



Rivertree Bond Euro Green Bond

Website disclosure

(a) 'Summary'

This fund promotes environmental or social characteristics but does not have as its objective sustainable investment. However, the fund partially intends to make sustainable investments that will not cause significant harm to any environmental or social objectives.

The following environmental and social characteristics are promoted by the financial product:

- Adherence of investee companies to internationally recognised standards related to human rights, labour rights, the environment, and anti-corruption.
- Limiting the significant negative impact related to the use of controversial weapons.
- Climate change mitigation.

The fund applies various environmental and social considerations in the investment process, such as exclusions and engagement. In case the investments are made in funds, they undergo an extensive due diligence process in various areas. This includes the robustness of the investment process, the individuals running the strategy, the risk-adjusted return characteristics, the asset manager, and the fund's sustainability practices.

Investments in companies need to meet good governance practices. Where investments in companies are made via third-party funds, these funds need to have a process in place to assess good governance.

At least 80% of the investments are aligned with the environmental and social characteristics of the fund. The minimum proportion of sustainable investments of the fund is 60%, those investments have an environmental objectives that are not aligned with the EU Taxonomy.

In order to ensure the adequate consideration of environmental and social characteristics of the product, Kredietrust has established an exclusion list of issuers that are considered to be in violation of the United Nations Global Compact (UNG) principles (and for which engagement is not or no longer considered feasible) or are involved in controversial weapons (anti-personnel mines, biological weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons when related to involvement by corporate issuers in relation to countries that are not a signatory of the Non-Proliferation Treaty (NPT)).

For investments in third-party funds, Kredietrust cannot impose the exclusion criteria to third-party managers and the exclusion criteria applied by them can differ from those of Kredietrust. Therefore, a principle-based approach is applied, and preference is given, where possible and feasible, to third-party funds that have exclusion policies.

The fund uses the following sustainability indicators to measure the attainment of each of the environmental and social characteristics promoted by the financial product:

- Adherence of investee companies to the United Nations Global Compact principles.
- Involvement of investee companies in controversial weapons (anti-personnel mines, biological weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons when related to involvement by corporate issuers in relation to countries that are not a signatory to the Non-Proliferation Treaty (NPT)).
- Adherence of investee companies to the International Capital Market Association (ICMA) Green Bond Principles.
- Selected investment positions must be part of the MSCI Bloomberg Green Bond Index.

These sustainability indicators are measured as a percentage of investments.

A proprietary sustainable investment framework has been developed and is used to determine which investments made by the financial product can be considered sustainable investments. Kredietrust SA has defined a specific approach for green bonds to determine whether these bonds contribute to an environmental objective. Green bonds included in the Bloomberg MSCI Global Green Bond Index are considered contributing to an environmental objective.

For investee companies invested through either single lines or third-party funds Kredietrust consumes data from Sustainalytics for its reporting of environmental and social characteristics. Sustainalytics has been selected because of their expertise, independence, universe scope, quality of data, and their strong due diligence process. Given that Kredietrust uses a specialised external provider for the data, the quality assurance and quality control is largely dependent on Sustainalytics. Sustainalytics has an extensive quality control framework that, depending on the exact dataset, includes various elements such as diagnostic checks, quality monitoring, and a remedial process to resolve any identified issues.

Methodologies and data related to measuring the attainment of each of the environmental or social characteristics in the form of the sustainability indicators mentioned above can have limitations. This relates primarily to information becoming available in the public domain and the time lag for relevant information to be processed and included in the data that Kredietrust receives. Kredietrust believes that despite these limitations the data used to measure the environmental and social characteristics of the financial product are sufficiently reliable to provide a meaningful representation of the attainment of the environmental and social characteristics that the financial product promotes.

The due diligence process is conducted by Quintet's Fixed Income team and checked by KTL's Investment Management team. Both teams ensure that issuers selected are in line with the environmental and social characteristics of the fund and Kredietrust's Responsible Investment Policy ([Regulatory Affairs | Quintet Luxembourg](#)).

For third-party funds, the due diligence process is conducted by the Quintet Fund Solutions team. All funds selected have to demonstrate basic responsible practices. This includes understanding environmental, social and governance (ESG) factors as well as a willingness to engage with the companies they invest in. Sustainable funds must fulfil not only investment risk-adjusted return criteria but also a more rigorous assessment of sustainability.

Kredietrust has an Active Ownership policy which involves monitoring the investments we make, identifying environmental, social and governance (ESG) issues, strategic problems, or opportunities for improvement, engaging with investment managers or management teams, and other efforts to encourage positive change for the long-term benefit of our clients and the world.

