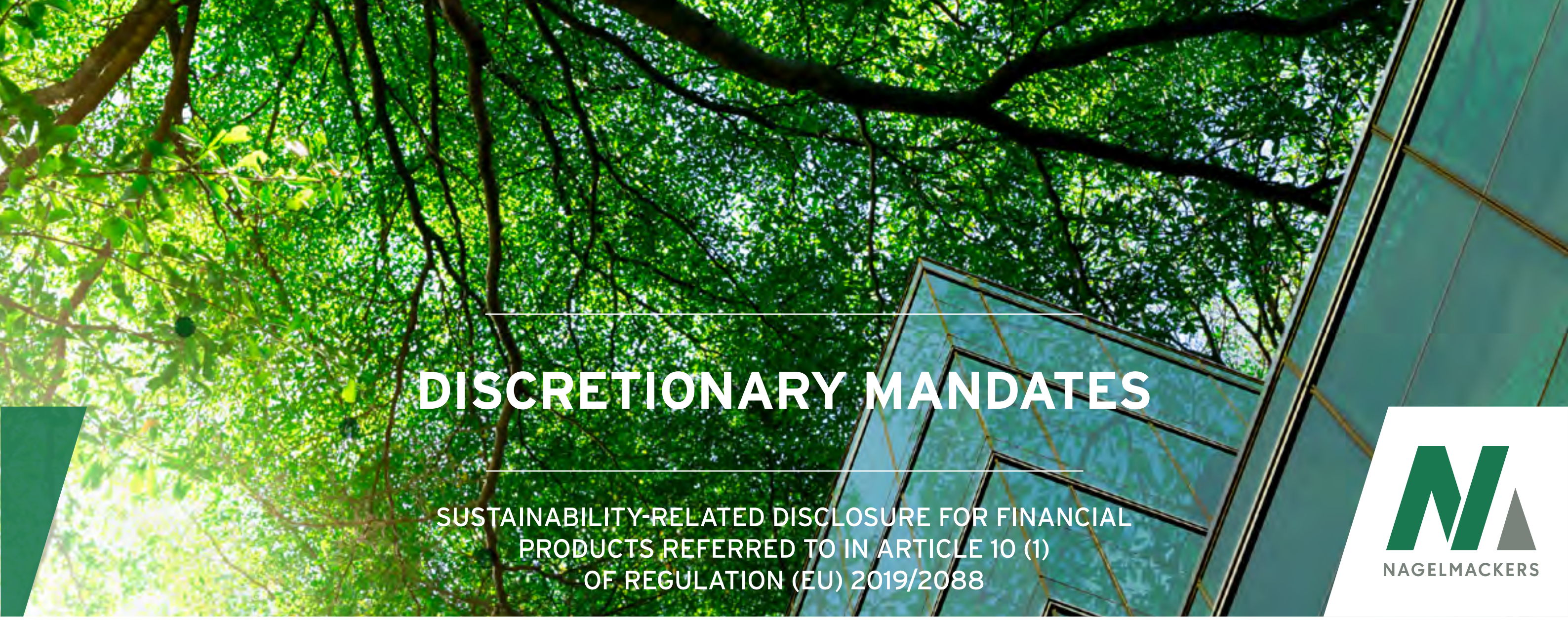

DISCRETIONARY MANDATES

SUSTAINABILITY-RELATED DISCLOSURE FOR FINANCIAL PRODUCTS REFERRED TO IN ARTICLE 10 (1) OF REGULATION (EU) 2019/2088

NAGELMACKERS

PRODUCT NAME: DISCRETIONARY MANDATES MANAGED BY BANK NAGELMACKERS NV

Legal entity identifier: 549300F0CVELHBU9A156

This document provides information to help investors understand the sustainability characteristics and/or objectives and risks of discretionary mandates managed by Bank Nagelmackers nv, as required by the Sustainable Finance Disclosure Regulation (SFDR). This is not a marketing document. You are advised to read the following information carefully, together with other relevant documentation on this financial product, before deciding to invest.

