

WEBSITE DISCLOSURE FOR ARTICLE 8 FUNDS

MARCH INTERNATIONAL - MEDITERRANEAN FUND

a. Summary

Mediterranean Fund's (the Sub-Fund) investment objective is to provide long-term capital appreciation through selected investments in listed equity securities of companies involved in the design, manufacture or sale of products and services in connection with the seas and water management sectors. The strategy has a supportive environment that is backed by global mega-trends such as population growth, environmental constraints, supportive regulation, and global wealth creation.

The Sub-Fund qualifies as an Article 8 product under SFDR. The Sub-Fund is managed to promote, among other characteristics, a combination of environmental and social characteristics (as provided under article 8 of SFDR), and will additionally invest a minimum proportion of 20% of its net assets in a combination of sustainable investments as defined by SFDR and investments in economic activities that qualify as environmentally sustainable as defined by the Taxonomy Regulation (the commitment to the latter is a 1% minimum proportion within the previously mentioned 20%).

The Investment Manager integrates sustainability risks and opportunities into its research, analysis and investment decision-making processes. For further information on the Investment Manager's ESG policy please consult <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

As part of its investment policy, the Sub-Fund's investments are made in accordance with pre-determined sector exclusion/limitation criteria. 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. The investment manager is implementing screening criteria to monitor holdings for compliance with the investment manager's exclusionary screening.

In order to promote a combination of environmental and social characteristics (as provided under article 8 of SFDR), the Investment Manager will monitor the sustainability characters and indicators of the companies the Sub-Fund may invest in both directly and through third-party providers. Those characters and indicators are related to material ESG issues that could affect the company reputation, long-term risks as a consequence of climate change, ethical considerations, regulatory compliance, externalities, etc. such as bribery and corruption, carbon intensity in own operations, emissions, water disposal, water intensity use, corporate governance, independence and composition of the board and community relations amongst others.

The Sub-Fund will monitor how ESG risks could impact the target companies' economic value as a result of ESG factors and will classify them into one of five risk categories: negligible-low-medium-high and severe. Although the investment strategy does not exclude companies that could at any given time show weak ESG ratings and accepted by the investment manager as potential improvers, the total amount of companies with high and/or severe ESG risk will never exceed 25% of the total portfolio.

The companies in which the Sub-Fund invests will follow good governance practices. The first objective in governance is to protect the value of the company. A management team must have objectives similar to those of the small shareholder. The Investment Manager will look at management teams fully aligned with the objectives of all shareholders. More specifically, key variables which are considered when assessing governance practices of management teams and board of directors are alignment of interests, track record as a company manager, skills, diversity, strategy, litigation risks and corruption.

Furthermore, the Sub-Fund will exercise active ownership in the investees' companies, voting on stocks and engaging on selected companies (either directly or through third party providers).

Besides promoting the above mentioned environmental and social characteristics, the Sub-Fund will commit to making sustainable investments. Investments classified as 'sustainable' according to SFDR and investments in economic activities that qualify as environmentally sustainable as defined by the Taxonomy Regulation will represent at least 20% of the portfolio (of which those made in accordance with the Taxonomy Regulation would represent at least 1%), not significantly harming any social or environmental objective and ensuring that investee companies follow good governance practices.

The process of identifying the main adverse impacts (those that may significantly harm any environmental or social objective (DNSH assessment)) is conducted when selecting assets in which to invest. This is based on internal exclusion/limitation criteria as described previously and norms-based analysis based in the UN Global Compact; the UN Global Compact (of which March AM is a partner) is an international initiative that encourages companies to incorporate 10 universal principles concerning human rights, labour, the environment and the fight against corruption into their strategies and operations and to act in a way that advances the social targets and implementation of the SDGs; additionally to this negative screening the Investment Manager considers, using external providers data, the level of controversies of the companies the Sub-Fund is investing in; in this sense, for the companies the Investment Manager considers sustainable investments it will only tolerate low or moderate level of controversies, excluding from this sustainable investment part all companies with significant, high or severe level of controversies.

Investee companies will follow good governance practices. The first objective in governance is to protect the value of the company. A management team should have objectives which are similar to those of the small shareholder. The Investment Manager will look at management teams fully aligned with the objectives of all shareholders. More specifically, key variables which are considered when assessing governance practices of management teams and board of directors are quality & integrity, structure, ownership & shareholder rights, remuneration, audit & financial reporting and stakeholder governance; for this assessment, third party data from high quality data providers will be used; in this sense, within the companies the Investment Manager considers sustainable investments it will only consider companies which management are rated as Leaders, Outperformers or Average Performers, excluding those rated as Underperformers or Laggards.