Kredietrust has instructed its engagement partner EOS at Federated Hermes to give special attention to companies that violate the principles of the UN Global Compact, or that are involved in significant ESG controversies. The engagement priorities are focused on the most material drivers of long-term value, with four priority themes: climate change, human and labour rights, human capital management and board effectiveness and ethical culture.

In case the fund invests in other funds managed by third party asset managers, these asset managers are held to the same standards regarding active ownership as Kredietrust, and engagement takes place with these managers to ensure that, where possible and feasible, they pursue engagement and voting activities.

(b) 'No sustainable investment objective'.

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

However, the fund partially intends to make sustainable investments that will not cause significant harm to any environmental or social objectives.

How do the sustainable investments not significantly harm any sustainable investment objectives?

For single line investments (i.e., investment instruments issued by investee entities such as bonds) to qualify as a sustainable investment, a number of requirements needs to be met, including various criteria related to significant harm. Consequently, investments need to meet specific thresholds related to adverse impacts and operate in line with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In case the sustainable investments are made via funds (i.e., collective vehicles such as mutual funds or Exchange Traded Funds (ETFs), these funds need to have policies in place related to their own research and investment process to ensure there is no significant harm, at least by considering adverse impacts and by such investments being aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

(c) 'Environmental or social characteristics of the financial product'.

What are the environmental or social characteristics that the financial products promotes?

The following environmental and social characteristics are promoted by the financial product:

- Adherence of investee companies to internationally recognised standards related to human rights, labour rights, the environment, and anti-corruption.
- Limiting the significant negative impact related to the use of controversial weapons.
- Climate change mitigation.

(d) 'Investment strategy'.

What is the investment strategy used to meet the environmental or social characteristics promoted by the financial product?

The fund applies the following environmental and social considerations in the investment process:

1. For single lines:
 - a. Selecting bonds only among those that are included in the Bloomberg MSCI Global Green Bond Index. These bonds are considered contributing to an environmental objective based on a proprietary sustainable investment framework defined by Kredietrust SA.
 - b. Excluding investments based on the exclusion criteria that apply to the financial product. Please refer to the Responsible Investment Policy ([Regulatory Affairs | Quintet Luxembourg](#)) for more information about the exclusion criteria;

- c. Excluding investments as part of the portfolio construction process requirements that apply to the financial product. Please refer to the Responsible Investment Policy ([Regulatory Affairs | Quintet Luxembourg](#)) for more information about the portfolio construction requirements;
- d. Engaging on environmental and social issues with companies. Please refer to the Active Ownership policy ([Regulatory Affairs | Quintet Luxembourg](#)) for more information;

2. For investments in funds:

In case the financial product invests in funds; they undergo an extensive due diligence process in various areas. This includes the robustness of the investment process, the individuals running the strategy, the risk-adjusted return characteristics, the asset manager, and the fund's sustainability practises. A five-pillar approach is used to assess the sustainability practices and commitments of the funds. These five pillars are Intentionality, Portfolio Characteristics, Research, Active Ownership, and Transparency. Please refer to the Fund-Sustainability fund Assessment Summary ([Regulatory Affairs | Quintet Luxembourg](#)) for more information.

What is the policy to assess good governance practices of the investee companies?

Investments in companies need to meet good governance practices. More specifically, companies should not be involved in severe controversies related to accounting and taxation, corporate governance, business ethics, and labour relations. This is being assessed at the company level, for which the financial product uses specialised external data and research.

In case the investments in companies are made via third-party funds, these funds need to have a process in place to assess good governance. This is checked in the fund sustainability due diligence process.

(e) 'Proportion of investments.

What is the minimum proportion of investment aligned with the Environmental and Social characteristics that the financial product promotes?

At least 80% of the investments are aligned with the environmental and social characteristics of the fund.

What is the minimum proportion of Sustainable Investments?

The minimum proportion of sustainable investments of the financial product is 60%. While the fund intends to make sustainable investments, it does not specifically strive to make EU Taxonomy aligned investments. As such, the minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.

The fund intends to make sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.

What are other investments and what is their purpose?

Any remaining investments that are not aligned with the environmental and social characteristics of the financial product are investments for diversification and hedging purposes, and cash held as ancillary liquidity. There are no minimum environmental or social safeguards for these investments due to the nature of these instruments. When investments are made in money market instruments, these instruments are not allowed as minimum guarantee to invest in issuers from countries against which the EU has imposed an arms embargo on central government.