1. SUMMARY

Bank Nagelmackers nv (the «Manager») manages portfolios consisting of one or more financial products in accordance with client mandates on a discretionary basis. A discretionary mandate is also considered a financial product under the SFDR. This stands for Sustainable Finance Disclosure Regulation, following Regulation (EU) 2019/2088 on disclosures relating to sustainability in the financial services sector. SFDR distinguishes the following categories of financial products:

- Financial products that promote environmental and/or social characteristics (Art. 8)
- Financial products whose objective is a sustainable investment (art. 9)
- Other financial products that do not fall into any of the aforementioned categories (art. 6)

Depending on the category, different information requirements apply. As a financial market participant, Bank Nagelmackers is subject to transparency obligations when providing discretionary mandates that promote environmental and/or social characteristics (art. 8) or that have a sustainable investment as their objective (art. 9).

Bank Nagelmackers nv distinguishes the following categories of discretionary mandates:

- Art. 8 mandates: discretionary mandates whose investment strategy takes into account certain environmental, social and good corporate governance ('ESG' - Environment, Social, Governance) criteria based on a combination of negative and normative screening and integration of ESG factors. The Article 8 mandates promote environmental or social characteristics, but do not have as their objective sustainable investment.
- Art. 6 mandates: discretionary mandates where the client specifically instructs the bank through the discretionary management agreement and/or addendum not to implement an investment strategy that takes ESG criteria into account ('opt-out').

The classification of the different categories of discretionary mandates according to the SFDR classification may be subject to change in the future. This product disclosure will also be adjusted in that case.

Article 8 mandates promote environmental or social characteristics, but do not have as its objective sustainable investment. The Article 8 mandates currently does not set a minimum objective for sustainable investments, however, it cannot be ruled out that the portfolio contains sustainable investments. In that case, the sustainable investments will not be taken into account by the mandate.

Article 8 mandates covered by this disclosure aim to promote environmental and social characteristics. The characteristics promoted by this financial product consist of investing in companies and/or sovereigns with a strong ESG rating, directly or indirectly through UCIs, as defined by Bank Nagelmackers' proprietary ESG scoring methodology, while excluding issuers involved in controversial activities as well as those not adhering to global norms or that are subject to international sanctions or embargos. Principal adverse impacts on sustainability factors are considered when selecting investment instruments through a combination of negative screening and ESG integration based on an internal ESG Scoring Model for corporates, sovereigns and UCIs.

In order to meet the environmental or social characteristics, all Article 8 mandates use an investment strategy that aims at reducing sustainability risks, as well as minimize principal adverse impacts on investments and follow a policy to assess good governance practices of the investee companies.

Direct investments in corporate issuers are assessed on environmental and socials characteristics by applying a multi-dimensional analysis including two negative screenings and ESG integration, including considering principal adverse impacts. Companies that fall into the weakest three ESG score categories within their peer group are excluded for investment.

Direct investments in sovereign issuers are assessed on environmental and socials characteristics by applying a multi-dimensional analysis including a negative screening and ESG integration, including considering principal adverse impacts. Sovereign issuers that fall into the weakest three ESG score categories within their peer group are excluded for investment.

Investments in UCIs are subject to an assessment of the principles for sustainable investment and ESG performance based on the Principle Adverse Impact (PAI) indicators reported by financial market participants or through data suppliers. Based on this internal ESG Scoring model for UCIs, investment products with strong ESG-scores and complying with the binding elements of the strategy to meet environmental and/or social characteristics, will be eligible meeting the environmental and/or social characteristics promoted by Article 8 mandates. More information on these binding elements and the proportion of it, can be found in 4.2 and 5.

The environmental or social characteristics are monitored by periodic compliance checks to control the alignment of investments to meet the environmental or social characteristics promoted by the financial product as stipulated in the investment strategy for Article 8 mandates.

