

## General

Gardanto Dynamic Fund is a sub-fund of the ShelteR UCITS SICAV where ShelteR IM is the investment manager. The objective of the Sub-fund is to provide investors with a positive return over the long term by investing mainly in collective investment undertakings (UCITS, other UCIs and ETFs). This Sub-fund invests mainly in other collective investment undertakings which, in turn, invest mainly in different government and corporate bond markets and/or in the equity markets (including real estate investment trusts) and occasionally in other strategies such as alternative investments. This Sub-fund is classified as an “Article 8 +” fund under SFDR regulations and promotes environmental and social characteristics with a minimum % sustainable investments. The asset manager will target to select investment funds that take sustainability and/or ESG criteria into account as further described below.

## ShelteR’s Approach to ESG Investing for Gardanto Dynamic Fund

<b>Good Governance Screening - 100%</b>	<ol style="list-style-type: none"> <li>1) Target funds need to have robust policies covering “good governance” requirements when selecting and investing in investee companies or issuers within the underlying fund.</li> <li>2) Managers need to follow good governance and cannot have exposure to controversial business areas or practices.</li> <li>3) A regular screening against a series of sanction lists as provided by the Luxembourg data provider Worldcheck.</li> </ol>
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<b>Environmental and Social Promotion Screening –75%</b>	<ol style="list-style-type: none"> <li>1) Minimum 75% invested in target funds that classify under SFDR as: <ul style="list-style-type: none"> <li>• Article 8 (Promote E/S Characteristics), or</li> <li>• Article 9 (Have a Sustainable Objective)</li> </ul> </li> <li>2) Minimum 50% needs to be invested in funds that are SFDR Article 8 with a sustainable objective or Article 9.</li> <li>3) Minimum 25% needs to be invested in target funds that carry the Low Carbon label from Morningstar (Current definition = Carbon Risk &lt; 10 and Fossil Fuel &lt; 7)</li> </ol>
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<b>Sustainable Investments –10%</b>	<p><b>Positive Contribution Analysis</b></p> <p>The Fund of Fund intends to achieve a minimum of 10% (indirect) exposure to sustainable investments with either environmental or social objectives. These may include (1) <b>Environmental Sustainable Objectives</b>: including Clean Water and Sanitation, Affordable &amp; Clean Energy, Sustainable Cities and Communities, Responsible Consumption and Production, Climate Action, Life Below Water, Life on Land; or (2) <b>Social Sustainable Objectives</b>: including No Poverty, Zero Hunger, Good Health &amp; Well-being, Quality Education, Gender Equality and/or Decent Work.</p> <p>The split between Sustainable Investments (SI) and Non-Sustainable Investments is determined on a <b>look-through basis</b>:</p> $\%SI = \sum_{TF} Weight_{TF} * \%SI_{TF} > 10\%$ <p>Where the sum is determined over all Article 8 and Article 9 Target Funds (TF) that the fund-of-fund invests in.</p>
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<b>Sustainable Investments –10%</b>	<p><b>Do Not Significantly Harm Analysis (“DNSH”)</b></p> <p><b>The Fund-of-Funds targets to invest in funds that disclose the following PAI’s:</b></p> <p>Corporate indicators:</p> <ul style="list-style-type: none"> <li>▪ PAI 1: GHG Emissions</li> <li>▪ PAI 3: GHG Intensity</li> <li>▪ PAI 4: Exposure to companies active in the fossil fuel sector</li> <li>▪ PAI 10: Violation of UNGC principles and OECD guidelines for Multinationals</li> <li>▪ PAI 14: Exposure to Controversial Weapons</li> </ul> <p>Sovereign indicators:</p> <ul style="list-style-type: none"> <li>▪ PAI 15: Regarding GHG Intensity</li> <li>▪ PAI 16 : Countries subject to social violations</li> </ul> <p>The fund-of-fund targets to report on these PAI’s on an annual basis, using data from Morningstar/Sustainalytics.</p>
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