What is the ratio of direct exposures and non-direct exposures?

The financial product has only direct exposures to investee companies.

(f) 'Monitoring of environmental or social characteristics'

How are the sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the financial product monitored?

In order to ensure the adequate consideration of environmental and social characteristics of the product, Kredietrust has established an exclusion list of issuers that are considered to be in violation of the United Nations Global Compact (UNGC) principles (and for which engagement is not or no longer considered feasible) or are involved in controversial weapons (anti-personnel mines, biological weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons when related to involvement by corporate issuers in relation to countries that are not a signatory of the Non-Proliferation Treaty (NPT)).

For single lines:

- When the addition of a new security to the portfolio is envisaged, the Portfolio Manager (first line of defense) checks that the security he intends to buy is part of the the Bloomberg MSCI Global Green Bond Index and the issuer adheres to the International Capital Market Association (ICMA) Green Bond Principles.
- Furthermore, the Portfolio Manager checks that the security he intends to buy is not on the Kredietrust's exclusion list. In case the security is on the exclusion list, no purchase is done. Every time the exclusion list is updated, the middle office department screens the portfolio of the fund. In case a newly excluded security is held in the portfolio, the middle office department informs the portfolio manager who will sell the security within 5 days.
- The Portfolio Manager also monitors on an ongoing basis that all mandatory SFDR minimum thresholds shares of sustainable investments and ensures that the fund is compliant at any point of time.
- Acting as the second line of defense, the Management Company's Risk Management department screens the portfolio on a daily basis to ensure no security held is on the exclusion list. In case such a situation is identified, the Risk Management department informs the portfolio manager who sells the security. When a new exclusion list is released, the Risk Management department also screens the portfolio of the fund. In case a newly excluded security is held in the portfolio, the risk department informs the portfolio manager who will sell the security within 5 days.

For third-party funds:

For investments in third-party funds, Kredietrust cannot impose the exclusion criteria to third-party managers and the exclusion criteria applied by them can differ from those of Kredietrust. Therefore, a principle-based approach is applied, and preference is given, where possible and feasible, to third-party funds that have exclusion policies.

g) 'Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the fund are met?

The fund uses the following sustainability indicators to measure the attainment of each of the environmental and social characteristics promoted by the fund:

- Adherence of investee companies to the United Nations Global Compact principles.
- Involvement of investee companies in controversial weapons (anti-personnel mines, biological weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons when related to involvement by corporate issuers in relation to countries that are not a signatory to the Non-Proliferation Treaty (NPT)).
- Adherence of investee companies to the International Capital Market Association (ICMA) Green Bond Principles.
- Selected investment positions must be part of the MSCI Bloomberg Green Bond Index.

These sustainability indicators are measured as a percentage of investments.

For the UNGC principles, this indicator is calculated by using research provided by Sustainalytics, a specialised global ESG data provider, to assess whether or not companies adhere to the UNGC principles. Companies which do adhere to the UNGC principles, are then linked to the investment instruments in the financial product (for single lines and for investments via third-party funds). Following this, their respective weights are added up and divided by the total value of the portfolio, in order to calculate the percentage of the total portfolio in adherence of the UNGC principles.

For controversial weapons, in order to assess involvement of investee companies the data provided by Sustainalytics is used. Companies that are considered to be involved in controversial weapons based on the criteria of Kredietrust's Responsible Investment policy are identified and then linked to any investment instruments in the financial product (for single lines and for investments via third-party funds). Following this, their respective weights are added up and divided by the total portfolio in order to calculate the percentage of holdings that have controversial weapons involvement.

For International Capital Market Association (ICMA) Green Bond Principles, the indicator is obtained from third party financial data provider, the positive value of the indicator confirms that the issue is aligned with the core components of the ICMA principles or guidelines for green, social and sustainability securities, such as use of proceeds or project selection process.

Kredietrust SA has defined a specific approach for green bonds to determine whether these bonds contribute to an environmental objective. Green bonds included in the Bloomberg MSCI Global Green Bond Index are considered contributing to an environmental objective. The obligations of this index are evaluated according to four criteria:

- Use of funds exclusively for projects or activities that promote environmental or climate objectives.

- Selection and evaluation of "green" projects
- Fund Management
- Impact reporting

(h) 'Data sources and processing'.

What data are used?

For Kredietrust's investment decision-making and reporting related to investee entities, Kredietrust consumes data from Sustainalytics on their environmental and social characteristics. Kredietrust has chosen Sustainalytics as a primary ESG data provider following an extensive market review and due diligence process performed by its mother company Quintet Group. Sustainalytics has been selected because of their expertise, independence, universe scope, quality of data, and their strong research process.