The Article 8 mandates will measure the achievement of the promoted environmental or social characteristics using a proprietary ESG Scoring Model for investee companies, sovereign and UCIs.

A combination of different data sources is used to assess norm-based and negative screening, and ESG Scores. These sources include third party data providers that are complementary in their methodology or coverage (i.e. MSCI, ISS, Refinitiv, SIX) self-reported company data and information from NGOs. The selection of third party data providers is performed through an extensive RFP process and due diligence. Periodic reviews of third party data providers are done by the Sustainability Committee.

Potential limitations to our methodology and data include the dependence of external data providers data coverage and their assessment of ESG characteristics, data gaps, delay in data as most data points assess past events. The due diligence on the underlying assets of the financial product is carried out by portfolio management and overseen by the Sustainability Committee.

Engagement applies to our direct investments in investee companies within the Art. 8 mandates managed by Bank Nagelmackers, as well as to the third party managers we are invested in via UCIs. It can be performed individually or through collaborative engagement initiatives.

No reference benchmark has been assigned for the purpose of attaining environmental or social characteristics promoted by this mandate.

2. NO SUSTAINABLE INVESTMENT OBJECTIVE

Article 8 mandates promote environmental or social characteristics, but do not have as its objective sustainable investment. The Article 8 mandates currently does not set a minimum objective for sustainable investments, however, it cannot be ruled out that the portfolio contains sustainable investments. In that case, the sustainable investments will not be taken into account by the mandate.

3. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Article 8 mandates covered by this disclosure aim to promote environmental and social characteristics.

Environmental and social characteristics are promoted through investments in Undertakings in Collective Investments ("UCI") managed by Bank Nagelmackers nv, by designation or by delegation, or externally managed UCIs and through direct investments in equities and/or bonds.

The characteristics promoted by this financial product consist of investing in companies and/or sovereigns with a strong ESG rating, directly or indirectly through UCIs, as defined by Bank Nagelmackers' proprietary ESG scoring methodology (see Sustainability Risk Policy), while excluding issuers involved in controversial activities as well as those not adhering to global norms or that are subject to international sanctions or embargos, as defined by our Exclusion Policy.

Principal adverse impacts on sustainability factors are considered when selecting investment instruments through a combination of negative screening and ESG integration based on an internal ESG scoring model for corporates, sovereigns and UCIs.

For direct investments in investee companies and sovereigns as well as through investments in UCIs managed by Bank Nagelmackers nv, we consider all mandatory PAI with respect to climate & environment and social and employee matters with the exception of real estate assets.

On top of that, Bank Nagelmackers considers additional PAI with respect to companies' carbon emission reduction initiatives, incidents of discrimination and lack of anti-anticorruption and anti-bribery policies. As for sovereign issuers, additional social factors such as the freedom of expression and governance factors (corruption, non-cooperative tax jurisdictions, political stability, rule of law) are also considered.

Investments in external UCIs are subject to a due diligence as part of the fund selection process ('7P Methodology'). It includes an assessment of the principles for sustainable investment and ESG performance based on PAI reported by financial market participants or through data suppliers. External fund units may contain investments that Bank Nagelmackers would otherwise exclude based on the criteria above. In these cases, Bank Nagelmackers engages with the external manager and strives to find common values.

More information can be found in Bank Nagelmackers' entity level PASI Statement.

4. INVESTMENT STRATEGY

In order to meet the environmental or social characteristics, all Article 8 mandates use an investment strategy that aims at reducing sustainability risks, as well as minimize principal adverse impacts on investments and follow a policy to assess good governance practices of the investee companies. To achieve this, the investment strategy follows a firm ESG framework as described in further detail below.

For the Art. 6 mandates, the sustainable characteristics of investments may not necessarily be decisive for selection, although they are taken into account at all times.

