,444,414**	**58.30**

MARCH ENDOWMENTS

Statement of Investments (continued)
as at December 31, 2023

(expressed in EUR)

Description	Quantity	Currency	Cost	Market Value	% of net assets
Investment Funds					
Belgium					
DPAMB RE EMUDS DE	7,788	EUR	523,289	675,003	3.16
			523,289	**675,003**	**3.16**
Ireland					
BAR EU LN EUR-TA-	6,217	EUR	606,000	620,236	2.91
ISHS USD COR BD SHS UNHEDGED USD	86,550	USD	405,095	389,011	1.82
PC NH OS-EUIUHD	60,137	EUR	606,000	650,381	3.05
POL GL INS USD-I-	67,835	USD	606,433	596,691	2.79
			2,223,528	**2,256,319**	**10.57**
Jersey					
3I INFRASTR GBP/DIS	120,500	GBP	404,280	447,080	2.09
			404,280	**447,080**	**2.09**
Luxembourg					
AL TR FI WO CAP AD	298	EUR	303,000	304,681	1.43
AWF EURO CR SHORT DUR -I- DIS	6,161	EUR	606,000	610,251	2.86
AXA IM N GAIA -III-C2- CAP	286	EUR	404,000	405,641	1.90
BLOR MICR -N - EUR- CAP	67	EUR	807,989	813,521	3.81
D INV I GL INFR -FDM- USD/DIS	6,154	USD	608,935	651,153	3.05
GL EV FR MKT IDDD	6,223	EUR	404,000	400,390	1.88
JPMIF JAP STR V IC	11,149	JPY	725,630	747,795	3.50
M&G LIN1 GFR HY -C-H- EUR/DIS	47,142	EUR	404,000	416,120	1.95
			4,263,554	**4,349,552**	**20.38**
Total - Investment Funds			**7,414,651**	**7,727,954**	**36.20**
Total Investments			**19,266,013**	**20,172,368**	**94.50**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
for the period from May 10, 2023 (date of incorporation) to December 31, 2023

1. Features of the company

MARCH RAIF SA SICAV-RAIF is a Luxembourg investment company with variable share capital - reserved alternative investment fund (“RAIF”) *(société d'investissement à capital variable - fonds d'investissement alternatif réservé)*, existing for an unlimited duration in Luxembourg under the status of a public limited liability company (société anonyme) under the "RAIF Law" (Luxembourg law of July 23, 2016 on reserved alternative investment funds, as amended from time to time) and the "1915 Law" (Luxembourg law of August 10, 1915 on commercial companies, as amended from time to time) and registered with the Luxembourg Companies and Trade Register under R.C.S. number B277391.

The Articles have been published in the *Mémorial C, Recueil des Sociétés et Associations* on May 10, 2023 under number RESA_2023_107.17.

The RAIF is a public limited liability company *(société anonyme)* and, as such, is managed by the Board. The Board has appointed FundRock Management Company S.A. as external alternative investment fund manager (“AIFM”) of the RAIF, in accordance with the "AIFM Law" (Luxembourg law of July 12, 2013 on alternative investment fund managers, as may be amended from time to time) and the RAIF Law.

The AIFM was established on November 10, 2004 as a public limited liability company *(société anonyme)*, incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 33, Rue de Gasperich, L-5826 Hesperange and registered with the Luxembourg Trade and Companies Register under number B104196.

The RAIF is set up as an umbrella fund and, as such, provides investors with a choice of investments in a range of one or several segregated Compartments, each of which relates to a separate portfolio of eligible assets and liabilities with specific investment objectives and/or other specific characteristic.

The RAIF's reference currency is Euro (EUR), from which the Compartments' Base Currency may differ as described for each Compartment in the relevant Compartment's Supplement.

The RAIF's capital corresponds at all times to the aggregate Net Asset Value, as defined hereafter, of the different Compartments and is represented by Shares issued with no face value. Variations in the capital shall be made ipso jure and there are no provisions requiring publication and entry of such in the Luxembourg Companies and Trade Register as prescribed for increases and decreases of capital of commercial companies. The RAIF's subscribed capital, increased by the share premium (if any) may not be less than one million two hundred and fifty thousand Euros (EUR 1,250,000).

2. Summary of significant accounting policies

The financial statements have been prepared under a going concern assumption in accordance with the generally accepted accounting principles for investment funds in Luxembourg. The significant accounting policies are summarized as follows:

a) Calculation of the Net Asset Value

The Net Asset Value per share of each class of shares is determined by the Administration Agent, upon delegation and under the responsibility of the AIFM, on each Valuation Day by dividing the value of the assets of the Company attributable to a class, including accrued income, less the liabilities of the Company attributable to such class by the total number of shares of such class then outstanding. The Net Asset Value per share shall be calculated to three decimal places.

The Valuation Day is the 15th day of each month and the last Business Day of each month. If the 15th is not a Business day, the NAV is calculated with reference to the next Business Day. The publication of the NAV per Share (and of issue, conversion and redemption prices) generally occurs on the second Business Day after a Valuation Day.

The assets and liabilities of the Company is determined on the basis of the contribution to and withdrawals from the Company as a result of;

(i) the issue and redemption of shares;

(ii) the allocation of assets, liabilities and income expenditure attributable to the Company as a result of the operations carried out by the Company and

(iii) the payment of any fees and expenses due by the Company.

