

Product name: Rivertree Fd – Bond Short Term Nine

Legal entity identifier: 549300MSD3DVVX6PXT73

Sustainable investment objective

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.

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: 30%**

- 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

It will make a minimum of **sustainable investments with a social objective: 10%**

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments

- with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

The sustainable investment objective of the financial product is to contribute to the transition to a more sustainable economy by investing in issuers or projects whose substantial economic activities contribute to this transition, without causing significant harm in other areas. This contribution can be linked to different environmental and social objectives, including, but not limited to, one or more of the following areas: climate action, healthy ecosystems, resource protection, access to basic needs, human capital development and one or more of the United Nations Sustainable Development Goals (UN SDGs). The UN SDGs are 17 goals adopted by the United Nations in 2015 as a call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity (<https://www.undp.org/fr/sustainable-development-goals>).

A proprietary sustainable investment framework has been developed and is used to screen the investment universe and identify investments which are sustainable. Investments can only be considered sustainable by the Investment Manager, if it can be demonstrated that they contribute to an identified environmental or social objective, that no material harm requirements are met (see details in the next question) and, for investee companies, that the good governance requirement is met. The sub-fund uses transition themes provided by a third-party data provider, Triodos IM, to identify companies which contribute to an environmental or social objective. The five transition themes are as follows:

- Food – Sustainable food system. From an extractive food system to regenerative agriculture and fair production (Contributes to the sustainable investment objectives of access to basic needs & human capital development).
- Resources - circular economy. From the extract-use-dispose paradigm to an economy that truly values natural resources (Contributes to the sustainable investment objective of resource protection).
- Energy – Fossil-free economy. From fossil energy production to green energy production (Contributes to the sustainable investment objective of climate action).
- Society – thriving communities. From a society that encourages competition and divides people to a societal model based on solidarity and cooperation (Contributes to the sustainable investment objectives of access to basic needs & human capital development).
- Wellness - People living prosperous and healthy lives. From a model centered on material satisfaction to an economy that values and deeply nurtures individual well-being in the broadest sense (Contributes to the sustainable investment objectives of access to basic needs & human capital development).

These five transition themes are based on the challenges posed by global megatrends. These interconnected themes stem from the demographic, technological, environmental, geopolitical, social and economic trends that will shape our planet in the years to come. Within these five themes, the sub-fund selects and invests in companies and organisations that make a concrete contribution to the transition to a sustainable society through their products and services or business practices.

A "pass/fail" method is applied to investments that are considered to contribute to an environmental or social objective. This means that any investment is considered a sustainable investment when all relevant criteria have been met for contribution to an environmental or social objective, do no significant harm and good governance. The minimum contribution thresholds for contribution to an environmental or social objective are as follows:

- For bonds issued by companies, a minimum threshold of 33% of revenues from economic activities considered to contribute to at least one objective of at least one of the transition themes described above applies.
- For bonds issued by other types of issuers (such as multinational development banks), a minimum threshold applies: 75% of the bond proceeds must contribute to at least one objective of at least one of the transition themes described above.

No reference index has been designated for the purpose of achieving the sustainable investment objective.

What sustainability indicators are used to measure the attainment of this financial product's sustainable investment objective?

The financial product uses the following sustainability indicators to measure the attainment of the financial product's sustainable investment objective:

- Percentage of investments that contribute to one of the five transition themes.
- Percentage of investments in corporate issuers in violation with the United Nations Global Compact Principles.
- Percentage of investments in corporate issuers involved in controversial weapons (anti-personnel mines, biological weapons, cluster munitions, depleted uranium, white phosphorus and nuclear weapons where the involvement of investee companies is in relation to countries that are not signatories to the Non-Proliferation Treaty (NPT)).

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

In order for investments to qualify as a sustainable investment, a number of requirements needs to be met, including various criteria related to significant harm. As a consequence, 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.

How have the indicators for adverse impacts on sustainability factors been taken into account?

For sustainable investments, all the indicators for adverse impacts on sustainability factors have been taken into account quantitatively and qualitatively, from table 1 of Annex 1 of the Delegated Regulation 2022/1288, to ensure sustainable investments do not cause significant harm to any environmental and social objectives. When the indicators are assessed quantitatively, specific thresholds have been set for corporate Principal Adverse Impacts (PAIs) (from Annex I of the SFDR Delegated Regulation (EU) 2022/1288) that are considered relevant to assess significant harm, and for which sufficient robust data or proxies are available. In some cases, the threshold is a yes or no, as in the case of violation of the UN Global Compact principles. In other cases, the threshold is quantitative, as in the case of greenhouse gas emissions. Investments need to stay below these thresholds in order to cause no significant harm.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

To ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, research is commissioned from a specialised external provider. This research provides an opinion on whether a company is in violation or at risk of violating one or more of the UN Global Compact Principles and the corresponding chapters of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Where a company is assessed to be in breach, this is considered to be a material harm.

Does this financial product consider principal adverse impacts on sustainability factors?

- Yes

Sustainability indicators

measure how the sustainable objectives of this financial product are attained.

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.



The sub-fund takes into account the principal adverse impacts on sustainability factors, using a combination of methods. For sustainable investments, the sub-fund considers all principal adverse impacts from table 1 of Annex 1 of the Delegated Regulation 2022/1288. The exclusions, further detailed in the section below, allow the sub-fund to avoid a range of negative impacts in advance, as the exclusion criteria relate to areas where the negative impacts are deemed too high for this financial product to invest in. In addition, for the investments it makes, the sub-fund intends to further mitigate or reduce negative impacts through structured engagement with issuers (where possible and feasible) and voting (where possible and feasible). Please see the Quintet Active Shareholder Ownership Policy for more information on voting and engagement for direct line investments. Information on how the sub-fund has addressed key negative impacts on sustainability factors is published in the sub-fund's annual report.

No



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The investment strategy of the sub-fund to attain its sustainable investment objective consists in several steps: (i) contribution to an environmental or social objective by having significant revenues from one of the five transition themes provided by Triodos IM, (ii) applying the exclusion list of the Investment Manager, (iii) do not significant harm assessment and (iv) good governance assessment and, where appropriate, engagement. For more details on this process please see below:

i) Contribution to an environmental or social objective is derived from data provided by a third party, Triodos IM. The data provided identifies issuers which contribute globally to the transition to a sustainable world. To this end, the companies' activities respond to global challenges posed by structural trends such as population ageing, resource scarcity, inequality and exclusion. Five transition themes guide the selection of the sub-funds' investments: Food, Resources, Energy, Society and Wellness.

ii) Based on this data, the Investment Manager verifies that the bonds in this universe are issued by companies that are not involved:

- In the manufacture of landmines, cluster munitions or nuclear, chemical or biological weapons (any company whose publicly available information clearly indicates that it is actively and knowingly involved in the production of such weapons) considered as “controversial weapons”.
- Significantly in the mining of thermal coal or the generation of electricity from thermal coal.
- In violation of the United Nations Global Compact Principles.

The Investment Manager also verifies that the bonds in this universe are not issued by a country or government owned enterprise which is on the EU arms embargo sanctions list.

If an issuer in the database meets any of the above criteria, it is excluded by the Investment Manager (exclusion filter).

iii) The Investment Manager also takes into account indicators of negative impacts on sustainability factors to ensure that sustainable investments do not cause significant harm to any environmental and social objective, as detailed above.

iv) Investments must also respect good governance practices. Specifically, companies must not be involved in serious controversies related to accounting and taxation, corporate governance,

business ethics and labour relations. This assessment is carried out at the level of the company issuing the bond, for which the sub-fund uses specialised external data and research.

● **What are the binding elements of the investment strategy used to select investments to attain the sustainable investment objective?**

The financial product has the following binding elements:

- Invest at least 75% in investments that contribute to at least one of the following five transition themes: Food, Resources, Energy, Society and Wellness. Within these five themes, the sub-fund selects and invests in companies and organisations that have a clear vision and defined commitments to the transition to a sustainable society through their products and services or their business practices.