4.1. Description of the type of investment strategy used to meet the environmental and/or social characteristics that are promoted by the financial product

The objective of the financial product is to increase the value of its assets while taking into account the financial and non-financial preferences of the client, within the bounds of the discretionary management contract and addendum.

With respect to the client's sustainability preferences, the financial product will invest in financial instruments that meet the desired criteria and take into account the principal adverse impacts on sustainability factors, as explained in the previous section.

The strategy of Art. 8 mandates takes into account certain environmental, social and good corporate governance (ESG - Environment, Social, Governance) criteria. The Art. 8 mandates promote environmental and/or social characteristics, but do not have a sustainable investment objective.

4.1.1. Corporate issuers

Direct investments in corporate issuers are assessed on environmental and socials characteristics by applying a multi-dimensional analysis including two negative screenings and ESG integration.

a) Negative screenings based on controversial activities
Companies that within their business activities are involved in a range of controversial activities, such as weapons (controversial as conventional, civilian firearms, nuclear weapons), tobacco, adult entertainment and gambling are excluded from the possibility of being directly included in the Art. 8 mandates, in accordance with the Exclusion Policy.

b) Norms based screening
Companies that are found by a competent body to repeatedly violate one or more principles of the United Nations Global Compact and do not take measures to rectify the violation are excluded for investment. This is verified on the basis of data from external data suppliers.

c) ESG integration
After excluding companies based on controversial activities and standards, ESG criteria are integrated into the investment process. ESG integration means the assessment, using data from external data providers, of non-financial criteria at the level of the companies in which the Art. 8 mandate invests and includes the following elements:

- Environment («Environment» (E)): energy efficiency, efficient water use, reducing the waste intensity and greenhouse gas emissions;
- Social ('Social' (S)): pursuit of equal opportunities in the company, work-life balance, employee safety, respect for labor rights and human rights, including standards for suppliers, social impact of products and services;
- Governance (G): respect for voting rights, compensation of directors, independent audit committees, independence of the Board of Directors.

Companies are assessed using an internal ESG scoring model that scales companies' ESG performance based on Principle Adverse Impacts (PAI) indicators and other ESG data such as research and ratings by external parties, among others, before deciding whether or not to include or hold an investment. Companies that fall into the weakest three ESG score categories within their peer group (defined by region, sector, market cap) are excluded for investment.

4.1.2. Sovereign issuers

a) Negative screening
The Manager does not invest in bonds issued by governments or member states with unstable political regimes or where there are manifest violations of human rights. The World Bank World Governance Indicators (WGI) are used to identify these countries. This index analyzes more than 200 countries according to six governance dimensions: freedom of opinion, free press and accountability, political stability and absence of violence, effectiveness of governance, quality of regulation, rule of law and control of corruption analyzes. The administrator definitely excludes the following countries: Afghanistan, Burundi, Central African Republic, Congo DRC, Iran, Iraq, Libya.

b) ESG integration
After excluding companies based on negative screening, ESG criteria are integrated into the investment process. ESG integration means the assessment, using data from external data providers, of non-financial criteria at the level of the sovereigns in which the Art. 8 mandate invests and includes the evaluation of the issuer based on environmental, social and governance (ESG) criteria. This involves the use of an internal ESG Scoring model for sovereign issuers that scales Member States' ESG performance based on Principle Adverse Impacts (PAI) indicators and SDG scores. Internal SDG scores are developed for the evaluation of member states, based on the United Nations Sustainable Development Goals, among other things, on the following 4 pillars:

- environment and climate
- democratic values
- health care
- education

About 150 different indicators are considered in this analysis. The 17 Sustainable Development Goals are reflected in the individual criteria in a way that integrates the contribution to positive environmental impact (e.g., access to and use of renewable energy, and access to clean water) and social impact (e.g., combating hunger and access to health care) of sovereign bond investments.

