

FOCUS ON ASIAN REGULATORY ESG REQUIREMENTS

WHAT IS THE DEFINITION OF AN ARTICLE 9 FUND ?

An Article 9 Fund under SFDR is defined as “a Fund that has sustainable investment as its objective or a reduction in carbon emissions as its objective.”

Sustainable Investments are investments in companies engaging in economic activities that facilitate the achievement of at least one of the environmental (“E”) objectives as provided for in the EU Taxonomy Regulation and/or social (“S”) objectives as provided for in the EU regulation on sustainability-related disclosures in the financial services sector (“SFDR”).

WHAT IS THE ESG FOCUS OF THIS FUND?

When selecting the collective investment schemes (“CIS”) to invest in, the Manager and/or Investment Manager will invest only in CIS which are classified as Article 9 in line with the SFDR as defined above.

WHAT IS THE ALLOCATION OF THE FUND TO ARTICLE 9 FUND?

The CIS invested by the Fund will have a range of underlying investments which may reflect exposure to equities and/or equity-related securities, money market instruments, financial derivative instruments (“FDI”), financial indices and/or currencies.

Allocation date: 30/09/2022

| Holdings Name | ISIN Code | Weight % |
|---|--------------|----------|
| AXA World Funds Sustainable Equity | LU0943665264 | 19,16% |
| Amundi MSCI World Climate Transition | LU1437021030 | 18,24% |
| AB Sustainable Global Thematic Portfolio | LU0462791079 | 13,22% |
| AXA World Funds - Framlington Evolving Trends | LU1881742487 | 12,94% |
| RobecoSAM Smart Energy Equities | LU2145463027 | 5,73% |
| Schroder International Selection Fund Healthcare Innovation | LU2016066834 | 5,40% |
| NN L Health & Well being | LU2014374156 | 4,92% |
| BNP Paribas Funds Aqua | LU1165135952 | 4,91% |
| RobecoSAM Smart Mobility Equities | LU2145466475 | 4,78% |
| Baillie Gifford Worldwide Positive Fund | IE00BDCY2N73 | 4,58% |
| Natixis International Thematics Safety Fund | LU1923621996 | 3,93% |
| Cash | | 2,18% |

During the reference period (18/01/22 – 30/09/22), all underlying funds of EPIC are classified article 9.

WHAT IS THE ESG DUE DILIGENCE APPROACH SET UP BY ARCHITAS ASIA ?

The Manager and/or Investment Manager will first carry out quantitative screening assessments on all Article 9 CIS for which E.P.I.C. Global Equity Opportunities may potentially invest in by utilising a proprietary approach designed to provide it with an understanding of how investment performance of an Article 9 CIS was achieved and to highlight consistency in delivering returns.

For Article 9 CIS which have passed the aforementioned quantitative screening assessments, the Manager and/or Investment Manager will then perform qualitative assessments including independent ESG due diligence as described below to select complementary Article 9 CIS investments that strike the best balance in its view between risk, as well as, financial and ESG performance in constructing the portfolio.

The independent ESG due diligence is mainly designed to assess an Article 9 CIS's ESG integration capabilities. The due diligence relies on detailed proprietary ESG questionnaire, followed by face-to-face due diligence meeting(s) with the Article 9 CIS's manager and cover:

- ESG policy and governance
- