


ANNEX IV

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

| | | | | |
|---|---|---|---|---|
| | Product name: | Magellan | Legal entity identifier: | 969500BPQVGLNSYY5B13 |
| <p>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.</p> | Environmental and/or social characteristics | | | |
| <p>The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.</p> | Did this financial product have a sustainable investment objective? | | | |
| | <input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes | | <input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No | |
| | <input type="checkbox"/> | It made sustainable investments with an environmental objective: _____% | <input checked="" type="checkbox"/> | It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 33.91% of sustainable investments |
| | <input type="checkbox"/> | in economic activities that qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> | with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy |
| | <input type="checkbox"/> | in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input checked="" type="checkbox"/> | with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | <input type="checkbox"/> | It made sustainable investments with a social objective: _____% | <input type="checkbox"/> | It promoted E/S characteristics, but did not make any sustainable investments |
|  | To what extent were the environmental and/or social characteristics promoted by this financial product met? | | | |
| <p>Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.</p> | <p>The environmental or social characteristics of the SICAV were attained by targeting and investing in companies with a positive overall ESG quality.</p> <p>In order to facilitate the selection of companies with a positive overall ESG quality, the Management Company performed an ESG Market Analysis to identify and exclude companies with the weakest ESG criteria from the investable universe. This resulted in a reduction of the investable universe by at least 20%. This ESG analysis was applied to at least 90% of the companies in the portfolio.</p> <p>In addition, throughout the reference period, the Management Company also applied an exclusion policy to exclude any investment in: (i) companies with negative social characteristics, including those that (a) manufacture anti-personnel mines, cluster bombs, biological/chemical weapons, depleted uranium, nuclear weapons, white phosphorus, non-detectable fragments and blinding lasers (>0% of turnover); (b) manufacture and/or distribute conventional weapons (>10% of turnover); (c) are involved in direct tobacco manufacturing and/or distribution (>5% of turnover); and (d) commit serious violations of the UN Global Compact and show no prospect of improvement; and (ii) companies with negative environmental characteristics, including thermal</p> | | | |

coal mine operators (>0% of turnover) and electricity producers whose energy mix including coal exceeds defined relative or absolute thresholds (and whose coal-based generation or revenue was equal to or greater than 20% or electricity producers whose existing coal-based capacity was equal to or greater than 5 GW), without a coal exit strategy.

With regard sustainable investments, below you will find the list of environmental objectives (set out in Article 9 of Regulation (EU) 202/852) and the list of social objectives to which the SICAV's sustainable investments have contributed:

1. Environmental objectives:

The SICAV has invested in companies that are considered a sustainable investment and that contribute to one or more of the following environmental objectives:

- (i) climate change mitigation;
- (ii) adaptation to climate change; and
- (iii) the transition to a circular economy.

2. Social objectives:

The SICAV has invested in companies that are considered a sustainable investment and that contribute to one or more of the following social objectives:

- (i) the promotion of adequate standards of living and the well-being of end users; and
- (ii) an inclusive and sustainable community.

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

At the end of December 2022, the SICAV attained the promoted environmental and/or social characteristics, including:

- (i) at least 90% of the companies held in the portfolio with an ESG rating in the top 80% of the ratings assigned to companies analysed by the Management Company;
- (ii) none of the companies held in the portfolio involved in excluded activities; and
- (iii) 33.91% of the assets considered, in the opinion of the Management Company, to be sustainable investments.

Compliance with exclusion policies is monitored before and after investment and exclusion lists are updated quarterly.

● ***What were the objectives of the sustainable investments that the financial product partially made, and how did the sustainable investments contribute such objectives?***

The SICAV invested 33.91% of its assets in sustainable investments that have contributed to the environmental or social objectives listed above.