- The investments of the sub-fund meet the following Investment Manager's exclusion criteria:
 - Compliance of investee companies with the principles of the United Nations Global Compact.
 - Non-involvement of investee companies in controversial weapons, details of these exclusions are included in the question "What is the sustainable investment objective of this financial product?"
 - Non-involvement in the mining of thermal coal or the generation of electricity from thermal coal (revenues greater than 10%).
 - Non-involvement in instruments issued by countries or state-affiliated enterprises which are under EU arms Embargo sanctions.

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

Investments in companies should respect good governance practices. Specifically, companies should not be involved in serious controversies related to accounting and taxation, corporate governance, business ethics and labour relations.

This is assessed at the issuer level, assessment for which the sub-fund uses third party data and research from Sustainalytics. Issuers which have a controversy score greater than the threshold for controversies related to accounting and taxation, corporate governance, business ethics or labour relations are excluded from investment.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



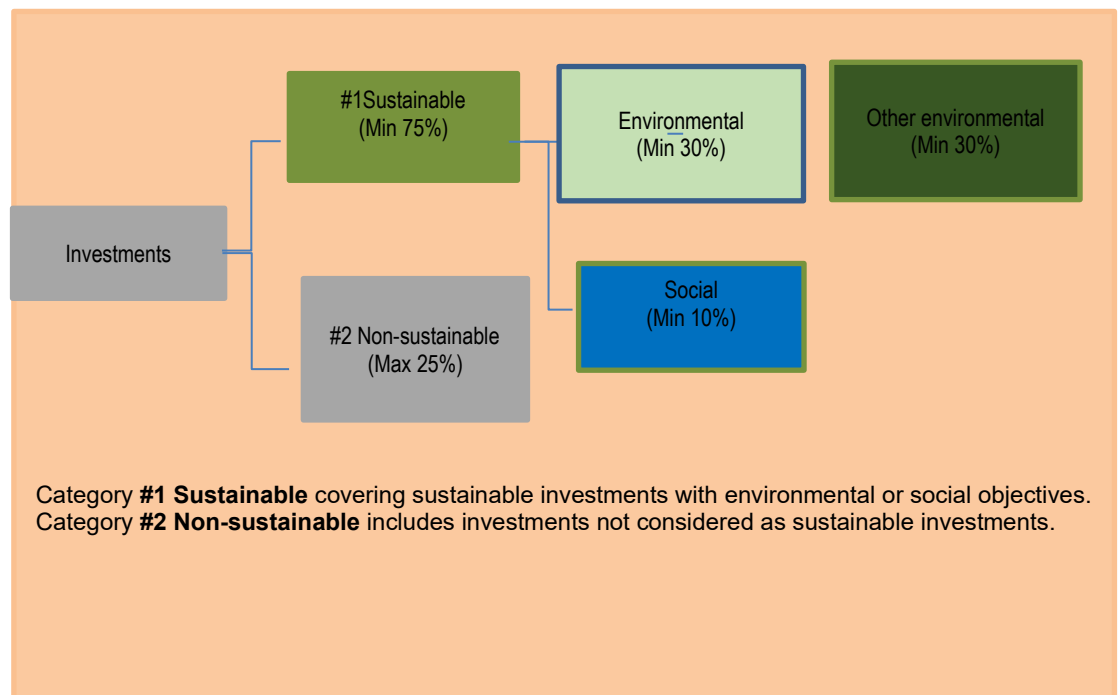
What is the asset allocation and the minimum sustainable investment share?

The sub-fund will have a minimum sustainable percentage arising from Environmental sustainable investments of 30%, and a minimum of sustainable investments arising from Social of 10% - leading to an overall minimum sustainable investment percentage of 75% (some sustainable investments may contribute to both environmental and social sustainable investments). The remaining investments are derivatives, cash and money market instruments. These other investments are held on an ancillary basis and/or for diversification and hedging purposes.