Pursuant to the Taxonomy Regulation, the Sub-Fund will partially invest in economic activities that contribute to one or more of the following environmental objectives set out in Article 9 of the Taxonomy Regulation: (a) climate change mitigation; (b) climate change adaptation; (c) sustainable use and protection of water and marine resources; (d) transition to a circular economy; (e) pollution prevention and control; (f) protection and restoration of biodiversity and ecosystems, with a commitment to make investments in taxonomy aligned sustainable activities for a minimum proportion of 1% of the Sub-Fund's net assets.

The Investment Manager currently ensures that such investments of the Sub-Fund contribute to the abovementioned objective(s) while not significantly harming any other sustainable objectives by using a combination of some or all of company sourced information, third-party data, and its own research; this will include the Sub-Fund's overall level of taxonomy alignment, assessment of the "Do No Significant Harm" principle and minimum safe wards.

The attention of the investors is drawn to the fact that the "Do No Significant Harm" principle applies only to those investments underlying the Sub-Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager considers (e.g., address, avoid or mitigate) principal adverse impact indicators (the 'PAI Indicators') on sustainability factors considering certain social indicators linked to applicable exclusion criteria together with other environmental indicators linked to carbon emission reduction initiatives.

Even using specialised data providers to access the investment's PAI data, the coverage for the data required for the PAI Indicators is heterogenous and in some cases poor or inexistent. The Sub-Fund's Investment Manager will strive to increase data coverage for PAI Indicators with low data coverage. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

a. Résumé

L'objectif d'investissement du fonds Mediterranean Fund (le Compartiment) est de réaliser une plus-value en capital à long terme en investissant dans des titres de capital cotés d'entreprises impliquées dans la conception, la fabrication ou la vente de produits et de services en lien avec les secteurs de la gestion de l'eau et des mers. La stratégie bénéficie d'un environnement favorable qui est renforcé par des mégatendances mondiales telles que la croissance démographique, les contraintes environnementales, une réglementation favorable et la création de richesses à l'échelle mondiale.

Le Compartiment est conforme à l'article 8 du SFDR. Le Compartiment est géré de manière à promouvoir, entre autres caractéristiques, un ensemble de caractéristiques environnementales et sociales (telles que stipulées dans l'article 8 du SFDR) et investira au moins 20 % de ses actifs nets dans un assortiment d'investissements durables tels que définis par le SFDR et dans des activités économiques considérées

comme respectueuses de l'environnement conformément au règlement Taxinomie (concernant ces activités, la part minimale est fixée à 1 % dans le cadre des 20 % susmentionnés).

Le Gérant tient compte des risques et des opportunités en matière de durabilité dans ses processus de recherche, d'analyse et de prise de décision concernant les investissements. Pour obtenir de plus amples renseignements sur la politique ESG du Gérant, veuillez consulter la page <https://www.march-am.com/en/about-us/sustainable-and-responsible-investment/>.

Dans le cadre de sa politique d'investissement, les placements du Compartiment sont choisis selon des critères de restriction/d'exclusion sectoriels préétablis. Par principe, le Compartiment s'abstient d'investir et limite par conséquent les investissements dans des sociétés dont l'activité principale implique la production d'armes controversées, de charbon thermique, de tabac, de contenus pour adultes, de jeux d'argent, d'OGM et d'alcool. Le gérant applique des critères de sélection pour s'assurer que les placements sont conformes à ses critères d'exclusion.

Afin de promouvoir un ensemble de caractéristiques environnementales et sociales (telles que définies dans l'article 8 du SFDR), le Gérant suivra les caractéristiques et les indicateurs de durabilité des entreprises dans lesquelles le Compartiment peut investir directement et par le biais de fournisseurs tiers. Ces indicateurs concernent des enjeux ESG importants qui sont susceptibles d'avoir un impact sur la réputation de l'entreprise, des risques à long terme en conséquence du changement climatique, des considérations éthiques, la conformité réglementaire, des externalités, etc. tels que la corruption, l'intensité carbone des activités de l'entreprise, les émissions, le traitement des eaux usées, la consommation d'eau, la gouvernance d'entreprise, l'indépendance et la composition du conseil d'administration et les relations avec les collectivités, entre autres.