Description of how the sustainable investments contributed to the sustainable investment objectives

| | |
|---|--|
| | <p>The contribution of sustainable investments to the environmental and/or social objectives listed above is measured by the Management Company using a proprietary analysis.</p> <p>For social objectives:</p> <ul style="list-style-type: none"> - at least 25% of the turnover of the company held in the portfolio is generated by business activities that contribute to one or more of the United Nations Sustainable Development Goals (SDGs 2, 3, 4, 6, 7, 8, 9, 11, 12, 16)¹. <p>For environmental objectives:</p> <ul style="list-style-type: none"> - at least 25% of the turnover of the company held in the portfolio is generated by Taxonomy-eligible economic activities. - at least 5% of the turnover of the company held in the portfolio is generated by potentially² Taxonomy-aligned economic activities. |
| <p>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.</p> | <p>● How did the sustainable investments that the financial product made not cause significant harm to any environmental or social sustainable investment objective?</p> <p>An assessment was conducted to ensure that investments identified as contributing to one or more of the above environmental and/or social objectives would not cause significant harm to any of these objectives.</p> <p>To this end, the Management Company assessed and monitored the 14 mandatory principal adverse impact indicators ("PAIs") and, to the extent possible, the relevant optional indicators listed in Annex I of the SFDR Delegated Regulation (EU 2022/1288). It also sought to ensure that these investments were consistent with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.</p> |
| | <p>--- How were the indicators for adverse impacts on sustainability factors taken into account?</p> <p>The 14 mandatory principal adverse impact indicators were reviewed by the Management Company as part of its assessment of sustainable investments. The Management Company used external data where available and also relied on a qualitative assessment using information directly from the company or its own research where quantitative data was not available.</p> <p>--- Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:</p> |
| | <p>To ensure that sustainable investments were in compliance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights (the "Guidelines"), the Management Company reviewed and assessed the results of the review of PAIs 10 (Violations of the Guidelines) and 11 (Lack of processes and compliance mechanisms to monitor adherence to the Guidelines) to ensure that the SICAV's sustainable investments had not violated the UN Guiding Principles during the reference period and had processes and compliance mechanisms in place to assist in adhering to the Guidelines. In the absence of data, the investment teams conducted their own qualitative assessment by reviewing additional information, including the policies and procedures of the companies concerned, controversies reported by third-party suppliers, the companies' adherence to the United Nations Global Compact, or NGO reports.</p> |

¹ SDG 2 – Zero hunger, SDG 3 – Good health and well-being, SDG 4 – Quality education, SDG 6 – Clean water and sanitation, SDG 7 – Affordable and clean energy, SDG 8 – Decent work and economic growth, SDG 9 – Industry, innovation and infrastructure, SDG 11 – Sustainable cities and communities, SDG 12 – Responsible consumption and production, and SDG 16 – Peace, justice and strong institutions.

² This assessment is based on estimates and is not based on data provided by the company.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.



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

As of July 2022, the SICAV considered the principal adverse impacts ("PAIs") on sustainability factors by assessing and monitoring the 14 mandatory principal adverse impact indicators (PAIs) mentioned in Annex I of the Delegated Regulation (EU) 2022/1288. The Management Company used external data where available and relied on information directly from the company or its own research and knowledge of the relevant industry or sector to assess the 14 mandatory principal adverse impacts.

In order to more efficiently collect and share data and information related to PAIs, the Management Company has developed an internal tool, the "PAI Dashboard", whose main objective is to provide investment teams with instant access to all PAI-related data and information on companies in the portfolio, as well as information on the top five contributors for each PAI (aggregated at the level of the SICAV), in order to allow the investment teams to easily identify companies for which engagement activity should be considered. Quantitative and qualitative data aggregated at the SICAV level guide the Management Company in its assessment of the principal adverse impacts identified and allow it to measure and prioritise engagement and other mitigation efforts such as voting and advocacy.



What were the top investments of this financial product?

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

| Largest investments | Sector | % Assets | Country |
|--|--------------------------|----------|--------------|
| Liquidity | Miscellaneous | 5.55% | Other |
| Housing Development Finance Corporation Limited | Financial services | 5.14% | India |
| Taiwan Semiconductor Manufacturing Co., Ltd. | Technology | 4.89% | Taiwan |
| Inner Mongolia Yili Industrial Group Co., Ltd Class A | Non-cyclical consumption | 4.31% | China |
| Discovery Limited | Financial services | 3.97% | South Africa |
| Fomento Economico Mexicano SAB de CV Sponsored ADR Class B | Non-cyclical consumption | 3.95% | Mexico |
| Samsung Electronics Co., Ltd. | Technology | 3.93% | Korea |
| Tencent Holdings Ltd. | Communication services | 3.86% | China |
| NetEase Inc. | Communication services | 3.77% | China |
| Delta Electronics, Inc. | Technology | 3.71% | Taiwan |
| BB Seguridade Participacoes SA | Financial services | 3.61% | Brazil |

| | | | |
|----------------------------|----------------------|-------|-------|
| Alibaba Group Holding Ltd. | Cyclical consumption | 3.49% | China |
|----------------------------|----------------------|-------|-------|

The above investments represent the majority of the investments made during the period covered by the periodic report, and are calculated at appropriate intervals to be representative of that period.