Combining PAI indicators and SDG score, an ESG Country score will be calculated according to the internally developed ESG Scoring model. Only countries with sufficient data are evaluated and rated. Member countries that fall into the weakest three ESG score categories within their classification (developed and developing countries, respectively) are excluded for investment.

4.1.3. Funds and ETF's

Investments in UCIs are subject to a due diligence as part of the fund selection process ('7P Methodology'). It includes an assessment of the principles for sustainable investment and ESG performance based on the Principle Adverse Impact (PAI) indicators reported by financial market participants or through data suppliers. Based on this internal ESG Scoring model for UCIs, investment products with strong ESG-scores and complying with the binding elements of the strategy to meet environmental and/or social characteristics will be eligible meeting the environmental and/or social characteristics promoted by Article 8 mandates. The investment restriction on investments in UCI's for Article 8 mandates are stipulated below in the binding elements of the strategy to meet environmental and/or social characteristics.

External fund units may contain investments that Bank Nagelmackers would otherwise exclude based on the criteria above. In these cases, Bank Nagelmackers engages with the external manager and strives to find common values.

More information is available via Bank Nagelmackers' Sustainability Risk Policy.

4.2. Binding elements of the strategy to meet environmental and/or social characteristics

The Article 8 mandates have the following binding elements:

a) For UCIs

At least 65% of the UCIs, including ETFs, in which the financial product invests must:

- Promote environmental and/or social characteristics (art.8) and/or have a sustainable investment objective (art. 9) within the meaning of Regulation (EU) 2019/2088; or
- Detain the Towards Sustainability Label; or
- A combination thereof.

For the remaining 35% of UCIs that do not meet the aforementioned requirements, at minimum must respect the following:

- Exclusion of companies not adhering to global norms such as repeatedly violating one or more of the ten principles of the UNGC without taking appropriate measures to rectify the violation.
- Exclusion of companies involved in the production of controversial weapons and entities under embargo or subject to international sanctions by the UN, United States or European Union.
- Exclusion of sovereign issuers that are systematically corrupt and/or neglect basic social and political rights and/or subject to UN Security Council sanctions.
- Exclusions of companies involved in controversial activities such as the production of civil firearms, nuclear weapons, conventional weapons as well as any material exposure towards tobacco, adult entertainment, gambling and alcohol.

b) For direct investments in equities and/or bonds

Direct investments in equities and/or bonds must comply with the following exclusions, as defined in its Exclusion Policy:

- Exclusion of companies not adhering to global norms such as repeatedly violating one or more of the ten principles of the UNGC without taking appropriate measures to rectify the violation.
- Exclusion of companies involved in the production of controversial weapons and entities under embargo or subject to international sanctions by the UN, United States or European Union.
- Exclusion of sovereign issuers that are systematically corrupt and/or neglect basic social and political rights and/or subject to UN Security Council sanctions.
- Exclusions of companies involved in controversial activities such as the production of civil firearms, nuclear weapons, conventional weapons as well as any material exposure towards tobacco, adult entertainment, gambling and alcohol.

Direct investments in equities and/or bonds are assessed through the Bank Nagelmackers' ESG Scoring Model. Issuers that rank in the weakest three ESG score categories as defined in proprietary ESG Scoring Model are not eligible for investment.

Bank Nagelmackers nv commits to reduce at least 20% of this financial product's investment universe prior to the application of the investment strategy.

The investment restrictions and criteria mentioned above regarding the investment strategy of the Art. 8 mandates are subject to constant review and monitoring by the Manager. This will make use of data sourced from external data providers and specialized software.

