

Sustainability-Related Disclosures

AuAg Precious Core | Article 8 SFDR |

Table of Contents

1. Summary	3
2. No Sustainable Investment Objective.....	3
Consideration of Principal Adverse Impacts (PAI).....	3
Alignment with OECD Guidelines and UN Guiding Principles	4
3. Environmental or Social Characteristics of the Financial Product	4
4. Investment Strategy.....	4
5. Proportion of Investments.....	5
6. Monitoring of Environmental or Social Characteristics	5
7. Methodologies	5
8. Data sources and processing.....	6
9. Limitations to methodologies and data.....	6
10. Due Diligence	6
11. Engagement policies	7
12. Designated Reference Benchmark	7

.....

1. Summary

The Fund is a mixed fund that invests at least 90 % in aggregate across its two asset classes: companies focused on green technology and exposure to precious metals with a focus on gold. The Fund invests at least 50 % in equities to gain exposure to companies needed for a world based on green technology, where the Fund's strategy is divided into four sub-strategies – production of clean energy – reduced energy consumption, reduced emissions, and recycling – energy storage – extraction of elements required for green technology. The Fund also invests at least 30 % in transferable securities, all of whose value development the manager assesses to be influenced by market developments for gold as well as other precious metals such as silver, platinum, and palladium.

The Fund promotes environmental and social characteristics pursuant to Article 8 of Regulation (EU) 2019/2088, but does not have sustainable investment as its objective. However, part of the portfolio is intended to consist of sustainable investments.

The characteristics promoted are climate change mitigation through investments in companies that contribute to energy production, energy storage, and energy efficiency, sustainable water management in portfolio companies, and respect for internationally recognised standards for human rights, labour conditions, environmental protection, and anti-corruption in accordance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The characteristics are achieved through a combination of norms-based screening, binding exclusion criteria, and ongoing sustainability analysis. For the portion of the portfolio classified as sustainable investments, a DNSH assessment is additionally applied, taking into account relevant Principal Adverse Impact (PAI) indicators that are material for each sub-strategy.

Companies within the Fund's four sub-strategies normally constitute approximately 60 % (at least 50%) of the portfolio and are aligned with the environmental and social characteristics. Of these, at least 20 % of the total portfolio is classified as sustainable investments with an environmental objective. The remaining approximately 40 % (at least 30%) of the portfolio consists of exchange-traded products with physically backed precious metals. These investments fall under the category Other and do not integrate any environmental or social characteristics but are aligned with minimum safeguards. The Fund does not use derivatives.

Active ownership and corporate engagement are an integrated part of the investment strategy. No index has been designated as a reference benchmark to determine whether the promoted characteristics are achieved; compliance is instead assessed through the Fund's binding criteria and sustainability indicators.

2. No Sustainable Investment Objective

This financial product promotes environmental or social characteristics, but does not have sustainable investment as its objective.

The Fund intends to partially make sustainable investments and commits to a minimum proportion of 20 %. These investments are linked to one or both of the following environmental objectives:

Climate change mitigation – investments in companies whose activities contribute to clean energy production, energy storage, or energy efficiency and that in a credible and measurable way reduce or enable the reduction of greenhouse gas emissions.

Transition to a circular economy – investments in companies whose core business contributes to the recycling and reuse of materials central to the energy transition, such as battery materials and precious metals.

For these investments, a Do No Significant Harm (DNSH) assessment is applied, ensuring that they do not cause significant harm to any of the sustainable investment objectives.

Consideration of Principal Adverse Impacts (PAI)

In the DNSH assessment, relevant principal adverse impact indicators under are considered, with a focus on the risks that are material to the sectors. This includes in particular indicators related to impacts on environmentally sensitive areas, water management, hazardous waste, and labour-related matters and norm violations. The assessment is based on a combined analysis of indicators, governance, risk management, and incident history. Investments with serious and unaddressed adverse impacts are not classified as sustainable investments.

