

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: PHARUS SICAV - TREND PLAYER

Legal entity identifier: 222100Y1L0BH7IHTMD28

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective:** ___%

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

It will make a minimum of **sustainable investments with a social objective:** ___%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 80% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Sub-Fund considers, during the investment processes, characteristics related to environmental and social issues or a combination of them. It also takes into consideration the good governance practices followed by the investee companies. In details, the social characteristics promoted by the Sub-Fund are security of products and health, human dignity, human rights, equality labour conditions, development and diffusion of environmentally friendly technologies.

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

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

Sustainability indicators used to measure the attainment of each of the social characteristics promoted by the sub-fund are (i) ESG rating furnished by primary ESG rating agencies and (ii) evaluation on the compliance of the target investments to exclusion criteria set out in the ESG policy in use, that consider involvement in controversial weapons production, % of revenue coming from tobacco production, adult entertainment sector, gambling sector, and violation of United Nations Global Compact. The ESG Advisor which support the Investment Manager in the development of the ESG investment policy runs an ex-ante assessment on the investment universe that defines a list of securities compliant with the ESG policy.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives** The objectives of the sustainable investments that the financial product partially intends to make is to promote peaceful, just and inclusive societies, avoiding the exposure to such companies involved in controversial weapons production, tobacco production, adult entertainment, gambling sector, violation of United Nation Global Pact, as per the internal ESG policy defined. The investments of the Sub-Fund will be limited to issuers evidencing a strong Sustainability rating and which follow good governance practices as defined below.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?** The sustainable investments that the financial product partially intends to make, not cause significant harm to any social sustainable investment objective as the product cannot invest in companies involved in the abovementioned activities according to the analysis and monitoring of PAI.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?* The PAI are monitored by the fund with the close support of the ESG advisors that provides the fund with a complete report on a quarterly basis with all the information regarding the invested companies and their characteristics.

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: N/A*

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

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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.



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

- Yes, this financial product considers PAI. It also monitors the additional PAI with the support of the ESG Advisors that produces, on quarterly basis, a complete report that illustrates the PAI and the results for the portfolio. The data are collected from an external info provider and consequently processed to obtain the portfolio analysis that take into account all the constituents and their impact on the PAI in order to have a complete picture of the situation.

No



What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to achieve capital growth trying to catch the medium-long trend of the financial markets, by principally investing in equities and/or debt securities of any kind and without any geographical restriction.

The Sub-Fund may invest up to 80% in equities.

The investment process is aimed to promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-fund considers principal adverse impacts on sustainability factors by adhering to a dedicated ESG policy. The eligible asset universe is determined according to ESG dataset analysis, following the dedicated ESG policy defined, provided by external independent providers used by the asset management team.

The ESG eligible asset universe is then uploaded on the management system and portfolio is continuously under monitoring.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The investment strategy must take into consideration the ESG policy defined with particular reference to exclusion criteria related to social characteristics promoted by the Sub-fund. The exclusion criteria applied to the investment universe, are aimed to exclude companies (1) involved in controversial weapons production (in details are excluded companies involved in production of anti-personnel mines, production of cluster weapons, production of depleted uranium, production of white phosphorus, whose revenues deriving from the production of biological and chemical weapons are higher than 5%, whose revenues deriving from the production of nuclear weapons are higher than 5%), (2) whose revenues deriving from the tobacco production is higher than 5%; (3) whose revenues deriving from adult entertainment sector is higher than 5%; (4) whose revenues deriving from gambling sector is higher than 5%; (5) which do not respect the principles of United Nation Global Pact.

In addition to the above, another binding element used to select the investments to attain social characteristics promoted is the use of ESG ratings. The certified average ESG portfolio rating cannot fall below average -, in a scale from high + to low-. ESG Ratings are defined relying on industry leading data providers.

The ESG Advisor runs an ex-ante assessment on the investment universe that defines a list of securities compliant with the ESG policy.

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

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

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

N/A

- **What is the policy to assess good governance practices of the investee companies?**

In order to assess good governance practices of the investee companies the exclusion criteria of the ESG policy includes violation of United Nations Global Compact. Furthermore, the Sub-Fund focuses on the PAI number 10 and 11, regarding the compliance with UNGC and OECD principles and its violations and the absence of monitoring mechanisms of this compliance. PAI number 10 monitors/takes into consideration weight of company with severe violation of UNGC principles or OECD guidelines for multinationals. PAI number 11 refers to weight of companies without mechanism for monitoring the compliance with UNGC principles and OECD guidelines.



What is the asset allocation planned for this financial product?

Eligible investments are those securities which are not in breach with excluding criteria set out on the applicable ESG policy.