Notes to the Financial Statements (continued)
for the period from May 10, 2023 (date of incorporation) to December 31, 2023

2. Summary of significant accounting policies (continued)

b) Valuation principles

The value of any cash on hand or on deposit, bills and demand notices and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be determined after making such discount as the AIFM may consider appropriate in such case to reflect the true value thereof.

The value of assets which are quoted or dealt in on any stock exchange is valued at its latest available dealing price or the latest available mid-market quotation (being the midpoint between the latest quoted bid and offer prices) on the stock exchange which is normally the principal market for such security.

In the event that the AIFM determines that none of the above valuation guidelines is appropriate in relation to a particular asset of the Company, then the value of such assets is established by the AIFM with the support of the Board in compliance with the International Private Equity and Venture Capital Valuation Guidelines issued by the Invest Europe in 2018.

Any assets/liabilities expressed in a currency other than the reference currency of the Compartment concerned shall be converted on the basis of the rate of exchange ruling on the relevant Valuation Day.

1 EUR =	0.929729	CHF
1 EUR =	0.866528	GBP
1 EUR =	155.733660	JPY
1 EUR =	11.132442	SEK
1 EUR =	1.104650	USD

Assets shall be valued on the basis of a standard pricing sheet agreement which synthetically documents the applicable valuation rules as reflected by the parameterization of the central pricing system (the "Pricing Sheet Agreement"), it being understood that if necessary, the applicable sources can be downgraded to independent pricing sources or valuation models as per the AIFM's applicable valuation policy, which follows international best practice and valuation principles. Any such valuation is reconciled to the counterparty valuation on a regular basis independently from the counterparty, and significant differences will be promptly investigated and explained.

(i) Net realized profit/(loss) on sales of securities

The realized profits or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

(ii) Valuation of forward foreign exchange contracts

The unrealized gain/(loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date. No forward foreign exchange contracts were outstanding as at December 31, 2023.

c) Formation expenses

The RAIF bears its formation expenses, including the costs of drawing up and printing the Issuing Document, as same may be amended from time to time, notary public fees, the cost of printing confirmation of shareholding and any other costs pertaining to the setting up and launching of the RAIF. The Compartment set up costs are amortized over a five year period.

d) Swing Pricing

Method related to swing pricing adjustments to Net Asset Value with a trigger level: investment and divestment activity may have a negative impact on the Net Asset Value per Share.

In order to protect the Compartment's long-term Shareholders, a swing factor is applied to redemptions that have a significant impact on the Compartment's outstanding, which may generate costs for Shareholders leaving the Compartment that would otherwise have been allocated across all Shareholders in the Compartment.

The cost parameters and trigger level are determined by the Board and are reviewed periodically. The adjustments made will exceed one percent of the NAV.

No swing adjustment was made during the period under review.

Notes to the Financial Statements (continued)
for the period from May 10, 2023 (date of incorporation) to December 31, 2023

3. Fees and expenses

AIFM

The fees of the AIFM for its services are paid out of the assets of the Compartments annually. This fee is payable whether or not the management of the Compartments is profitable. The fee is calculated and paid monthly, and is variable based on the last net asset value of the month of each of the Compartments and is based on the following sliding scale rate:

- Compartment's net asset value up to EUR 500,000,000, 2.50% per annum;
- Compartment's net asset value over EUR 500,000,000 and up to EUR 1,000,000,000, 2.0% per annum;
- Compartment's net asset value over EUR 1,000,000,000, 1.50% per annum.

A minimum monthly fee of EUR 3,000 applies if the total basis point fee for the Compartment does not reach the minimum fee applicable.

Investment Manager

The Investment Manager receives, on a quarterly basis, a fixed Management Fee based on the average Net Asset Value of each Class of Shares of the Compartments during the relevant period at rates which vary depending on the Class of Shares concerned as follows:

Class P and Class SD: 0.80% per annum

Class A: 1.05% per annum

Class B: 0.90% per annum

Depositary, Administration Agent, Registrar and Transfer Agent

The RAIF pays annual fees which will vary:

- If the net asset value of a Compartment is equal or over fifty million Euros, up to a maximum of 0.5% of the net asset value of the Compartment; or
- If the net asset value of a Compartment is below fifty million Euros, up to a maximum of 0.8% of the net asset value of the Compartment, subject to a minimum fixed fee to be shared between all the Compartments of EUR 64,300 and a minimum fee of EUR 51,00 at the RAIF level to be shared between all the Compartments on a pro rata basis.

These fees are payable on a quarterly/monthly basis and do not include any transaction related fees, and costs of sub-custodians or similar agents. The Depositary, Administration Agent, Registrar and Transfer Agent are also entitled to be reimbursed of reasonable disbursements and out of pocket expenses which are not included in the above mentioned fees.

4. Taxation

The Company is subject to a subscription tax at the annual rate of 0.01%, payable quarterly and calculated on the basis of the net assets of each sub-fund at the end of each quarter.

The RAIF is not subject to taxation in Luxembourg on its income, profits or gains and should not be subject to net wealth tax in Luxembourg.

Interest and dividend income received by the RAIF may be subject to non-recoverable withholding tax in the source countries. The RAIF may further by subject to tax on the realized or unrealized capital appreciation of its assets in the countries of origin. The RAIF may benefit from double tax treaties entered into by Luxembourg, which may provide for exemption from withholding tax or reductions of withholding tax rate.