Le Compartiment surveillera la possible incidence des risques ESG sur la valeur économique des entreprises ciblées en lien avec les facteurs ESG et les classera dans l'une des cinq catégories de risque suivantes : négligeable-faible-moyen-important et très important. Même si la stratégie d'investissement n'exclut pas les entreprises qui pourraient à un moment donné posséder des scores ESG faibles et que le gérant juge susceptibles de s'améliorer, le nombre total d'entreprises comportant un risque ESG important et/ou très important ne représentera pas plus de 25 % du total des actifs du portefeuille.

Les entreprises dans lesquelles le Compartiment investit appliqueront des bonnes pratiques de gouvernance. Le premier objectif en matière de gouvernance est de préserver la valeur de la société. Une équipe de direction doit avoir des objectifs similaires à ceux du petit actionnaire. Le Gérant privilégiera les équipes de direction qui sont complètement en phase avec les objectifs de l'ensemble des actionnaires. Plus précisément, les principales variables qui sont prises en considération dans le cadre de l'évaluation des pratiques de gouvernance des équipes de direction et du conseil d'administration sont l'alignement des intérêts, l'historique de performances comme dirigeant de l'entreprise, les compétences, la diversité, la stratégie, les risques de procès et la corruption.

De plus, le Compartiment fera valoir ses droits en tant qu'actionnaire en cherchant à peser sur la direction des entreprises dans lesquelles il investit, en votant lors des assemblées générales des actionnaires et en s'impliquant activement auprès des entreprises sélectionnées (directement ou par le biais de tiers).

En plus de promouvoir les caractéristiques environnementales et sociales susmentionnées, le Compartiment s'engagera à réaliser des investissements durables. Les investissements classés comme « durables » selon le SFDR et les investissements dans des activités économiques considérés comme durables sur le plan environnemental telles que définies dans le règlement Taxinomie représenteront au moins 20 % des actifs du portefeuille (dont ceux réalisés conformément audit règlement représenteraient au moins 1 %), ne nuisant pas de manière significative à la réalisation d'un objectif social ou environnemental et sous réserve que les sociétés en portefeuille respectent les bonnes pratiques de gouvernance.

Le processus d'identification des principales incidences négatives (celles qui peuvent nuire de manière significative à la réalisation d'un objectif social ou environnemental (évaluation DNSH) est réalisé lors de la sélection des actifs dans lesquels investir. Ce processus repose sur des critères d'exclusion/de restriction internes décrits précédemment et une analyse fondée sur des normes basées sur le Pacte mondial des Nations Unies ; le Pacte mondial (dont March AM est signataire) est une initiative internationale qui encourage les entreprises à intégrer 10 principes universels concernant les droits humains, le travail, l'environnement et la lutte contre la corruption dans leur stratégie et leurs activités et d'agir de manière à contribuer à la réalisation des objectifs sociaux et à la mise en œuvre des ODD ; outre ce critère négatif, le Gérant tient compte, en s'appuyant sur des données de fournisseurs externes, du niveau des controverses des sociétés dans lesquelles le Compartiment investit ; pour les entreprises que le Gérant considère comme des investissements durables, seules les controverses modérées ou moyennes seront tolérées et toutes les entreprises qui font l'objet de controverses importantes ou graves seront exclues.

Les sociétés détenues appliqueront des bonnes pratiques de gouvernance. Le premier objectif en matière de gouvernance est de préserver la valeur de la société. Une équipe de direction doit avoir des objectifs qui sont similaires à ceux du petit actionnaire. Le Gérant privilégiera les équipes de direction qui sont complètement en phase avec les objectifs de l'ensemble des actionnaires. Plus particulièrement, les principales variables qui sont prises en compte dans l'évaluation des pratiques de gouvernance des

équipes de direction et du conseil d'administration sont la qualité et l'intégrité, la structure, la propriété et les droits des actionnaires, la rémunération, l'audit et les rapports financiers et la gouvernance des parties prenantes ; pour cette évaluation, les données de tiers de fournisseurs de données de grande qualité seront utilisées ; à cette fin, parmi les entreprises que le Gérant considère comme des investissements durables, celles dont les équipes de direction affichent des performances hors pair, des performances supérieures à la moyenne ou des performances moyennes seront prises en considération par le Gérant et celles dont les dirigeants réalisent des performances inférieures ou mauvaises seront exclues.

Conformément au règlement Taxinomie, le Compartiment investira en partie dans des activités économiques qui contribuent à réaliser un ou plusieurs des objectifs environnementaux suivants énoncés dans l'article 9 dudit règlement. (a) l'atténuation du changement climatique ; (b) l'adaptation au changement climatique ; (c) une consommation durable et la protection de l'eau et des ressources maritimes ; (d) la transition vers une économie circulaire ; (e) la prévention et le contrôle de la pollution ; (f) la préservation et la restauration de la biodiversité et des écosystèmes, avec un engagement à investir dans des activités durables alignées sur la taxinomie à hauteur d'au moins 1 % de l'actif net du Compartiment.