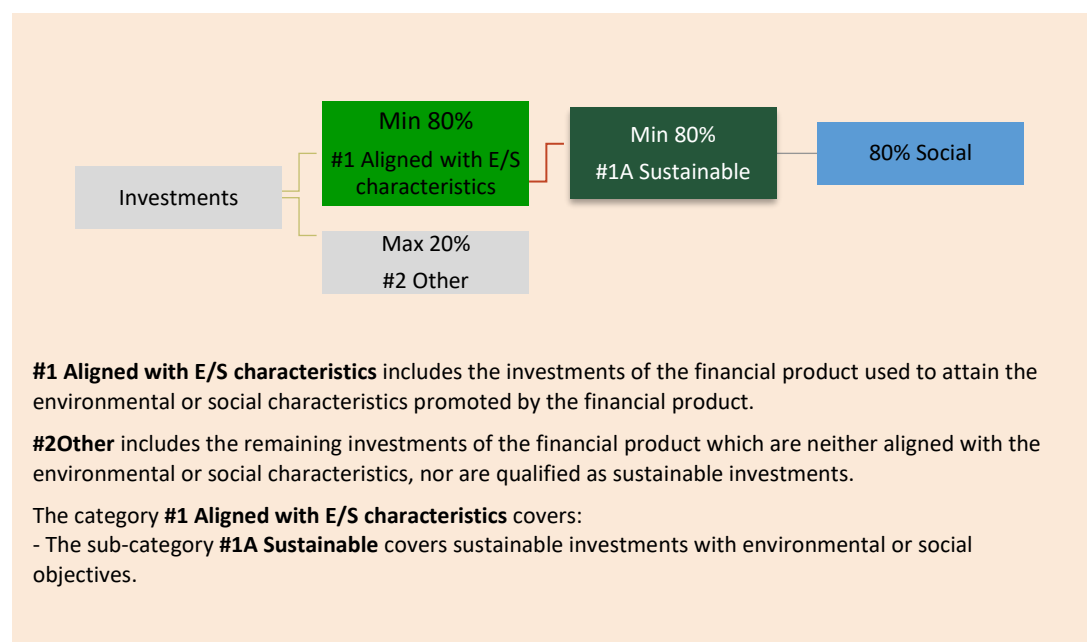
#1 Investments aligned with E/S characteristic must represent at least 80% of the Sub-fund's asset, while #2 other assets can represent the 20% of the portfolio, which means cash, derivatives and securities without ESG rating or with a weak ESG rating.

#1A Sustainable investment are investments in securities whose rating is considered acceptable and which comply with the excluding criteria set out in the ESG policy applicable.

Asset allocation describes the share of investments in specific assets.

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.



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

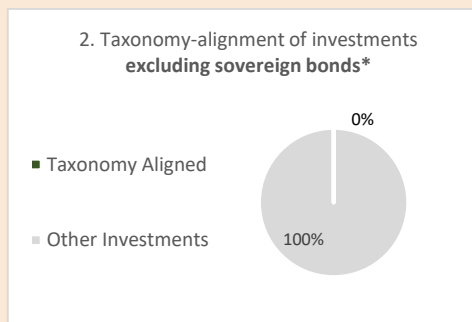
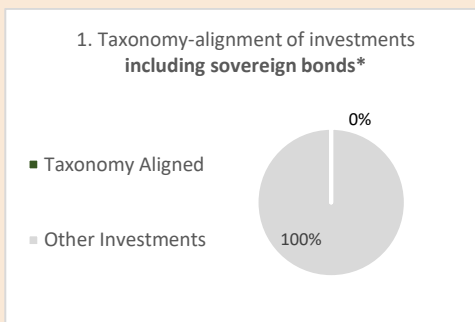
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**
The analysis of the portfolio from the ESG perspective does not consider the derivatives held by the fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy? 0%

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



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

- **What is the minimum share of investments in transitional and enabling activities?**
N/A



What is the minimum share of sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy? N/A



What is the minimum share of socially sustainable investments?
The minimum share of sustainable investments with a social and good governance objective not aligned with the EU Taxonomy is 80% of the product's invested assets.



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

Under "#2 Other" are included cash, derivatives, bonds and equities which do not have any ESG rating or with a weak ESG rating. The Sub-Fund aims to limit the exposure to this category to max 20% of its assets. The investments of the Sub-Fund will be limited to issuers evidencing a strong Sustainability rating and which follow good governance practices.

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



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

There is no specific index designated as a reference benchmark.

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

More product-specific information can be found on the website:

ESG Investment Policy of the delegated Investment Manager:

https://www.pharusmanagement.com/repofiles/LegalDocuments/CH/1453-2021_ESG_POLICY_PAM.pdf

ESG Investment Policy of the Management Company:

<https://www.pharusmanagement.com/repofiles/LegalDocuments/LU/1454-ESG%20Policy%20-%20PML.pdf>