If the RAIF invests into Luxembourgish Investment Funds, there is no double subscription tax applied.

Notes to the Financial Statements (continued)
for the period from May 10, 2023 (date of incorporation) to December 31, 2023

5. Transaction costs

The RAIF incurs transaction fees in relation to buying and selling transferable securities, money market instruments, derivatives and other permitted assets. The transaction fees include broker's fees, stamp duties, local taxes and third-party charges, that are included in the costs of the bought and sold securities and which were charged to a sub-fund in addition to the transaction fees disclosed in the statement of operations and changes in net assets.

With regard to the financial period ended on December 31, 2023, the RAIF incurred the following transaction fees in conjunction with the purchase and sale of investments in securities and similar transactions:

Sub-Fund	Currency	Amount
MARCH ENDOWMENTS	EUR	10,491

6. Distributions

No distributions were made during the period under review.

7. Disclosure according to the AIFM Directives

Referring to the AIFM guidelines, the breakdown between the realised profits and losses of investments as well as the change between the net unrealised appreciation and depreciation on investments are the following:

Sub-Fund	Currency	Realised profit on sales of investments	Realised loss on sales of investments	Total	Change in unrealised appreciation on investments	Change in unrealised depreciation on investments	Total
MARCH ENDOWMENTS	EUR	52,010	(3,468)	48,542	906,355	-	906,355

Sub-Fund	Currency	Realised profit on forward foreign exchange contracts	Realised loss on forward foreign exchange contracts	Total	Change in unrealised appreciation on forward foreign exchange contracts	Change in unrealised depreciation on forward foreign exchange contracts	Total
MARCH ENDOWMENTS	EUR	13,795	(30,802)	(17,007)	-	-	-

8. Significant events during the period

In October 2022, CACEIS and Royal Bank of Canada (RBC) announced they had signed a memorandum of understanding for the intended acquisition by CACEIS of the European asset servicing business of RBC. As part of this acquisition, CACEIS would acquire the entire issued share capital of RBC Investor Services Bank S.A. (IS Bank).

Completion of the sale of IS Bank occurred July 03, 2023, following regulatory approval and RBC Investor Services Bank S.A. became CACEIS Investor Services Bank S.A.

9. Significant events post period end

As from June 01, 2024, CACEIS Investor Services Bank S.A. will become CACEIS Bank, Luxembourg Branch.

MARCH RAIF SA SICAV-RAIF

Unaudited Information

Remuneration Policy - AIFM

FundRock Management Company S.A. ("FundRock") as subject to CSSF Circular 18/698 has implemented a remuneration policy in compliance with Articles 111a and 111b of the 2010 Law and/or Article 12 of the 2013 Law respectively.

FundRock as subject to Chapter 15 of the 2010 Law and AIFM must also comply with the guidelines of the European Securities and Markets Authority ESMA/2016/5758 and ESMA/2016/5799 to have sound processes in place. Fundrock has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg.

Further, consideration has been given to the requirements as outlined in Regulation (EU) 2019/2088 on sustainability – related disclosures in the financial sector, the SFDR Requirements.

The remuneration policy is aligned with the business strategy, objectives, values and interests of FundRock and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at:
https://www.fundrock.com/policies-and-compliance/remuneration-policy/

The total amount of remuneration for the financial year ending December 31, 2023 paid by FundRock to its staff: EUR 14,194,779.

Fixed remuneration: EUR 13,452,850
Variable remuneration: EUR 741,929
Number of beneficiaries: 208

The aggregated amount of remuneration for the financial year ending December 31, 2023 paid by FundRock to Identified staff/risk takers is EUR 1,867,063.

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

Remuneration Policy - Investment Manager

The amount of remuneration for the financial year ending December 31, 2023 paid by March AM to its staff: EUR 4,360,572,37.

Fixed remuneration: EUR 3,291,308,54
Variable remuneration: EUR 1,069,263,83
Number of beneficiaries: 42

The aggregated amount of remuneration for the financial year ending December 31, 2023 paid by March AM to Identified staff/risk takers is EUR 1,176,261,22 (Asset Managers and Control Department included).

Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps within the meaning of Regulation (EU)2015/2365 of the European Parliament and of the Council of November 25, 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFTR") were used in the investment fund's financial period. As a result, no disclosures within the meaning of Article13 of said Regulation need to be made to investors in the period report.

Unaudited Information (continued)

Risk Management

As required by the CSSF Circular 18/698 regulation, the Board of Directors of the Company needs to determine the global risk exposure of the sub-funds either by applying the commitment approach or the Value at Risk (VaR) approach. The method used to calculate the global risk exposure for the sub-funds of the Company is the commitment approach.

SFDR Disclosures

The Investment in the RAIF falls under Article 8 of the SFDR requirement and detailed disclosures as per annex IV are as follows:

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

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 and 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

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characacteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 22.1**%** 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 and environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characterisctics, but **did not make any sustainable investments**

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

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

This financial product invests in a broadly diversified global portfolio of securities, promoting environmental and social characteristics through its investment process. 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 Compartment 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. 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 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.

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 integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes.

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. As a rule, the Sub-Fund opposes and, therefore limits investment in companies whose main activity involves the manufacture of controversial weapons, thermal coal, tobacco, adult content, gambling, GMO's and alcohol. Additionally, the investment manager 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. The investment manager is implementing screening criteria to monitor holdings for compliance with the investment manager's exclusionary screening.