Alignment with OECD Guidelines and UN Guiding Principles

The sustainable investments are assessed to be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles in the ILO Declaration on Fundamental Principles and Rights at Work. The assessment is conducted through norms-based screening that covers companies' policies, governance systems, and handling of actual or potential adverse impacts in their own operations and in relevant business relationships. Companies with verified and serious violations of international norms without a credible remediation plan are not classified as sustainable investments.

3. Environmental or Social Characteristics of the Financial Product

The Fund promotes climate change mitigation by investing in companies whose activities contribute to clean energy production, energy efficiency, energy storage, and extraction of the elements that enable electrification. The Fund limits its exposure to companies whose activities involve the extraction of fossil fuels.

Since the Fund invests in the mining sector, it also places significant importance on how portfolio companies manage their water use. The assessment focuses on companies' water-related policies, risk management, and the occurrence of serious water incidents.

The Fund also works to ensure that portfolio companies respect internationally recognised standards for human rights, labour conditions, environmental protection, and anti-corruption, in accordance with the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

4. Investment Strategy

Investment decisions are made based on a combined assessment of identified sustainability risks, exclusion criteria, and norms-based screening. Portfolio companies are subsequently monitored on an ongoing basis with respect to sustainability risks, exclusion criteria, incidents, and controversies. If a company no longer meets the Fund's requirements, measures may be taken in the form of engagement, reduction of the holding, or divestment. Active ownership and corporate engagement are an integrated part of the investment strategy.

The binding criteria consist of norms-based screening and a water criterion. Companies with verified and serious violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises without a credible remediation plan are downgraded or excluded. Producing companies that are subject to verified and serious water-related environmental incidents with significant negative environmental impact, where the company lacks credible remediation measures, are considered non-investable.

Good governance in portfolio companies is assessed through norms-based screening against the OECD Guidelines for Multinational Enterprises and the UN Global Compact's principles, which include

requirements for sound management structures, responsible employee relations, reasonable staff remuneration, and compliance with tax regulations.

5. Proportion of Investments

Companies within the Fund's four sub-strategies normally constitute approximately 60% (at least 50%) of the portfolio and are aligned with the environmental and social characteristics. Of the total portfolio, at least 20% is classified as sustainable investments with an environmental objective – either contributing to climate change mitigation through energy production, energy storage, or energy efficiency, or contributing to the transition to a circular economy through the recycling of battery materials and precious metals.

The remaining approximately 40% (at least 30%) of the portfolio consists of exchange-traded products (ETCs) with physically backed precious metals. These investments fall under the category Other and do not integrate any environmental or social characteristics, but are aligned with minimum safeguards. The Fund does not use derivatives.

6. Monitoring of Environmental or Social Characteristics

Compliance with the environmental and social characteristics is monitored through sustainability indicators that form part of the Fund's ongoing portfolio monitoring. The indicators are based on publicly available information from portfolio companies' reporting and may be considered in investment decisions, corporate engagement, and the ongoing portfolio review.

For the characteristic of limited fossil fuel exposure, companies' revenue share from fossil fuel extraction is monitored. For the characteristic of sustainable water management, companies' water-related policies, risk management, and the occurrence of serious water incidents are monitored. For the social characteristic, companies' compliance with the UN Global Compact and the OECD Guidelines is monitored through norms-based screening, with surveillance of controversies and norm violations.

For the portion of the portfolio classified as sustainable investments, relevant Principal Adverse Impact (PAI) indicators are additionally taken into account, with a focus on the risks that are material to the mining sector. This includes indicators related to impacts on environmentally sensitive areas, water management, hazardous waste, and work-related injuries and norm violations.

Portfolio companies are monitored on an ongoing basis with respect to sustainability risks, incidents, and controversies. If a company no longer meets the Fund's binding criteria, measures may be taken in the form of engagement, reduction of the holding, or divestment.

7. Methodologies

The Fund's environmental and social characteristics are achieved through a combination of norms-based screening, exclusion criteria, and ongoing sustainability analysis.

