

Product name: Ailis Blackrock Balanced ESG

Legal entity identifier 549300E7SE0CRA8GGP92

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It made **sustainable investments with an environmental objective**: __%

It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 0.00% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

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

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

with a social objective

It made **sustainable investments with a social objective**: __%

It promoted E/S characteristics, but **did 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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The main environmental and social characteristics promoted by the Sub-fund through the Investment Manager's ESG methodology were the following:

- Environmental: climate change prevention (in terms for example of reduction of carbon emission, carbon footprint, climate change vulnerability), pollution & waste prevention (with reference to toxic emissions & waste, packaging material & waste, electronic waste), environmental opportunities (in clean tech, in renewable energy);
- Social: human capital (labor management, health & safety, human capital development, supply chain labor standards), product liability (product safety & quality, chemical safety, consumer financial protection, privacy & data security, responsible investment, health & demographic risk), social opportunities (access to communications, access to finance, access to health care, opportunities in nutrition & health), stakeholder opposition (controversial sourcing, community relations).

Environmental and social characteristics are pursued through the indicators listed in the section: "How did the sustainability indicators perform?".

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

● **How did the sustainability indicators perform?**

The indicators used to measure the attainment of each of the environmental or social characteristic promoted by the Sub-fund were:

- the absence of investments in securities that were on the exclusion list as result of the application of the exclusion policy. The Investment Manager excluded investment in sectors which deemed to be harmful from an SRI/ESG perspective or which did not follow good governance practices. As an example, the Sub-fund complied with an exclusions policy which referred to: i) the production, maintenance, sales and storage of weapons of mass destruction (WMD); and ii) the extractive activities, production and distribution of electricity connected with thermal coal, the energy source among fuels which represents the highest contributor in terms of carbon dioxide emissions; therefore, issuers deriving at least 25% of their revenues from these activities were excluded. The exclusion was extended to those issuers in breach of the Principles of the UN Global Compact which included principles relating to human rights, labour conditions, environmental issues and anti-corruption practices;
- the ESG rating of the portfolio.

To undertake the ESG rating analysis, sustainable characteristics of the underlying investments were defined by reference to a combination of data generated internally by the Investment Manager's proprietary models and data provided by external ESG research providers. The ESG score of the portfolio was AA.

● **...and compared to previous periods?**

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

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.

— **How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable, the product promotes environmental and social characteristics but no commitment to make investments with a sustainable objective has been made.

— **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Not applicable, the product promotes environmental and social characteristics but does not have a sustainable investment objective.

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 Union 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.



How did this financial product consider principal adverse impacts on sustainability factors?

The Management Company specifically considered the following principal adverse impact (“PAI”) indicators: Carbon emission (Scope 1 + 2); GHG intensity of investee companies; Violations of UNGC principles and OECD guidelines for Multinational Enterprises; Exposure to controversial weapons (anti-personnel mines, cluster ammunitions, chemical and biological weapons). For government bonds and supranationals: GHG intensity and Investee Countries subject to social violations.

The Sub-fund’s Management Company verified the PAI data through a periodic monitoring report, where the values of the indicators are consulted at product level and, where present and possible, at the respective benchmark level to include this information in the investment decision-making process.

However, considering the large variability of PAI data at sectoral and geographical level, as well as their retrospective nature, no thresholds or stringent limits are set at portfolio level.



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:
31/08/2023 - 31/08/2023

Largest Investments	Sector	% Assets	Country
MICROSOFT CORP	INFORMATION AND COMMUNICATION	8.03%	United States
T 0 3/4 03/31/26	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.55%	United States
T 3 7/8 04/30/25	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	2.47%	United States
TESLA INC	MANUFACTURING	2.19%	United States
ISHARES PHYSICAL GOLD ETC	-	2.01%	Ireland
ADOBE INC	INFORMATION AND COMMUNICATION	1.54%	United States
BPIFRA 0 05/25/28	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	1.43%	France
HOME DEPOT INC	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	1.40%	United States
NOVO NORDISK A/S-B	MANUFACTURING	1.19%	Denmark
FNCL 6 9/15	FINANCIAL AND INSURANCE ACTIVITIES	1.17%	United States
PEPSICO INC	MANUFACTURING	1.11%	United States
COCA-COLA CO/THE	MANUFACTURING	1.10%	United States
DBR 0 08/15/30	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0.90%	Germany
T 1 1/8 02/15/31	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0.90%	United States
BNTNF 10 01/01/25	PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	0.89%	Brazil



What was the proportion of sustainability-related investments?

Asset allocation

describes the share of investments in specific assets.

● What was the asset allocation?

In accordance with the binding elements of the investment strategy adopted for promoting the environmental and social characteristics, the proportion of the investments that met the ESG criteria (in terms of ESG rating coverage) as of 31/08/2023 was 94%, compared to the minimum threshold of 50% of the portfolio (box #1 Aligned with E/S characteristics).