Le Gérant veille actuellement à ce que ces investissements du Compartiment contribuent à la réalisation des objectifs susmentionnés, sans nuire de manière significative à la réalisation d'autres objectifs durables en combinant tout ou partie des informations obtenues auprès des entreprises, des données de tiers et ses propres recherches ; cela comprend le niveau de conformité avec la taxinomie du Compartiment, l'évaluation du principe Ne pas causer de préjudice important (DNSH - « Do No Significant Harm ») et des garanties minimales.

Nous attirons l'attention des investisseurs sur le fait que le principe DNSH ne s'applique qu'aux investissements sous-jacents du Compartiment qui tiennent compte des critères de l'UE concernant les activités économiques durables sur le plan environnemental. Les investissements sous-jacents de la portion restante du Compartiment ne tiennent pas compte des critères de l'UE concernant les activités économiques durables sur le plan environnemental.

Le Gérant tient compte (p. ex. : évite, atténue ou y répond) des indicateurs de principale incidence négative (les « indicateurs de PAI ») sur les facteurs de durabilité en prenant en compte certains indicateurs sociaux liés aux critères d'exclusion applicables ainsi que d'autres indicateurs environnementaux liés à des initiatives en matière de réduction des émissions de carbone.

Les données requises pour les indicateurs de PAI sont hétérogènes et, dans certains cas, insuffisantes voire inexistantes, y compris en ayant recours à des fournisseurs de données spécialisés pour accéder aux données des PAI des placements. Le gérant du Compartiment fera en sorte d'élargir le spectre de données concernant les indicateurs de PAI pour lesquels peu de données sont disponibles. Le Gérant vérifiera régulièrement si le volume de données disponibles a suffisamment augmenté pour éventuellement inclure une analyse de ces données dans le processus d'investissement.

a. Resumen

El objetivo de inversión de Mediterranean Fund (el Subfondo) es proporcionar una revalorización del capital a largo plazo mediante inversiones seleccionadas en valores de renta variable cotizados de empresas que participan en el diseño, la fabricación o la venta de productos y servicios relacionados con los sectores marítimo y de gestión del agua. La estrategia cuenta con un entorno favorable respaldado por megatendencias mundiales, como el crecimiento demográfico, las limitaciones medioambientales, una regulación de apoyo y la creación de riqueza a escala mundial.

El Subfondo está clasificado como producto conforme con el artículo 8 del Reglamento SFDR. El Subfondo está gestionado para promover, entre otras características, una combinación de características medioambientales y sociales (según lo dispuesto en el artículo 8 del SFDR) e invertirá, además, una proporción mínima del 20 % de su patrimonio neto en una combinación de inversiones sostenibles según la definición del SFDR e inversiones en actividades económicas que cumplan los requisitos para ser consideradas sostenibles desde el punto de vista medioambiental según la definición del Reglamento de Taxonomía (el compromiso con estas últimas es una proporción mínima del 1 % dentro del 20 % anteriormente mencionado).

La Gestora de Inversiones integra los riesgos y oportunidades de sostenibilidad en sus procesos de investigación, análisis y toma de decisiones de inversión. Para más información sobre la política ASG de la Gestora de Inversiones, consulte <https://www.march-am.com/es/nosotros/inversion-sostenible-y-responsable/>.

Como parte de su política de inversión, las inversiones del Subfondo se realizan de acuerdo con criterios predeterminados de exclusión o limitación de sectores. Por norma general, el Subfondo se opone y, por lo tanto, limita la inversión en empresas cuya actividad principal esté relacionada con la fabricación de

armas controvertidas, carbón térmico, tabaco, contenido para adultos, juegos de azar, OMG y alcohol. La Gestora de Inversiones aplica criterios de selección para controlar que las posiciones de la cartera cumplan su criterio de exclusión.

Con el fin de promover una combinación de características medioambientales y sociales (según lo dispuesto en el artículo 8 del SFDR), la Gestora de Inversiones supervisará los caracteres e indicadores de sostenibilidad de las empresas en las que el Subfondo pueda invertir, tanto directamente como a través de terceros proveedores. Dichos caracteres e indicadores están relacionados con cuestiones ASG materiales que podrían afectar a la reputación de la empresa, riesgos a largo plazo como consecuencia del cambio climático, consideraciones éticas, cumplimiento normativo, externalidades, etc., como soborno y corrupción, intensidad de carbono en operaciones propias, emisiones, vertidos de agua, uso intensivo del agua, gobierno corporativo, independencia y composición del consejo y relaciones con la comunidad, entre otros.