What was the proportion of sustainability-related investments?

The proportion of sustainable investments at the end of December stood at 33.91% and included 15.05% of sustainable investments with an environmental objective and 18.86% of sustainable investments with a social objective. Please see below for a breakdown of each of the environmental and social objectives.

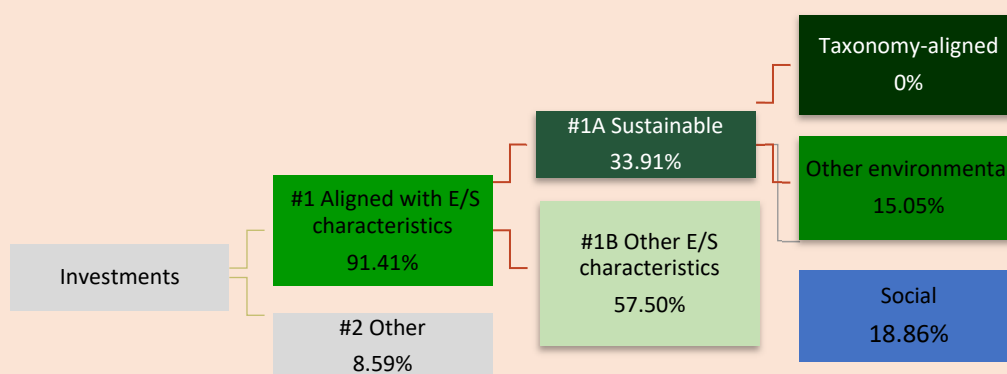
| Breakdown of the proportion of investments for each of the environmental objectives in Article 9 of Regulation (EU) 2020/852 | |
|---|-----------------|
| Environmental objectives | % Assets |
| Climate change mitigation | 2.61% |
| Climate change mitigation & the transition to a circular economy & climate change adaptation | 4.27% |
| Climate change mitigation & the transition to a circular economy | 8.17% |

| Breakdown of the proportion of investments for each of the social objectives listed above | |
|--|-----------------|
| Social objectives | % Assets |
| The promotion of adequate standards of living and the well-being of end users | 3.29% |
| The promotion of adequate standards of living and the well-being of end users & an inclusive and sustainable community | 15.57% |

Asset allocation
describes the share of investments in specific assets.

● *What was the asset allocation?*

At the end of December 2022, 91.41% of the SICAV's assets were aligned with and used to achieve the environmental or social characteristics promoted by the SICAV. This included 33.91% of sustainable investments. 8.59% of the SICAV's assets (the remaining investments) were not aligned with the environmental or social characteristics.



#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?**

Breakdown by sector

| Sector | % Assets |
|--------------------------|----------|
| Financial services | 20.59% |
| Non-cyclical consumption | 16.66% |
| Technology | 14.77% |
| Cyclical consumption | 12.92% |
| Communication services | 9.25% |
| Pharma/Health | 7.32% |
| Industry | 4.83% |
| Miscellaneous – Funds | 4.70% |
| Liquidity | 3.89% |
| Commodities | 3.21% |
| Utilities | 1.87% |

Data as at end of December 2022. Due to rounding, the sum of the figures may not equal 100%.

Breakdown by sub-industry

| Sub-industry | % Assets |
|-------------------------------------|----------|
| Life and health insurance | 10.96% |
| Packaged foods and meats | 6.19% |
| Home entertainment software | 6.14% |
| Direct marketing and internet sales | 5.20% |
| Soft drinks | 4.89% |

| | |
|--|-------|
| Other diversified financial services | 4.89% |
| Property and casualty insurance | 4.74% |
| Miscellaneous – Funds | 4.70% |
| Electronic components | 4.27% |
| Liquidity | 3.89% |
| Semi-conductors | 3.89% |
| Medical supplies | 3.70% |
| Personal care products | 3.57% |
| Hardware, storage and peripheral devices | 3.50% |
| Commodity chemicals | 3.21% |
| Domestic appliances | 3.21% |
| Media and services | 3.11% |
| Car manufacturers | 2.90% |
| Information technology consulting and other services | 2.74% |
| Electrical components and equipment | 2.61% |
| Medical equipment | 2.40% |
| Road transport | 2.21% |
| Supermarkets and hypermarkets | 2.01% |
| Gas | 1.87% |
| Tools and services applied to biological sciences | 1.22% |
| Leisure products | 1.07% |
| Department stores | 0.54% |
| Data processing and outsourced services | 0.37% |

Data as at end of December 2022. Due to rounding, the sum of the figures may not equal 100%.



