

# ETICA BILANCIATO

## Class I

**Fund classified as Article 9 product in accordance with Regulation (EU) 2019/2088 as product targeting sustainable investments.**

**A balanced fund** that seeks to capture equity market opportunities whilst benefiting from exposure to bond markets. The fund is recommended for those seeking medium term capital growth with medium-low risk level, whilst complying with **environmental, social and governance (ESG) criteria**.

**Class I is reserved for Professional Investors.**

## Strengths

### Diversification

The fund invests in equity markets globally, looking for the **best opportunities at thematic, geographic and sector level** and in bonds of predominantly euro-area regulated markets.

### ESG analysis

As a result of our **proprietary methodology** of ESG analysis, **ESG EticApproach®** (registered trademark of Etica Sgr S.p.A.), the fund is characterised by a rigorous selection of countries and companies that are focused on environmental protection, respect for human rights and good corporate governance.

### Return opportunities

The fund aims to create return opportunities for the medium term perspective, **by targeting the real economy** and rewarding **companies and countries that demonstrate sustainability** from a financial and ESG perspective.

### Simplicity

The fund has no entry, exit, switch and performance fees<sup>1</sup> and uses derivatives only to hedge portfolio risks.

### Control of financial and non-financial risks

Through the proprietary risk metric, the ESG Risk, Etica Sgr supplements the calculation of financial risk with the measurement of risk from environmental, social and governance (ESG) factors that can have an impact on performance.

## Investment Policy

- For the **equity component**, the fund invests in securities with varying degrees of capitalisation predominantly in **developed markets**, pursuing **abroad diversification of investments across economic sectors**. For the **bond component**, the fund invests in securities of sovereign issuers and supranational and international organizations and, to a residual extent (maximum 10%), in corporate bonds predominantly in the **regulated markets of the euro area<sup>2</sup>**.
- Equity investment: up to 70%.
- The fund is characterised by an **active management style**, which integrates issuer sustainability analysis with economic and financial analysis to identify and anticipate possible future trends. The management team combines the "top down" approach

used for asset allocation with the "bottom up" approach for stock selection. Overweights/underweights compared to the benchmark are possible.

- All financial instruments are selected based on an **accurate analysis of issuers' ESG (Environmental, Social and Governance) responsibility**. The fund does not invest in controversial sectors and countries (such as oil, weapons, nuclear energy, gambling, or countries that use the death penalty or do not respect civil rights) and issuers with **higher ESG scores** are then selected during the "positive selection" phase.
- The fund's objective is an **annual average value of ESG Risk**, calculated on the 12 month-end figures of the securities portfolio, not exceeding 85% of the theoretical maximum risk<sup>3</sup>.

<sup>1</sup> For information on the costs regime, please refer to the KID and section C of Part I of the fund prospectus that are available from the distributors and on the website [www.eticasgr.com](http://www.eticasgr.com).

<sup>2</sup> The fund does not guarantee a return and do not ensure repayment of invested capital.

<sup>3</sup> For information please refer to the fund prospectus.