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) are invested belonging to the first two quartiles.

Finally, in accordance with article 8 of the SFDR, at least 50% of the financial product's assets promote environmental or social features; such sustainability promotion is 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 are rated at or below 25.

The investment strategy and its binding elements summarised above were followed to achieve the financial product's E/S characteristics.

How did the sustainability indicators perform?

To measure the attainment of the environmental and/or social characteristics of the 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 have considered 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, rate of women in the company and among the management team, level of satisfaction among 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 non-existent, even when employing trusted specialist data providers. Due to the present lack of data, it is feasible that the product manager is now unable to evaluate one or some sustainable indicators mentioned. Nevertheless, the financial product manager(s) will continuously assess whether data availability has improved enough to potentially include the indicator into consideration in the investment process.

The consideration of all above-mentioned sustainability indicators has been crucial to achieve the following milestones:

1) *March Endowments has achieved an overall ESG rating (which covered the sustainability indicators mentioned) of 19.3 a rating that places the fund in the high end of the low ESG risk range (0 is the best possible rating, while 100 is the worst possible one).*

2) *In accordance with article 8 of the SFDR and the products commitment, at least 50% of the financial product's assets promotes environmental or social features; such sustainability promotion is based on a March AM ESG rating of 25 or less out of 100 (0 is the best possible rating, while 100 is the worst possible one). At the end of the period, Endowments' 76.2% of the assets promote environmental or social features through hold a rating of less than 25 which far exceeds the product's commitment.*

3) *In accordance with the financial product's commitment, at least 50% of the fund's assets (including UCIs through a look through analysis) will be invested in assets belonging to the first two industry quartiles as part of the best-in-class strategy applied to the assets comprising its portfolio. At the end of the period, Endowments' 70.1% of the assets were invested in assets belonging to the first two industry quartiles.*

4) *The Principal Adverse Impacts (PAIs) of investment decisions on sustainability factors were considered through the consideration within our sustainable investment framework of those investment in companies without carbon reduction initiative, and the adherence to the following exclusion criteria applied for direct investments:*

    a. *Securities issued by companies having a severe violation / breach of principles and guidelines such as the Principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, and the United Nations Guiding Principles for Business and Human Rights on the grounds of problematic practices around human rights, labour rights, environment, and corruption issues*

    b. *Securities issued by companies involved in controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, biological weapons and white phosphorus)*

    c. *Securities issued by companies that derive more than 30% of their revenue from thermal coal extraction*

    d. *Securities issued by utility companies that generate more than 30% of their revenues from coal fired power generation.*

    e. *Securities issued by companies involved in the production of tobacco with more than 20% of their revenues.*

    f. *Moreover, specific exclusion criteria for direct investments was applied (ex-ante to each investment decision):*

i. *Investments in issuers domiciled in oppressive regimes ("Not Free" by the Freedom House Index, World Bank's Governance Indicators and/or the Economist Intelligence Unit's Democracy Index).*

ii. *Securities issued by companies involved in adult content – pornography (> 15% of the revenues involved).*

iii. *Securities issued by companies involved in gaming/betting (> 15% of the revenues involved).*

iv. *Securities issued by companies involved in genetically modified organisms (> 15% of the revenues involved).*

v. *Securities issued by companies involved in the production of alcoholic beverages (> 15% of the revenues involved will required to have a responsible drinking policy).*

5) *The minimum exclusion criteria, as well as specific exclusion criteria were based on information from an external data provider and coded in pre- and post-trade compliance.*

The performance of the sustainable indicators is reported in the PAI table (page 9). These indicators were not subject to an assurance provided by auditors or a review by third parties.

…and compared to previous periods?

Not Applicable (NA).

What were the objectives of the sustainable investments that the financial product partially made and how did 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 reached a minimum of 5% of the portfolio. They were investments that, in accordance with the regulation's definition, contribute to one or multiple environmental or social goals, did not do significant harm to any other environmental or social objectives, and adhere to good corporate governance principles.

For this product, investments fulfilled 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. *Had 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 e enhancing health and education, reducing inequality, safeguarding the environment, and boosting prosperity. The selection process was 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 was monitored through data from external suppliers of recognized solvency; at the same time, the percentage of company revenues directly linked to the SDGs was analysed.*

c. *Measurable impact indicators: Specific metrics related to SDG activities were regularly examined and monitored (using data from top-tier knowledgeable and established creditworthiness suppliers). These metrics are analysed 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)-was 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 served 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, labour, the environment, and anti-corruption into their corporate and operational strategies.

The fund only considered 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 considered 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 was 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 fund manager should analyse the alignment of companies' management teams and boards of directors with the shareholders.

More specifically, key variables considered when analysing the governance practices of the management teams and boards of the companies analysed were quality & integrity, structure, ownership & shareholder rights, remuneration, audit and financial reporting and stakeholder governance. Reputable third-party data providers were 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" were considered as companies that the fund manager deemed 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 expectancy 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 sustainability 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 analysed (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:

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.

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 committed in its respective sustainability annexes will be considered as a conservative criterion.