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

The percentage of the SICAV's investments that are Taxonomy-aligned is 0% of the SICAV's net assets.

● Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy³?

| | | |
|-------------------------------------|--|--|
| <input type="checkbox"/> | Yes | |
| | <input type="checkbox"/> In fossil gas | <input type="checkbox"/> In nuclear energy |
| <input checked="" type="checkbox"/> | No | |

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

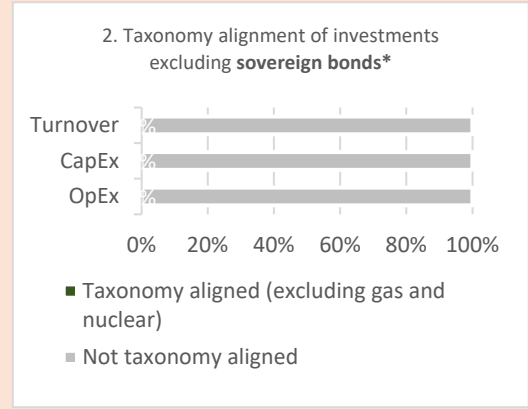
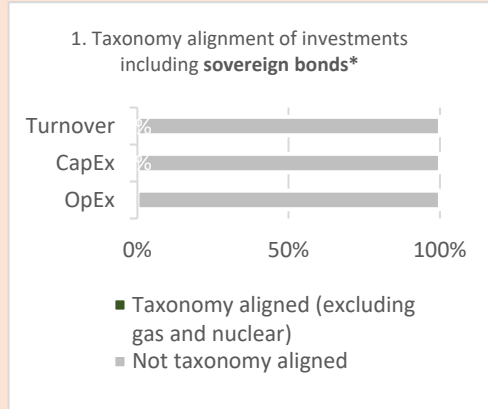
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

³ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy if they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective. 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.

- **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.
- **operating expenses (OpEx)** reflecting green operational activities of investee companies.



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

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

The percentage of investments in enabling or transitional activities is 0% of the SICAV's net assets.

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

The share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy represented 15.05% of net assets at the end of December. The Management Company has assessed the Taxonomy eligibility and potential Taxonomy alignment of sustainable investments with an environmental objective and believes that these companies are demonstrating positive progress towards Taxonomy alignment and contributing to the identified environmental objectives.

 **What was the share of socially sustainable investments?**

The share of sustainable investments with a social objective represented 18.86% of net assets at the end of December 2022.

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

At the end of December 2022, the SICAV held cash for the purpose of meeting short-term cash commitments. The SICAV was also invested in other funds for diversification purposes.

The funds held in the portfolio are managed by group companies. They apply the investment policy of the Management Company, including its exclusion policies.

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

Several actions were taken to attain the E/S characteristics during the reference period.

Engagement activities:

Maintaining active relationships with companies in the portfolio is an essential aspect of our investment process.

From 1 January 2022 to 30 December 2022, 51 engagement activities were conducted with 28 companies in the portfolio to help them improve their ESG practices. 36% of the engagement activity concerns environmental issues, 16% social issues, 26% governance issues and 22% ESG issues.

Exercising of voting rights:

The Management Company exercises its voting rights at the general meetings of the companies in the portfolio in accordance with the good governance values and voting principles that have been defined in light of regulations, industry standards and best practices. The Management Company aims to vote systematically at all general meetings, whenever technically possible.

During the reference period, the Management Company voted at 51 general meetings, i.e. 96.23% of all general meetings held by companies in the portfolio.

| Breakdown of votes | % |
|---|----------|
| "For" votes | 83.78% |
| "Against" votes | 14.48% |
| Abstention or refusal to vote | 1.74% |
| Votes in agreement with management | 87.45% |
| Votes against management | 12.55% |