El Subfondo vigilará cómo los riesgos ASG podrían afectar al valor económico de las empresas objetivo como consecuencia de factores ASG y los clasificará en una de las cinco categorías de riesgo: insignificante, bajo, medio, alto y grave. Aunque la estrategia de inversión no excluye a aquellas empresas que, en un momento dado, podrían presentar malas calificaciones ASG, pero que han sido aceptadas por la Gestora de Inversiones por su potencial de mejora, el volumen total de empresas con riesgo ASG alto o grave nunca podrá superar el 25 % del total de la cartera.

Las empresas en las que invierte el Subfondo se adherirán a prácticas de buena gobernanza. El objetivo primordial de la gobernanza es proteger el valor de la empresa. Los equipos directivos deben perseguir objetivos similares a los del pequeño accionista. La Gestora de Inversiones buscará equipos directivos plenamente alineados con los objetivos de todos los accionistas. En particular, las variables clave que se toman en cuenta a la hora de evaluar las prácticas de gobernanza de los equipos directivos y los consejos de administración son la alineación de intereses, el historial como gestor de la empresa, las competencias, la diversidad, la estrategia, los riesgos de litigio y la corrupción.

Además, el Subfondo ejercerá una participación activa en las empresas en las que se invierte, emitiendo votos por las acciones y participando en empresas seleccionadas (ya sea directamente o a través de terceros proveedores).

Además de promover las características medioambientales y sociales antes mencionadas, el Subfondo se comprometerá a realizar inversiones sostenibles. Las inversiones clasificadas como «sostenibles» según el SFDR y las inversiones en actividades económicas que puedan considerarse medioambientalmente sostenibles según la definición del Reglamento de Taxonomía constituirán, al menos, el 20 % de la cartera (de las cuales, las realizadas de conformidad con el Reglamento de Taxonomía constituirán, al menos, el 1 %), no perjudicarán significativamente ningún objetivo social o medioambiental y garantizarán que las empresas en las que se invierte siguen prácticas de buena gobernanza.

El proceso de identificación de las principales incidencias adversas (aquellas que puedan perjudicar significativamente algún objetivo medioambiental o social (evaluación DNSH)) se lleva a cabo en el momento de seleccionar los activos en los que invertir. Para ello, se recurre a criterios internos de exclusión o limitación, conforme a lo antes descrito, y a un análisis basado en normas que se apoya en el Pacto Mundial de las Naciones Unidas. El Pacto Mundial de las Naciones Unidas (del que March AM es socio) es una iniciativa internacional que anima a las empresas a incorporar 10 principios universales relativos a los derechos humanos, el trabajo, el medio ambiente y la lucha contra la corrupción a sus estrategias y operaciones, así como a actuar de manera que promuevan los objetivos sociales y la aplicación de los ODS. Además de esta selección negativa, la Gestora de Inversiones tiene en cuenta, utilizando datos de proveedores externos, el nivel de controversias de las empresas en las que invierte el Subfondo. En este sentido, para las empresas que la Gestora de Inversiones considera inversiones sostenibles, solo tolerará un nivel bajo o moderado de controversias y excluirá de esta parte de inversión sostenible a todas las empresas con un nivel significativo, alto o grave de controversias.

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sentido, dentro de las empresas que la Gestora de Inversiones considera inversiones sostenibles, solo tendrá en cuenta aquellas cuya gestión esté calificada como Líderes, Superiores o Mediocres, excluyendo las calificadas como Insuficientes o Rezagadas.

De conformidad con el Reglamento de Taxonomía, el Subfondo invertirá en parte en actividades económicas que contribuyan a uno o varios de los siguientes objetivos medioambientales establecidos en el artículo 9 de dicho reglamento: (a) mitigación del cambio climático; b) adaptación al cambio climático; (c) uso sostenible y protección de los recursos hídricos y marinos; (d) transición hacia una economía circular; (e) prevención y control de la contaminación, y (f) protección y recuperación de la biodiversidad y los ecosistemas, con el compromiso de realizar inversiones en actividades sostenibles alineadas con la taxonomía por una proporción mínima del 1 % del patrimonio neto del Subfondo.