Sustainable investments have contributed to reduce GHG emissions as its direct involvement in the SBTi initiative is part of the criteria for sustainable investments selection in this financial product (as mentioned above). Additionally, sustainable investments contributed to UN Sustainable Development Goals (SDG) as its direct contribution to these SDGs is part of the criteria for sustainable investments selection in the equities and corporate debt part; in the same way, for UCIs, the minimum sustainable investment commitment is considered therefore both elements (SDG contribution and GHG emissions reduction) are considered. The assesment is done internally using third party data providers.

How did the sustainable investments that the financial product partially made 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- 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, labour, the environment, and anticorruption 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 were the indicators for adverse impacts on sustainability factors taken into account?

PAI indicators were considered either as part of the application of the exclusion criteria or through thresholds on a relative or absolute basis. Thresholds have also been defined referring to qualitative or quantitative criteria.

All mandatory PAIs and some optional ones as set in RTS Annex I Table I and II have been considered.

The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or non-existent, 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, waste is reduced, and the related PAIs 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 PIA 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.

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.

Were 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, between others, 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.*

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

This financial product weighs in (addresses, avoids, and/or mitigates) on the main adverse impacts on sustainability factors (PAI indicators) considering certain social indicators linked to applicable exclusion criteria together with other environmental indicators linked to carbon emission reduction initiatives.

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.

All Mandatory PAIs and some optional ones as set in RTS Annex I Table I and II were quantified but not fully considered in this period.

The EU Taxonomy sets out a "do not significant harm" principle which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria

The "do not significant harm" principle applies only to those investments underlying the financial product that lake 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.

PAI	ISSUER	PILLAR	COMPULSORY NATURE	COVERAGE	DATA 2023	UNITS	Threshold	Situation
M1 - Total GHG emissions	Company	Environmental	Mandatory	94.03%	4,808.94	tonne CO2e	-	-
M2 - Carbon footprint	Company	Environmental	Mandatory	94.03%	368.11	tonne CO2e / EUR M invested	< 1000	Met
M3 - GHG intensity of investee companies	Company	Environmental	Mandatory	94.06%	659.04	tonne CO2e / EUR M revenue	< 1500	Met
M4 - Exposure to companies active in the fossil fuel sector	Company	Environmental	Mandatory	93.63%	14.66	%	< 20%	Met
M5.1 - Share of non-renewable energy consumption	Company	Environmental	Mandatory	88.20%	63.12	%	-	-
M5.2 - Share of non-renewable energy production	Company	Environmental	Mandatory	99.98%	56.03	%	-	-
M6 - Energy consumption intensity per high impact climate sector	Company	Environmental	Mandatory	99.36%	0.48	GWh / EUR M revenue	< 2.5	Met
M7 - Activities negatively affecting biodiversity sensitive areas	Company	Environmental	Mandatory	92.39%	14.64	%	-	-
M8 - Emissions to water	Company	Environmental	Mandatory	19.16%	0.00	tonne / EUR M invested	-	-
M9 - Hazardous waste	Company	Environmental	Mandatory	94.11%	0.90	tonne / EUR M invested	< 750	Met
O2 - Emissions of air pollutants	Company	Environmental	Optional	17.74%	0.14	tonne / EUR M invested	-	-
O4 - Investments in companies without carbon emission reduction initiatives	Company	Environmental	Optional	100.00%	44.07	%	< 95%	Met
O6.1 - Water usage	Company	Environmental	Optional	40.12%	1,265.77	m³ / EUR M invested	-	-
O6.2 - Water recycling	Company	Environmental	Optional	8.95%	7.64	%	-	-
O7 - Investing in companies without water management initiatives	Company	Environmental	Optional	94.68%	2.60	%	-	-
O8 - Exposure to areas of high water stress	Company	Environmental	Optional	92.74%	0.08	%	-	-
O9 - Investments in companies producing chemicals	Company	Environmental	Optional	96.43%	0.01	%	-	-
O13 - Non-recycled waste ratio	Company	Environmental	Optional	77.55%	1.56	tonne / EUR M invested	-	-
O15 - Deforestation	Company	Environmental	Optional	94.14%	72.81	%	-	-
M10 - Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Company	Social	Mandatory	92.39%	0.00	%	0 (in direct Investments)	Met
M11 - Lack of processes and compliance mechanisms to monitor compliance with UNGC and OECD-GME	Company	Social	Mandatory	94.76%	0.67	%	<10%	Met
M12 - Unadjusted gender pay gap	Company	Social	Mandatory	56.57%	8.26	%	< 25%	Met
M13 - Board gender diversity	Company	Social	Mandatory	94.32%	37.92	%	>25%	Met
M14 - Exposure to controversial weapons	Company	Social	Mandatory	94.20%	0.00	%	0	Met
O1 - Investment in investee companies without workplace accident prevention policies	Company	Social	Optional	94.41%	2.20	%	-	-
O2 - Rate of accidents	Company	Social	Optional	75.42%	4.26	number of accidents per million hours worked	-	-
O3 - Number of workdays lost to injuries, accidents, fatalities or illness of investee companies	Company	Social	Optional	24.26%	11,955.57	number of working days lost per year	-	-
O4 - Lack of a supplier code of conduct	Company	Social	Optional	94.80%	3.25	%	-	-
O5 - Lack of grievance/complaints handling mechanism related to employee matters	Company	Social	Optional	94.76%	0.59	%	-	-
O6 - Insufficient whistleblower protection	Company	Social	Optional	93.54%	0.81	%	-	-
O7.1 - Number of incidents of discrimination reported in investee companies	Company	Social	Optional	92.39%	0.24	number of incidents	-	-
O7.2 - Number of incidents of discrimination leading to sanctions in investee companies	Company	Social	Optional	92.39%	0.00	number of incidents leading to sanctions	-	-
O8 - Excessive CEO pay ratio	Company	Social	Optional	31.20%	220.23	-	-	-
O9 - Lack of a human rights policy	Company	Social	Optional	94.76%	4.98	%	-	-
O10 - Lack of due diligence	Company	Social	Optional	80.87%	12.33	%	-	-
O11 - Lack of processes and measures for preventing trafficking in human beings	Company	Social	Optional	94.46%	5.81	%	-	-
O14 - Number of identified cases of severe human rights issues and incidents	Company	Social	Optional	92.39%	0.02	-	-	-
O15 - Lack of anti-corruption and anti-bribery policies	Company	Social	Optional	94.98%	1.03	%	-	-
O16 - Cases of insufficient action taken to address breaches of standards of anti-corruption and anti bribery.	Company	Social	Optional	92.39%	0.00	number of cases	-	-
O17.1 - Number of convictions for violation of anti-corruption and anti-bribery laws	Company	Social	Optional	92.39%	0.00	-	-	-
O17.2 - Amount of fines for violation of anti-corruption and anti-bribery laws	Company	Social	Optional	92.39%	3,478.01	million EUR	-	-
M15 - GHG intensity (sovereigns)	Governments	Environmental	Mandatory	58.99%	477.62	tonne CO2e / EUR M GDP	< 1000	-
M16.1 - Relative number of investee countries subject to social violations	Governments	Social	Mandatory	78.53%	0.00	%	0 (in direct Investments)	Met
M16.2 - Absolute number of investee countries subject to social violations	Governments	Social	Mandatory	78.53%	0.00	-	0 (in direct Investments)	Met
O18 - Average income inequality	Governments	Social	Optional	78.24%	32.75	-	-	-
O19 - Average freedom of expression	Governments	Social	Optional	78.53%	0.96	-	-	-
O20 - Average human rights performance	Governments	Social	Optional	77.88%	2.57	-	-	-
O21 - Average corruption score	Governments	Social	Optional	78.53%	1.12	-	-	-
O22 - Non-cooperative tax jurisdictions	Governments	Social	Optional	78.53%	0.00	-	-	-
O23 - Average Political Stability	Governments	Social	Optional	78.53%	0.27	-	-	-
O24 - Average Rule of law	Governments	Social	Optional	78.53%	1.16	-	-	-

