

# ETICA TRANSIZIONE CLIMATICA

## 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. Issuers are selected according to **environmental, social and governance (ESG) criteria** with a particular focus on issues related to **the development of a low carbon<sup>1</sup> economy with low impact on climate change**. The fund is recommended for those looking to achieve medium-term capital growth with a medium-low level of risk.

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

## Strengths

### Diversification

The fund invests predominantly in global equity markets and Euro-area bond markets with particular attention to aspects relating to the **transition to a low carbon economy**. In the bond component, it also benefits from investment in **green bonds**.

### ESG analysis

The fund's **proprietary, dedicated methodology** of ESG analysis, **ESG EticApproach®** (registered trademark of Etica Sgr S.p.A.), is characterised by a rigorous selection of companies and countries that are focused on environmental protection and the **transition to a low carbon economy** and a low impact on climate change, while ensuring 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>2</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 predominantly in securities of issuers with a varying degree of capitalisation and **broad diversification**, denominated in euro and in foreign currency, belonging mainly to **developed markets**. For the **bond component**, the fund invests in bonds of sovereign issuers, supranational and international entities and corporate issuers as well as **green bonds**, belonging mainly to the **euro area<sup>3</sup>**.
- Equity investment: up to 60%.
- 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 a **specific analysis of issuers' environmental, social and governance (ESG) responsibilities** which focuses on the **environmental issue**. The fund does not invest in controversial sectors or countries (such as fossil fuels, nuclear energy, tar sands, weapons, gambling and countries that use the death penalty or violate 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 E Risk<sup>4</sup> calculated on the 12 month-end figures of the securities portfolio, not exceeding 80% of the theoretical maximum risk<sup>5</sup>.

<sup>1</sup> For more information, see the paragraphs "Main Areas of Exclusion and Evaluation of Companies" and "Main Areas of Exclusion and Evaluation of Countries" in the "Linea Futuri Responsabilità" section of the Sistema Etica Regulations available on the website [www.eticasgr.com](http://www.eticasgr.com).

<sup>2</sup> Please refer to the KID and Part I Section C of the fund prospectus that are available from the distributors and the website [www.eticasgr.com](http://www.eticasgr.com) for information on costs.

<sup>3</sup> The fund offers no guarantee of return and does not ensure repayment of invested capital.

<sup>4</sup> Variation of ESG Risk.

<sup>5</sup> For information please refer to the fund prospectus.