En la actualidad, la Gestora de inversiones garantiza que las inversiones del Subfondo contribuyen a la consecución de los objetivos mencionados, sin perjudicar de forma significativa otros objetivos sostenibles, mediante una combinación de información procedente de la empresa, datos de terceros y sus propios estudios; esto incluirá el nivel general de alineación taxonómica del Subfondo, la evaluación del principio consistente en «no causar un perjuicio significativo» y las garantías mínimas.

Se llama la atención de los inversores sobre el hecho de que el principio «no causar un perjuicio significativo» se aplica únicamente a las inversiones subyacentes al Subfondo que tienen en cuenta los criterios de la UE para las actividades económicas sostenibles desde el punto de vista medioambiental. Las inversiones subyacentes a la parte restante del Subfondo no tienen en cuenta los criterios de la UE para las actividades económicas sostenibles desde el punto de vista medioambiental.

La Gestora de inversiones considera (por ejemplo, abordar, evitar o mitigar) los indicadores de principales incidencias adversas («PIA») sobre los factores de sostenibilidad teniendo en cuenta determinados indicadores sociales vinculados a los criterios de exclusión aplicables, junto con otros indicadores medioambientales vinculados a las iniciativas para reducir las emisiones de carbono.

Incluso utilizando proveedores de datos especializados para acceder a los datos PIA de la inversión, la cobertura de los datos necesarios para los indicadores PIA es heterogénea y, en algunos casos, deficiente o inexistente. La Gestora de inversiones del Subfondo procurará aumentar la cobertura de datos para los indicadores PIA con cobertura limitada. La Gestora de inversiones valorará periódicamente si la disponibilidad de datos ha aumentado lo suficiente como para poder incluir la evaluación de dichos datos en el proceso de inversión.

b. No sustainable investment objective

This financial product promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments with:

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

c. Environmental or social characteristics of the financial product

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

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

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 existing environmental risk policies, and the existence and analysis of the company's environmental team and its training.

On a social level, we consider not only objectives linked to the company and its environment but also to the rest of the stakeholders. The main sustainable indicators used on the social side are the existence of union policies and representation, training hours, employee days lost vs. total days, employee satisfaction, flexible working hours, remuneration and working conditions, employee turnover, occupational accident rate, occupational fatality rate, occupational health and safety incidents, diversity among its employees, employees with disabilities, 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.

d. Investment strategy

Mediterranean Fund's investment strategy follows a model based on fundamental analysis of each of the companies comprising the portfolio. This analysis integrates ESG factors through active and direct contact with the companies, as well as through the exercise of voting rights inherent to the position in each of the companies according to ESG criteria.

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

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

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

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

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

- I. General exclusion policy: The excluded activities are controversial weapons, tobacco, and thermal coal (each of the activities are excluded based on specific thresholds set out in the March AM Exclusions Policy, published on the website www.march-am.com). At the same time, the firm engages in the analysis of activities under oppressive regimes.*
- II. Exclusion policy for SRI products: In addition to the general policy, adult content/pornography, gambling/gaming, and GMOs. Alcohol exposure and the existence of a responsible drinking policy are excluded as well (each of these activities are excluded based on specific limits set out in the March AM Exclusions Policy, published on the website <https://www.march-am.com>).*
- III. Lastly, March AM conducts a norm-based analysis to determine whether the company complies with the 10 principles of the United Nations Global Compact for each of the four categories comprising the pact (Human Rights, Labor, Environment, and Anti-Corruption), given the fact that the company is a signatory partner of the UNGC. Based on this analysis, companies that display evidence of violating one or multiple principles are eligible for exclusion.*

Asset allocation is based on an in-house fundamental analysis. For this purpose, the Firm analyze the Investee's Annual and Periodic Financial Reports (Annual Reports, Balance Sheet, Annual Accounts, Cash

Flow Statements, etc.), as well as the main Non-Financial Reports of the companies. Additionally, the governance structure and controversies surrounding the corporation are examined.

Furthermore, Fund's Investment Managers hold regular meetings with investees' companies. ESG matters, in addition to purely financial factors, are frequently discussed in the aforementioned meetings to analyze the development, commitment and vocation for improvement of these, as well as the measures taken by the investees' in this regard.

In order to promote a combination of both social and environmental product characteristics in accordance with Art.8 of SFDR, the investment strategy aims to benefit companies with strong ESG ratings while detracting from and/or reducing the portfolio weight of companies with poor ESG ratings. The rating is based on an in-house ESG analysis, which uses top-tier external providers' data as a source, complemented with the managers' fundamental view.