What were the top investments of this financial product?

A portion of the financial product contained assets other than assets which did not promote environmental or social characteristics. Examples of such assets are derivatives, cash and deposits. As these assets were not used to attain the environmental or social characteristics promoted by the financial product, they were excluded from the determination of top investments.

The main investments are the investments with the largest weight in the financial product. As the product was launched at the end of Q3 and started investing in Q4, the weight is calculated at year-end. The top investments of this financial product at the year-end are as follows:

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2023

Largest investments	Sector	% Assets	Country
PART. BLUEORCHARD MICROFIN-NEUH.	Funds	3.81%	Switzerland
PART. JPMF INV-JAPAN ST VAL I JPY	Funds	3.50%	Japan
PART. DPAM B REAL ESTATE EMU DIV SUST E	Funds	3.16%	Belgium
PART. DWS INVEST GL INFRAESTRUCT USD FDM	Funds	3.05%	Luxembourg
PART. PACIFIC N. SOUTH EM EQ INC OPP I	Funds	3.05%	Ireland
EUROPEAN INV BANK 2,75% 30/07/2030	Government	3.01%	Luxembourg
EUROPEAN UNION 3,125% 05/12/2028	Government	2.98%	Luxembourg
PART. BARINGS EUROLOAN A EUR DIST	Funds	2.91%	Luxembourg
PART. AXA WF EURO CREDIT SHORT DUR I EUR	Funds	2.86%	France
PART. POLAR CAPITAL GLOBAL INSURANCE I U	Funds	2.80%	UK

ACC. 3I INFRASTRUCTURE	Financial	2.09%	UK
ACC. QUALCOMM INC	Technology	2.03%	US
ACC. BNP PARIBAS	Financial	1.97%	France
ACC. NIKE INC	Consumer, Cyclical	1.96%	US
PART. M&G (LUX) GLOBAL FLOATING RATE HIG	Funds	1.95%	Luxembourg

What was the proportion of sustainability-related investments?

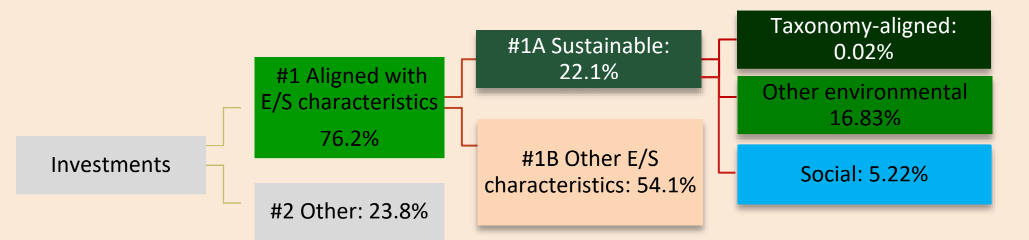
Asset allocation describes the share of investments in specific assets.