4.3. Policy to assess good governance practices of the investee

Good governance practices form part of the investment decision process through:

- Exclusion of companies not adhering to global norms such as repeatedly violating one or more of the ten principles of the UNGC without taking appropriate measures to rectify the violation. Nagelmackers also excludes sovereigns that are systematically corrupt, severely neglect basic social and political rights, or that are subject to UN Security Council sanctions. More information in our Exclusion Policy.
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10) and Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (PAI 11) are given the highest materiality in Bank Nagelmackers' ESG Scoring Model among social factors when assessing investee companies. With respect to investments in sovereigns and supranationals, political stability and rule of law receive the highest materiality within governance factors in its ESG Scoring Model. More information can be found in Bank Nagelmackers' entity level PASI Statement.
- Voting guidelines with respect to sound corporate governance practices (such as the nomination and composition of the Board of Directors of investee companies and remuneration) and focus on improving gender diversity in engagement, as described in Bank Nagelmackers' Voting Policy and Engagement Policy.

5. PROPORTION OF INVESTMENTS

As specified in the section Summary, Bank Nagelmackers will by default promote environmental or social characteristics and take into account the principal adverse impacts on sustainability factors for its discretionary mandates, with the exception of specific tailor-made mandates where the client has explicitly decided to opt-out through contract addendum.

As described in the binding elements, all Article 8 mandates invest:

- at least 65% of the underlying UCIs in UCIs that meet the desired criteria for the promotion of environmental or social characteristics.
- All direct investments must meet the criteria for the promotion of environmental or social characteristics, as defined in the investment strategy.

Sustainability criteria do however not apply to the account balance and any term deposits or savings certificates used in the financial product. The share of the account balance can vary depending on market conditions and can be up to 100% (e.g. at the start of the contract, at specific client request to (temporarily) not invest, etc...).

6. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The environmental or social characteristics are monitored by periodic compliance checks to control the alignment of investments to meet the environmental or social characteristics promoted by the financial product as stipulated in the investment strategy for Article 8 mandates.

For the Article 8 mandates, on a periodic basis a check is carried out to ensure that the investments included do not exceed the exclusion criteria and meet the environmental or social characteristics promoted by the financial product. If this check reveals that a particular investment does exceed one of the criteria, it must be removed from the mandate within a period of three months.

For both direct investments in investee companies or sovereign, and for investments in UCIs the ESG scores are updated on a quarterly basis. If this update determines that, for example, an investment falls into the weakest three ESG score categories of its respective peer group, appropriate actions should be taken within a three-month period by removing the investment from the Art. 8 mandate.

7. METHODOLOGIES

The Article 8 mandates will measure the achievement of the promoted environmental or social characteristics using the indicators below:

a) **Indicators related to Bank Nagelmackers' ESG Scoring Model for investee companies and sovereign**
The ESG score represents the aggregated ESG performance assessment of an investment whereby companies and sovereigns within their investment universe are analyzed and ranked based on environmental, social and governance indicators that include the principal adverse impacts. An assessment of the materiality of each indicator is based on its relevance in terms of probability of occurrence and severity for each sector or country type (developed vs. emerging), data availability and data quality. Countries are also assessed on the United Nations Sustainable Development Goals. Through the indicators and their materiality, each issuer's overall ESG performance is ranked versus its peers into an ESG rating taking into account its sector, region and size for companies or classification as developed or emerging country for sovereigns. The Bank Nagelmackers' ESG Scoring Model is an inhouse developed model that uses raw data from external data providers.

b) **Indicators related to Bank Nagelmackers' ESG Scoring Model for the investment in UCIs**
The ESG score represents the aggregated ESG performance assessment of investments whereby UCIs within their investment universe are analyzed and ranked based on environmental, social and governance indicators that include the principal adverse impacts. An assessment of the materiality of each indicator is based on its relevance in terms of probability of occurrence and severity, data availability and data quality. Through the indicators and their materiality, each UCIs overall ESG performance is ranked versus its peers (grouped by asset type and/or region, and market cap for equities) into an ESG Fund Rating.

The list of indicators underpinning the ESG criteria and scores are not exhaustive and can change in time under supervision of the Sustainability Committee of Bank Nagelmackers.