March AM's proprietary valuation model is one of the key factors, along with the conviction degree and a thorough examination of the investees' business model and management teams, when deciding whether to buy or sell an asset and its weight in the fund's portfolio. In this sense, the investment manager will monitor how ESG risks could impact the target companies economic value as a result of ESG factors and will classify them into one of five risk categories: negligible-low-medium-high and severe. Although the investment strategy does not exclude companies that could at any given time show weak ESG ratings and accepted by the investment manager as potential improvers, the total amount of companies with high and/or severe ESG risk will never exceed 25% of the total portfolio.

The management team's internal knowledge acquired from fundamental bottom-up analysis of the companies is integrated into the investment process together with ratings from specialized ESG data and information providers. Due diligence is applied when selecting and contracting these external suppliers, looking for both extensive experience and a solid reputation in the field in which they specialize.

The ESG rating given to corporations on each of the environmental, social, and corporate governance components are standardized, resulting in an aggregate ESG rating that has a favorable or negative impact on the company's upside revaluation potential.

When the company's valuation is considerably harmed, companies with a low ESG rating will either have their portfolio weight reduced or be sold. Thus, those companies that develop good ESG policies are rewarded in the portfolio and those with poor policies are penalized since the upside potential significantly determines, among other factors, the decision to buy or increase weight in the portfolio (if the potential is high enough) or the decision to sell or reduce the weight (if the appreciation potential is low).

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

e. Proportion of investments

Mediterranean Fund's asset allocation follows the following criteria:

- a. All companies included in our funds will adhere to the exclusion criteria listed in this document as a binding requirements.*
- b. In accordance with article 8 of the SFDR, at least 50% of the fund's assets will promote environmental or social features; such sustainability promotion will be based on a March AM ESG rating of 25 or less out of 100. (The best possible rating is 1, while a 100 is the worst). In other words, at least 50% of the portfolio's assets will be rated at or below 25.*
- c. At least 20% of total portfolio assets shall considered either:*
 - 1. Sustainable investments according to SFDR, following point g of this document.*
 - 2. Investments aligned with economic activities that contribute to one or more of the environmental objectives set out in Art. 9 of Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investments (taxonomy). The latter must account for, at least, 1.00% of the assets comprising the portfolio*

This financial product, which: a) promotes environmental characteristics in accordance with Article 8 of the Disclosure Regulation (SFDR) and b) which partially invests in economic activities that contribute to one or more environmental or social 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.*

The financial product has established a minimum alignment with these environmental goals for the portfolio of, at least, 1.00%.

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

This financial product promotes Environmental/Social (E/S) characteristics and, while it does not have as its objective a sustainable investment, it will have a minimum proportion of 20% of sustainable investments with:

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

The Investment Manager considers but do not commit to a "specific" minimum share of environmentally Sustainable Investments that are not aligned with the EU Taxonomy, as the 20% minimum proportion committed refers to the combination of all the above-mentioned objectives. For the same reasons, The Investment Manager considers but do not commit to a "specific" minimum share of socially sustainable investments.

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

The purpose of these investments is 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.).

f. Monitoring of environmental or social characteristics

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 (for more information please check point h of this document).

g. Methodologies

The product commits to hold sustainable investments in its portfolio as defined by the Sustainability Disclosure Regulation (EU) 2019/2008 (SFDR). Investments classified as sustainable that follow this regulation reach a minimum of 20% of the portfolio. They are investments that, in accordance with the regulation's definition, contribute to one or multiple environmental or social goals, do not do significant harm to any other environmental or social objectives, and adhere to good corporate governance principles.

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

- 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 fund 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>.

- Have a measurable impact within the framework of the 17 Sustainable Development Goals (SDGs), which are designed to spearhead the eradication of poverty and other forms of deprivation by enhancing health and education, reducing inequality, safeguarding the environment, and boosting prosperity. The selection process is based on the analysis of companies whose activity, management model and results are aimed at mitigating general social problems and the planet's resource sustainability identified by the SDGs. The degree of alignment with each of the 17 SDGs is monitored through data from external suppliers of recognized solvency; at the same time, the percentage of company revenues directly linked to the SDGs is analyzed.*
- Measurable impact indicators: Specific metrics related to SDG activities are regularly examined and monitored (using data from top-tier knowledgeable and established creditworthiness suppliers). These metrics are analyzed at the company level and gauge the success or failure of the organization's operational or governance practices. Water resource usage, Scope 1 & 2 emissions intensity, or lost time injury rate are a few examples of operational measures.*

The process of identifying the associated key adverse impacts-those that can do significant harm to any environmental or social objective (DNSH under SFDR)-is undertaken at the time of selecting assets in which to invest. The above-mentioned internal exclusion criteria and norm-based analysis based on the UN Global Compact serve as the foundation for this screening. The UN Global Compact- March AM is a signatory partner of it- is a global initiative that encourages companies to act in a way that advances social objectives and the implementation of the SDGs by incorporating 10 universal principles relating to human rights, labor, the environment, and anti-corruption into their corporate and operational strategies.