The majority of the assets were used to meet the environmental or social characteristics promoted by this Sub-Fund. A lower portion of the product contained assets which did not promote environmental or social characteristics. Examples of such instruments are derivatives, cash and investment with temporarily divergent or absent environmental, social, or good governance qualifications.

The proportion of sustainable investments reached, at the end of the period considered is a 22.1% of the financial product assets under management.

What was the asset allocation?

Some business activities may contribute to more than one sustainable sub-category (social, taxonomy aligned or other environmental). This can lead to situations, in which the sum of the sustainable sub-categories do not match to overall number of the sustainable category. Nonetheless, no double counting is possible on the sustainable investment overall category.



#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.

In which economic sectors were the investments made?

The table below shows the shares of the Sub-Fund's investments in various sectors (industry sector) and subsectors (industry group) at the end of the financial year. The

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

analysis is based on the BICS classification of the company or issuer of the securities in which the financial product is invested.

The reporting of sectors and sub-sectors of the economy that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council is currently not possible, as the evaluation includes BICS classification of Industry Sectors and Industry Groups. The fossil fuels activities mentioned above are considered aggregated with other activities under several Industry Groups.

Sector / Sub-sector	% Assets
Basic Materials	**3.66%**
Mining	3.66%
Communications	**5.54%**
Internet	1.25%
Telecommunications	4.29%
Consumer, Cyclical	**4.97%**
Apparel	3.88%
Retail	1.10%
Consumer, Non-cyclical	**14.63%**
Beverages	1.31%
Cosmetics/Personal Care	1.10%
Food	2.91%
Healthcare-Products	1.65%
Pharmaceuticals	7.65%
Energy	**2.77%**
Oil&Gas	2.77%
Financial	**5.77%**
Banks	1.97%
Closed-end Funds	2.09%
Diversified Finan Serv	1.13%
Investment Companies	0.58%
Funds	**35.06%**
Alternative Investment	1.90%
Asset Allocation Fund	1.43%
Commodity Fund	0.95%
Debt Fund	15.22%
Equity Fund	12.40%
Real Estate Fund	3.16%
Government	**13.58%**
Multi-National	3.01%
Sovereign	10.57%
Industrial	**0.98%**
Machinery-Diversified	0.98%
Technology	**5.99%**
Computers	1.06%
Semiconductors	3.71%
Software	1.23%
Utilities	**1.64%**
Electric	1.64%
Other (not sectorized)	**5.40%**

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

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.

This financial product, which: a) promotes environmental characteristics in accordance with Article 8 of the Disclosure Regulation (SFDR) as stated in the section "To what extent were the environmental and/or social characteristics promoted by this financial product met?" and b) partially invests in economic activities that contribute to one or more environmental or social objectives (as stated in the section "What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?") 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*

At the end of the period, the sustainable investments with an environmental objective aligned with the EU taxonomy represent a 0.02% of the assets.

The methodology used to assess the proportion of sustainable investments aligned with the EU Taxonomy is compliant with what is contained in Art. 3 of EU Taxonomy regulation in order to disclose the extent to which sustainable investments with an environmental objective were aligned with the EU taxonomy.

Regarding the breakdown of the proportion of the investments per each of the environmental objectives set out in Art. 9 of the Taxonomy Regulation (EU) 2020/852 to which those investment contributed, we must state that it is currently not possible to break down the shares of investments by environmental objectives, as the data is not yet available in a verified form..

Even if the data is provided by external data providers, we must specify that the data were not subject to an assurance provided by auditors or a review by third parties.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?

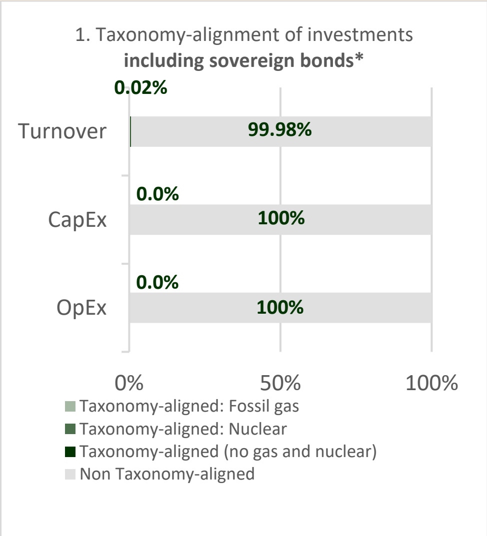
Yes ☐

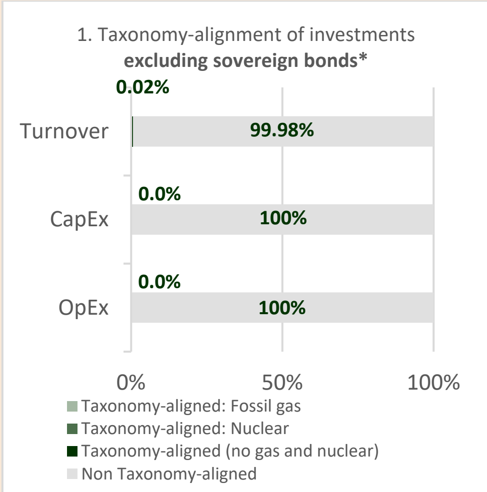
☐ **In fossil gas** ☐ **In nuclear energy**

No ☒

[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 graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropiate 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.