For investments in third party funds, the Investment Manager ensures, through a due diligence process, that the binding elements of the investment strategy used to select the investments are taken into account in order to achieve the objectives of the sub-fund. Due diligence is composed of 5 pillars:

- **Intentionality:** explicit and intentional links to sustainable investment.
- **Portfolio characteristics:** sustainable characteristics among invested companies.
- **Research:** sufficient skills and tools, integrated into methods and processes.
- **Active ownership:** high quality dialogue, supported by clear policies.
- **Transparency:** frequent reporting on commitment and progress towards sustainable goals.

The Investment Manager interacts with fund managers and collects data on their portfolios on a regular basis to ensure compliance with the sub-fund's social objectives.



● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable.



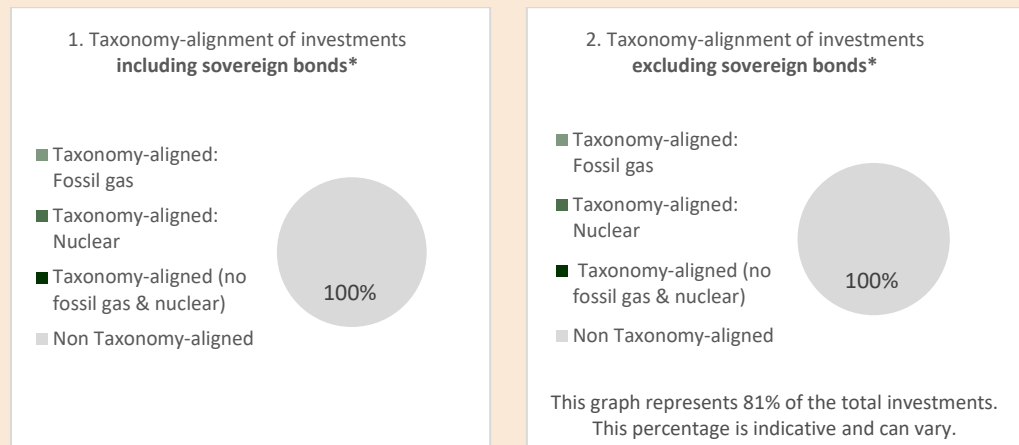
To what minimum extent are sustainable investments with an environmental objective aligned with the EU taxonomy?

The sub-fund intends to make sustainable investments but 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%.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

- Yes:
 - In fossil gas
 - In nuclear energy
- No

The two graphs below show in green the minimum percentage of investments that are 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.*



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

What is the minimum share of investments in transitional and enabling activities?


0%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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.

 The symbol represents sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy?

The sub-fund intends to make sustainable investments. These may be sustainable investments with an environmental objective that are not aligned with the EU taxonomy, as the financial product does not specifically seek to make investments aligned with the EU taxonomy. The minimum share of sustainable investments with an environmental objective that are not aligned with the EU taxonomy is 30%.



What is the minimum share of socially sustainable investments?

The sub-fund intends to make sustainable investments. This can include sustainable investments with a social objective. The minimum share of socially sustainable investments is 10%.



What investments are included under #2 Non-sustainable, what is their purpose and are there any environmental or social safeguards?

Investments included in category "#2 Other" are for diversification and hedging purposes, and cash is held on an ancillary basis. There are no minimum environmental or social safeguards for derivatives and cash due to the nature of these instruments. Where investments are made in money market instruments, these instruments are not allowed as minimum guarantees to invest in issuers from countries against which the EU has imposed an arms embargo on the central government. The "other" portion of the sub-fund will not impact the minimum sustainable percentage of the financial product.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

No.

How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?

Not applicable.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

Not applicable.

How does the designated index differ from a relevant broad market index?

Not applicable.

Where can the methodology used for the calculation of the designated index be found?

Not applicable.

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



Where can I find more product-specific information online?

More product-specific information can be found on the website: <https://www.quintet.lu/en-lu/sfdr>