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

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

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

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. PIAS are primarily considered and integrated into portfolio investment decisions primarily through exclusions. The present coverage to collect the necessary data is heterogeneous and, in some circumstances, weak or nonexistent, even when employing trusted specialist data providers to access PIA indicators. Due to the lack of data, it is feasible that the product manager is now unable to evaluate some investment PAIs.

Additionally, the coverage of data related to water and waste is reduced and the related PIA 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.

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

h. Data sources and processing

Data sources:

In order to face the main objectives set out in its Sustainability Strategy, 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 Processing:

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 tool 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.

i. Limitations to methodologies and data

While every effort has been made to ensure that the data obtained and processed is accurate and adequate, we must mention that our sources of information are mainly based on third party data providers which contain not only raw official data provided by companies and governments but also may contain estimates and forecasts and, therefore, may not be free of error.

In the specific case of PAI, even using specialised data providers to access the investment's PAI data, the coverage for the data required for the PAI Indicators is heterogenous and in some cases poor or inexistent. The Sub-Fund's Investment Manager will strive to increase data coverage for PAI Indicators with low data coverage. The Investment Manager will regularly evaluate whether the availability of data has increased sufficiently to potentially include assessment of such data in the investment process.

The methodologies considered by March AM to promote sustainability, select sustainable ideas (according to SFDR), consider taxonomy aligned activities, target non-compliant companies, analyse controversies and exclude potential investments can quickly change as the regulation is advancing and potentially changing in a very dynamic way; additionally some of the data we use to perform our analysis and /or take ESG based investment decisions could be inaccurate or not properly updated although we will do our best to ensure its accuracy, consistency and in date.

We must mention that these limitations mentioned do not affect in our view how the environmental or social characteristics promoted by the financial product are met.

j. Due Diligence

March AM's risk control & compliance department supervises the compliance of our legal obligations according to SFDR and the accomplishment of the ESG characteristics promoted by this financial product. As we mentioned before, March AM has developed, through its risk control department, an internal ESG tool which integrates and processes the data of the ESG data providers resulting in a proprietary March AM's ESG rating and information system which not only facilitates the Fund management team the necessary extra financial analysis but allows the due control performed by March AM's risk control & compliance department. This guarantees the compliance of our legal obligations according to SFDR. This tool allows for a very tight control (even daily) of our legal and ESG obligations. Additionally, our external auditor supervise how the ESG characteristics of this product are met on a periodic (mainly yearly) basis.

k. Engagement policies

Engagement is not specifically part of the environmental or social investment strategy of this product. Nevertheless, March AM, in its firm intention to evolve towards a sustainable economy in which long-term profitability is combined (with an adequate level of risk) with environmental protection, social justice and influence in the best decision-making in the companies in which March AM products invest, establishes in its engagement policy the long-term involvement in the companies/issuers in which it invests. We believe that open informal dialogue with issuers can enhance our investment process and allow us to adequately manage the long-term risks of the portfolios, through promoting ESG practices in the companies in which we invest on behalf of our clients. We try to apply that informal dialogue to both equity and fixed income portfolio companies (on a best efforts basis). Through dialogue and involvement with the companies in which it invests, March AM seeks to understand in depth the business model of the companies, their risks and their opportunities and, on the other hand, to promote change in order to improve the strategy, management and reporting of material environmental, social and governance aspects for each company, which in our view contributes to protecting the value of March AM's investments. In general, March AM opposes investment in companies or states that incur in reprehensible practices that violate international treaties. The integration of ESG criteria in investment analysis and processes is compatible with the establishment of exclusion criteria for certain areas of activity. In the event that any issuer holds a very high level of controversies together with a very negative ESG rating, but that is in the portfolios of March AM, the manager (direct or indirectly) will promote (in a best efforts basis) an open informal dialogue with the issuers adopting in each case the appropriate method aimed at the adoption of the necessary measures to modify the practices or controversial activities, being able to divest in case of incompatibility of the activities carried out by the issuer with the aspects indicated in this policy.

l. Designated reference benchmark

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