How is the data quality ensured and the data processed?

Given that Kredietrust uses a specialised external provider for the data, the quality assurance and quality control is largely dependent on Sustainalytics. Sustainalytics has various quality assurance checks, which are done automatically, as well as various manual checks done annually, such as year-on-year subindustry data comparison checks. Their quality assurance and control processes apply to their full infrastructure: from data collection via a variety of research platforms, to data storage within multiple research, product, and aggregation databases, as well as end-of-gate checks before data reaches Kredietrust. *What is the proportion of estimated data?*

For this specific data it is not possible for Kredietrust to determine the proportion of estimated data used to calculate the sustainability indicators. This relates to the fact that it is based on research conducted by Sustainalytics, which leverages a combination of information reported by the companies, multiple public sources, and Sustainalytics' proprietary analytical frameworks.

(i) 'Limitations to methodologies and data'.

What are the limitations to the methodologies and data used to measure the attainment of the environmental or social characteristics promoted by the financial product?

Methodologies and data related to measuring the attainment of each of the environmental or social characteristics in the form of the sustainability indicators mentioned above can have limitations.

As investee companies are not likely to self-declare that they are operating in violation of international norms or that they are involved in controversial weapons, ESG data providers like Sustainalytics need to review a range of sources and conduct their own analysis. The primary limitation is that certain company-specific information may have not (yet) reached the public domain and is therefore not considered by ESG data providers. In addition, once information has become public, it can take some time before all relevant evidence has been analysed and evaluated. Consequently, there may be a delay between the occurrence of an issue and that issue being identified by ESG data providers, incorporated in their research, and subsequently reflected in the sustainability indicators of this financial product.

How do these limitations not affect how the environmental or social characteristics promoted by the financial product are met?

Given the strong and systematic research process underpinning the data, Kredietrust believes that despite the abovementioned limitations the data used to measure the environmental and social characteristics of the fund are sufficiently reliable to provide a meaningful representation of the attainment of the environmental and social characteristics that the financial product promotes.

(j) 'Due diligence'

What due diligence is carried out on the underlying assets of the financial product?

The due diligence process is conducted by Quintet's Fixed Income team and checked by KTL's Investment Management team. Both teams ensure that issuers selected are in line with the environmental and social characteristics of the fund and Kredietrust's Responsible Investment Policy ([Regulatory Affairs | Quintet Luxembourg](#))

For third-party funds, the due diligence process is conducted by the Quintet Fund Solutions team. All funds selected have to demonstrate basic responsible practices. This includes understanding environmental, social and governance (ESG) factors as well as a willingness to engage with the companies they invest in. Sustainable funds must fulfil not only investment risk-adjusted return criteria but also a more rigorous assessment of sustainability.

The due diligence process is composed of the five following pillars:

- Intentionality: explicit and intended links to sustainability in fund objectives.
- Portfolio characteristics: sustainable characteristics across holdings and portfolio construction.
- Research: sufficient skills, capacity and tools embedded in methods and processes.
- Active ownership: engagement supported by clear policies.
- Transparency: engagement, and progress on sustainable targets.

More details on the due diligence process of the fund can be found here ([Regulatory Affairs | Quintet Luxembourg](#)).

(k) 'Engagement policies.'

What engagement policies are implemented?

Kredietrust has an Active Ownership policy which involves monitoring the investments we make, identifying environmental, social and governance (ESG) issues, strategic problems, or opportunities for improvement, engaging with investment managers or management teams, and other efforts to encourage positive change for the long-term benefit of our clients and the world.

Kredietrust has instructed its engagement partner EOS at Federated Hermes to give special attention to companies that violate the principles of the UN Global Compact, or that are involved in significant ESG controversies. The engagement priorities are focused on the most material drivers of long-term value, with four priority themes: climate change, human and labour rights, human capital management and board effectiveness and ethical culture.

Kredietrust regards exclusions as a last resort for companies in violation of the UNGC principles, when active ownership has proven unsuccessful, or is infeasible, and further investment would be incompatible with our principles and the best interests of our clients.

Kredietrust believes engagement for both equities and corporate bonds are crucial elements to assess and influence the behaviour of investee entities. Since the fund also invests in funds managed by other asset managers, these asset managers are held to the same standards regarding active ownership as Kredietrust, and engagement takes place with these managers to ensure that, where possible and feasible, they pursue engagement and voting activities.

(l) 'Designated reference benchmark'.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.

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