

Etica Obiettivo Sociale

(Class I)

Marketing communication



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

A balanced bond fund that seeks to achieve a moderate increase in invested capital in the medium term, with a medium-low level of risk. This fund is recommended for investors looking to take advantage of the best opportunities of the international equity markets balancing them with a solid bond base, in compliance with **environmental, social and governance (ESG) criteria**, with a particular focus on dignity at work, human and workers' rights, social cohesion and social justice.

Class I is reserved for Professional Investors.

Strengths



Diversification:

the fund invests in bond markets, predominantly in the euro area, in the equity markets globally and, to a residual extent (up to a maximum of 5% of the portfolio), in AIFs with a focus on social aspects.



ESG analysis:

as a result of our **proprietary methodology** of ESG analysis, **ESG EticaApproach®** (a registered trademark of Etica Sgr S.p.A.), the fund is characterised by a rigorous selection of countries and companies with a high level of social responsibility and a particular focus on aspects concerning social issues related to work and society, while also guaranteeing environmental protection and good corporate governance.



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.



Return opportunities:

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



Simplicity:

the fund has no entry, exit, switch or performance fees¹ and uses derivatives only to hedge portfolio risks.

Investment policy

- For the **bond component**, the fund invests in securities of sovereign issuers and supranational and international entities, corporate and social bonds, belonging mainly to the euro area. For the **equity component**, the fund invests in issuers with various levels of capitalisation, with a wide diversification of investments across economic sectors. The fund can invest to a residual extent in AIFs, for a greater thematic characterisation thanks to the selection of specific financial instruments dedicated to supporting themes with a strong social value².
- Equity investment: up to 45%.
AIF investment: up to 5%.
- The fund is characterised by an **active management style**, which integrates issuer sustainability analysis with economic and financial analysis. The management team combines the "top-down" approach used for asset allocation with the "bottom-up" approach for stock selection.
- All financial instruments are selected based on an **accurate analysis of issuers' ESG (Environmental, Social and Governance) responsibility**, with a particular focus on social performance. The fund does not invest in controversial sectors (such as alcohol, pornography, gambling, tobacco, arms production and the fossil fuels sector) and in countries that use the death penalty or violate civil rights; during the "positive selection" phase, issuers with the **highest ESG scores** are selected.
- The fund's objective is expressed as a minimum portfolio percentage of 75%, invested in securities of issuers that meet the social responsibility criteria defined in the fund's prospectus³.

¹ 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.

² The fund offers no guarantee of return and do not ensure repayment of invested capital.

³ The Prospectus is available on the website www.eticasgr.com/documentazione.



etica FUNDS
Responsible Investments

Fund

Details

Assogestioni category	Balanced bond
NAV calculation	Daily
Domicile	Italy
Benchmark	The fund does not adopt a benchmark as a reference index ⁴
Start date	22 August 2022
ISIN	IT0005497760
Allocation of income	Accumulation

Synthetic risk indicator



The risk indicator assumes you keep the product for 4 years. The fund has been classified at level 3 out of 7, which corresponds to a medium-low risk class.

The indicated category may change over time.

For further information on the synthetic risk indicator, please refer to the KID and Prospectus available from placing agents and on the Company's website www.eticasgr.com.

Costs¹

Management fee (annual)	0.70%
Entry, exit, switch or performance fees	None
Flat fees	None
Voluntary contribution to the microfinance and crowdfunding fund	0.10%

Subscription

Lump sum (IP)	
Minimum initial investment amount in the Sistema Etica	500,000 €
Minimum subsequent investment amount	None

Accumulation plans (ACP)

For the subscription of Accumulation Plans (ACP), see the provisions of the Fund Management Regulations of the Sistema Etica (Part C Section I Para. I.3) published on www.eticasgr.com

⁴ Instead of a benchmark, risk is measured in terms of volatility (annualised standard deviation) between 5% and 10%, and generally equal to 7%.

About us

Etica Sgr is the only Italian asset management company today that proposes only sustainable and responsible mutual funds. Etica considers the principal adverse impacts of its investment decisions on sustainability factors. The Principal Adverse Sustainability Impacts Statement and the Sustainable and Responsible Investment Policy are available here:

eticasgr.com/en/responsible-investment

ESG Selection

Issuers are selected through a **process that includes the ESG analysis and the financial analysis**. Both stocks and bonds included in the portfolio of funds of Etica Sgr are subject to a double screening: the application of negative exclusion criteria with regard to certain sectors or market activity for companies and countries for government securities and the application of positive evaluation criteria based on sustainability issues.

For further information: eticasgr.com/en/selection-of-securities

ESG Risk

The ESG Risk is a proprietary methodology that calculates risk from environmental, social and governance factors to quantify its impact on a mutual fund's stock returns.

For further information: eticasgr.com/esg-risk

Stewardship and Engagement

We encourage the companies in which the funds invest to engage in sustainable and responsible behaviour in the medium to long term through **dialogue** with management and the **exercise of voting rights**. Each year we report on the key results of our activity in the **Stewardship and Engagement Report**.

For further information: eticasgr.com/en/engagement

Our impact

Our idea of responsible investment combines the aim of achieving potential positive financial performance with that of generating **positive environmental and societal effects**.

Through the **Impact Report** we present the ESG results of the equity investments of our funds in relation to the reference market (MSCI World Net Total Return in Euro).

By measuring the **carbon footprint**, we report the carbon footprint of the equity investments of our funds.

For further information: eticasgr.com/en/our-impact

Contribution to microfinance and crowdfunding

At the time of subscription, the funds of Etica Sgr provide for the possibility of allocating 0.1% of the invested capital to a fund that guarantees microfinance projects and supports crowdfunding initiatives with high social value, selected by Banca Etica in Italy.

For further information: eticasgr.com/en/microfinance and eticasgr.com/en/crowdfunding

TO FIND OUT MORE:

www.eticasgr.com



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This is a marketing communication by Etica, intended for professional investors.

Investors should conclude an investment transaction involving Etica Obiettivo Sociale Fund only after having fully understood their overall characteristics and degree of exposure to related risks, by carefully reading the Prospectus and the key investor information document (KID), which, together with information on sustainability pursuant to Regulation (EU) 2019/2088, can be found at www.eticasgr.com. The investment specifically concerns the acquisition of shares relative to Class I and involves risks related to possible changes in the share values, which are in turn affected by fluctuations in the value of the financial instruments in which the funds' resources are invested. Investing in the Etica Obiettivo Sociale Fund offers no guarantee of return and does not ensure repayment of initially invested capital. Any future returns are subject to taxation, which is based on the personal situation of each investor and may change in the future.

The investment goals, situation and financial needs of potential recipients have not been taken into account in the drafting of this communication. It can therefore in no way be interpreted as investment advice. The recipients of this communication assume full and absolute responsibility for the use of the information it contains, as well as for any investment decisions made on the basis thereof, since any use of the information as support for investment decisions is not permitted and is at the investor's own risk.

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Etica Funds has adhered to the United Nations Principles for Responsible Investment (PRI) since 2009, becoming **the first Italian company to sign the commitment to incorporate ESG (environmental, social and governance) criteria into its investment and active ownership decisions.**