8. DATA SOURCES AND PROCESSING

A combination of different data sources is used to assess norm-based and negative screening, and ESG Scores. These sources include third party data providers that are complementary in their methodology or coverage, self-reported company data and information from NGOs. The following data sources are used to meet the environmental or social characteristics of the Article 8 mandates, depending the type of investment wherein the mandate will invest:

- For the norm-based and negative screening for controversial activities for investee companies data is used from data provider MSCI.
- The ESG Scores for investee companies are in house calculated using raw data from data providers ISS, MSCI and SIX;
- The ESG Scores for sovereign are in house calculated using raw data from data providers MSCI, Refinitiv and SIX;
- The ESG Scores for UCIs are in house calculated using raw data from data provider Morningstar and data provided from the investment manager itself.

The selection of third party data providers is performed through an extensive RFP process and due diligence that compares several data vendors in terms of data availability, data quality, methodology and relevance for our investment universe. These criteria are evolving and continually improving. As such, the Sustainability Committee will perform periodic reviews of third party data providers in the future to assure a high-quality assessment of issuers within our investment universe is possible. Also periodic controls can be performed by the Sustainability Committee to ensure data quality. These controls may include, and are not limited to, checks on a random sample of the dataset and on the outliers of the dataset. Bank Nagelmackers will disclose of any data gap when accurate data is not available, while taking actions to obtain them through discussions with the relevant data providers or other sources.

9. LIMITATIONS TO METHODOLOGIES AND DATA

Potential limitations to our methodology and data include the dependence of external data providers data coverage and their assessment of ESG characteristics, data gaps, delay in data as most data points assess past events.

Bank Nagelmackers will disclose of any data gap on data or indicators influencing it's methodologies when accurate data is not available, while taking actions to obtain them through discussions with the relevant data providers or other sources. Periodic reviews of third party data providers is done by the Sustainability Committee to assure a high-quality assessment of issuers within our investment universe is possible. Also periodic controls can be performed by the Sustainability Committee to ensure data quality.

10. DUE DILIGENCE

The due diligence on the underlying assets of the financial product is carried out by portfolio management and overseen by the Sustainability Committee. The Sustainability Committee is responsible for monitoring, controlling and reporting that Bank Nagelmackers' products are aligned with the environmental and social characteristics of the product. The proprietary ESG ratings, negative and norm-based screens are also subject to validation by the Sustainability Committee, which takes place on a monthly basis.

More information can be found in the following policies:

- Exclusion Policy
- Sustainability Risk Policy
- PASI-statement – Financial Market Participant

11. ENGAGEMENT POLICIES

Bank Nagelmackers is convinced that engagement with investee companies to improve ESG practices is essential to preserve and enhance the value of our clients' assets. Engagement can be performed individually or through collaborative engagement initiatives.

Engagement applies to our direct investments in investee companies within the Art. 8 mandates managed by Bank Nagelmackers, as well as to the third party managers we are invested in via UCIs.

Bank Nagelmackers defines four major steps in order for our engagement efforts to be successful. First, we identify which issues should be prioritized and/or which companies are in most need of engagement. Next, we set objectives for desired engagement outcomes. Third is the actual engagement efforts with investee companies and reporting the intermediary advances or results. Finally and when appropriate, we escalate if the engagement does not reach the desired objectives.

We have determined themes for engagement that are aligned with our investment strategy that integrates ESG factors including principle adverse impacts:
- Environmental: focus on climate change and reduction of GHG emissions (PAI 1-6)
- Social: respect for human, social & labour rights in line with UN Global Compact, OECD Guidelines for Multinational Enterprises (PAI 10-11) and anti-discrimination measures
- Governance: focus on board performance and improved gender diversity (PAI 13).

Aside from these themes, another area of focus is to improve access to key data points in non-financial information related to sustainable issues.

More information on our engagement efforts can be found in our Engagement Policy.

12. DESIGNATED REFERENCE BENCHMARK

No reference benchmark has been assigned for the purpose of attaining environmental or social characteristics promoted by this mandate.

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