This graph represents 100% of the total investments.

**For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.*

As of the reporting date the reliable data on taxonomy-alignment was available only for the degree to which the aggregated investments were in environmentally sustainable economic activities based on turnover. Therefore, the corresponding values for operational and capital expenditures are displayed as zero.

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

The financial product's Investment Manager has not committed to a split of minimum taxonomy alignment into transitional, enabling activities and own performance. Currently the Investment Manager does not have complete, verifiable and up-to-date data to review all investments with respect to the technical assessment criteria for enabling and transitional activities as set out in the Taxonomy Regulation. Therefore, the corresponding values on the enabling and transitional activities are stated as 0%.

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

Not Applicable (NA).

… 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

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

The financial product invested in economic activities that were not Taxonomy-aligned. The financial product's share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 16.83%.

What was the share of socially sustainable investments?

The financial product's share of sustainable investments with a social objective was 5.22%.

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

There is a percentage of the portfolio (23.8%) that contained a) instruments with 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 and b) other instruments such as derivatives, cash and investment with temporarily divergent or absent environmental, social, or good governance qualifications.

It should be highlighted that this part of the portfolio faithfully complied with the exclusion criteria set out in the Binding Elements of the Investment Strategy.

The purpose of these investments was to contribute to the long-term performance of the fund 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.).

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

In order to face the main objectives set out in its Sustainability Strategy and to meet the environmental and/or social characteristics, March AM has developed a number of agreements with first class ESG data, research and processes providers focussed in:

- *ESG data, rating and research providers integrating (per company and universe & portfolio aggregated)*
  - *ESG Rating*
  - *Controversies analysis*
  - *Governance analysis*
  - *Product involvement (exclusion) analysis*
  - *Norms based analysis (global standards screening)*
  - *EU Taxonomy analysis*
  - *SDG impact metrics analysis*
- *Proxy voting worldwide first class provider which allows*
  - *The analysis of all shareholder meetings regarding all holdings in March AM's equity products.*
  - *Shareholder vote analysis, decision and execution through a unified platform.*
- *Fund of funds look-through data provider*

March AM has developed, through its risk control department, an internal ESG tool which integrates and processes the data of the ESG data providers mentioned and which results in a proprietary March AM's ESG rating system which facilitates the Fund management team the necessary extra financial analysis. This tool integrates into one single interface the ESG rating, controversies analysis, governance analysis, exclusion analysis, norms based analysis, taxonomy alignment, SDG alignment, PAI analysis and fund of funds portfolio look-through analysis. This analysis is done at both the investible universe and at each particular financial product levels. Additionally, this tools allows for an ex-ante ESG analysis, previous to each investment decision and the control performed by March AM's risk control & compliance department which *guarantees the compliance of our legal obligations according to SFDR.*

Asset allocation is based on an in-house fundamental analysis. For this purpose, the Firm analyse 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, Fund's Investment Managers hold regular meetings with investees' companies. It is not guaranteed that the meetings include issuers held by every fund. ESG matters, in addition to purely financial factors, are frequently discussed in the aforementioned meetings to analyse 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 monitoring of environmental and/or social characteristics will be made at the starting point of the extra financial analysis of a potential investment decision (ex-ante) and, once the investment decision is taken, will be frequently monitored embedded and through our proprietary (March AM) ESG rating tool (which considers between other those characteristics) based on first class third party ESG data providers.

Engagement is not specifically part of the environmental or social investment strategy of this product. Nevertheless, March AM sets out in its engagement policy long-term involvement in its products' investee companies/issuers, thus demonstrating its firm intention to evolve towards a sustainable economy where long-term profitability (with an appropriate level of risk) is combined with environmental protection and social justice while influencing better decision-making in the investee companies (the so-called active ownership).

March AM believes that fostering an open, informal dialogue with companies/issuers and encouraging ESG practices in them can enhance its own investment process, enabling it to appropriately manage the long-term risks of its portfolios.

Improving the strategy, management, and reporting of each company's significant ESG issues helps protect the value of March AM's investments. Firm seeks to achieve this objectives through dialogue and engagement with investee companies in order to gain a thorough understanding of the business models, risks, and opportunities as well as through the adoption of changes in them. It is not guaranteed that the engagement conducted includes issuers held by every fund.

In this sense, March AM has adhered during the period to 2 collaborative engagement platforms, one environmental - Climate Action 100+ - as a contributing investor and another social related – Advance - as a participant and endorser.

March AM generally rejects investing in businesses or nations that engage in abhorrent, reprehensible practices that contravenes international treaties and agreements. The introduction of exclusion criteria for certain areas of activity is compatible with the incorporation of ESG criteria in investment analysis and processes. If an investee company comprising the Fund's portfolio has a high level of controversies and a low ESG rating, the manager (directly/indirectly) will encourage (on a best-efforts basis) an open, informal dialogue with the issuers to adopt the necessary measures to change the practices or controversial activities. In the event that the activity carried out by the issuer is inconsistent with the aspects mentioned in this policy, the manager has the option to divest.

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

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

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

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

Not Applicable (NA).

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?

Not Applicable (NA).

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

Not Applicable (NA).

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

Not Applicable (NA).