The remaining proportion (6% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to:

- cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes;
- derivatives which may be held for risk balancing purposes and efficient portfolio management but not for promoting environmental and social characteristic;
- securities for which relevant data is not available.



● **In which economic sectors were the investments made?**

Sector	Sub-sector	% Assets
PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	O	25.58%
MANUFACTURING	C	25.35%
INFORMATION AND COMMUNICATION	J	15.51%
FINANCIAL AND INSURANCE ACTIVITIES	K	11.65%
WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	G	2.67%
ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	N	2.18%
PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	M	2.06%
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	D	1.88%
HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	Q	1.57%
ACCOMMODATION AND FOOD SERVICE ACTIVITIES	I	1.33%
WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	E	0.91%
CONSTRUCTION	F	0.60%
TRANSPORTATION AND STORAGE	H	0.56%
REAL ESTATE ACTIVITIES	L	0.55%
MINING AND QUARRYING	B	0.25%

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

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Investments in environmentally sustainable economic activities aligned with the EU taxonomy represented 0,0% of the portfolio.

● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy? ¹**

Yes

In fossil gas

In nuclear energy

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

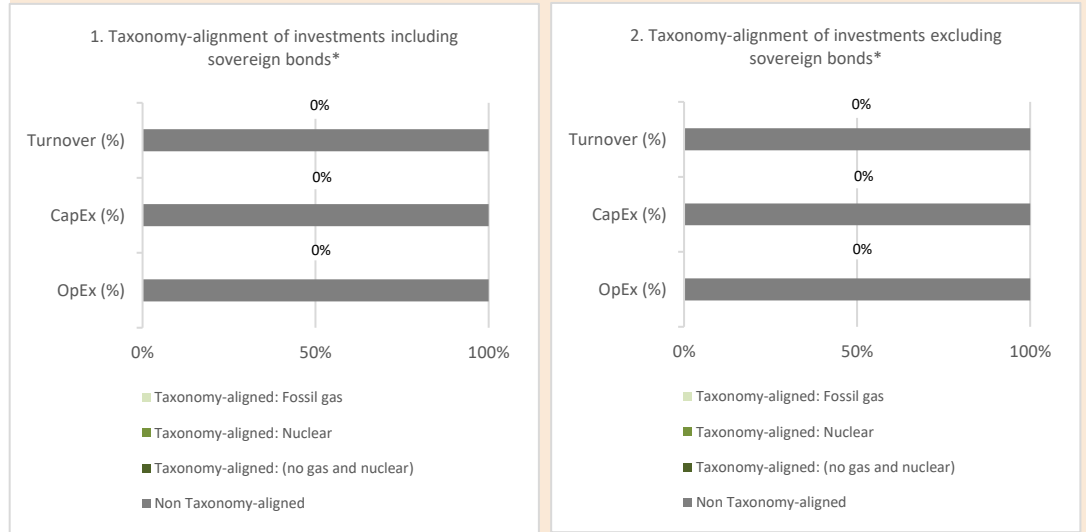
emission levels corresponding to the best performance.

X No

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.

The graphs below show in green the percentage of investments that were 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.



This graph represents 74.00 % of the total investment.


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

● **What was the share of investments made in transitional and enabling activities?**

The share of investments in transitional and enabling activities was 0%.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable, given that no prior periodic disclosure, as mandated by Regulation 2022/1288, has been presented.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable, the financial product does not have sustainable investment objectives.



What was the share of socially sustainable investments?

Not applicable, the financial product does not have sustainable investment objectives.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The remaining portfolio may also hold instruments not subject to the ESG integration process such as cash and cash equivalent instruments or for risk balancing purposes and derivatives for risk balancing purposes and efficient portfolio management. This category may also include securities for which relevant data is not available. There are no guarantees on the respect of the minimum environmental and social safeguards criteria regarding the investments under the category "#2 Others".



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

Actions taken during the reference period to meet environmental and social characteristics followed by the Investment Manager are the following:

SRI exclusion criteria:

Issuers directly operating in the following sectors are not permitted:

- in the production, maintenance, sales and storage of weapons of mass destruction (WMD), i.e., nuclear, biological, chemical and radiological weapons (NBCR), including those which are excessively harmful and indiscriminate as identified by the United Nations Convention on Certain conventional Weapons (CCW);
- in the extractive activities and production of electricity connected with thermal coal, the energy source among fuels which represents at the global level the highest incidence for carbon dioxide emissions; therefore, issuers with at least 25% of their revenues from these activities are excluded.

Integration of ESG factors:

The integration of ESG factors is promoted through the selection of the most virtuous issuers in terms of sustainable performance through an ESG rating. To undertake the ESG rating analysis, sustainable characteristics of the underlying investments are defined by reference to a combination of data generated internally by the Investment Manager's proprietary models and data provided by external ESG research providers.



How did this financial product perform compared to the reference benchmark?

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

● **How does the reference benchmark differ from a broad market index?**

Not applicable

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable

● **How did this financial product perform compared with the reference benchmark?**

Not applicable

● **How did this financial product perform compared with the broad market index?**

Not applicable.