The norms-based screening involves evaluating companies against the UN Global Compact and the OECD Guidelines for Multinational Enterprises. The screening includes an analysis of companies' policies, governance systems, and handling of actual or potential adverse impacts in their own operations. Companies are also assessed against criteria for water governance, such as water risks, water policy, and water incidents.

For the portion of the portfolio classified as sustainable investments, a DNSH assessment is additionally applied. The assessment covers environmental and social risk areas that are material to the mining sector, such as water management, waste and tailings safety, impact on biodiversity, and occupational health and safety. Relevant Principal Adverse Impact (PAI) indicators are also considered where data are available.

All assessments are based on publicly available information from portfolio companies' reporting, third-party data, and internal analysis.

8. Data sources and processing

The Fund uses publicly available information from portfolio companies' own sustainability reports as its primary data source, supplemented by data from third-party providers, news articles and other reports. The data sources are used to monitor the environmental and social characteristics that the Fund promotes.

To ensure data quality, the Fund continuously works to clean, categorise, and quality-assure collected data. Some data is relatively well reported within the sector, while some data requires more processing.

Most portfolio companies report sustainability data; however, data quality and coverage vary. Where company data is insufficient, reasonable assumptions are used as a supplement.

9. Limitations to methodologies and data

Reporting standards vary between companies and sectors in the portfolio. Data exists in varying formats, is sometimes incomplete, and can be difficult to compare across companies. Third-party data also has limitations with respect to coverage and comparability.

Where data quality is insufficient, the Fund relies on norms-based screening and well-reasoned assumptions. These limitations are not assessed to prevent the Fund from achieving the environmental and social characteristics it promotes but work to improve data availability and quality assurance is ongoing.

10. Due Diligence

Prior to each investment, a comprehensive sustainability assessment is conducted in which the company is analysed from the perspective of relevant environmental, social, and governance-related factors. The assessment covers the company's strategy and level of ambition within sustainability, governance of sustainability work, and compliance with the Fund's binding exclusion criteria and norms-based screening. For the portion of the portfolio intended to be classified as sustainable investments, a DNSH assessment is additionally conducted based on publicly available information, third-party data, and internal analysis.

Portfolio companies are monitored on an ongoing basis with respect to sustainability risks, incidents, and controversies. Upon identification of elevated risks, incidents, or controversies, measures are taken in the form of in-depth analysis, dialogue with the company, and follow-up on improvement measures. If sufficient improvements are not achieved, the holding may be limited or divested.

Internal control of the due diligence process is distributed across several functions. Portfolio managers are responsible for integrating sustainability aspects into investment analysis and ongoing portfolio monitoring.

- An internal independent function monitors and reviews that portfolio management follows the investment process.
- The external risk control function monitors and analyses sustainability risks as an independent function and reports to the CEO and the board.
- The external compliance function monitors compliance with applicable regulations.
- The board has overall responsibility for ensuring that sustainability risks are managed within the framework of the company's strategy and internal control.

11. Engagement policies

Active ownership and corporate engagement are an integrated part of the Fund's investment strategy and are conducted in accordance with the company's shareholder engagement policy. The engagement aims to influence portfolio companies' governance, risk management, and handling of sustainability-related issues in a more responsible direction.

The Fund maintains ongoing dialogue with portfolio companies' management on sustainability issues that are material to the companies in the portfolio, including climate impact, water management, occupational health and safety, and compliance with international standards. The dialogues are documented and the outcomes are taken into account in the overall investment assessment. Voting at general meetings is used, where practically possible, as a complementary tool to dialogue in order to safeguard the interests of investors.

If a portfolio company does not achieve sufficient improvements following dialogue, the holding may be limited or divested.

12. Designated Reference Benchmark

No index has been designated as a reference benchmark to determine whether the environmental and social characteristics promoted by the Fund are achieved. Compliance with these characteristics is instead assessed through the application of the Fund's binding investment criteria and sustainability indicators.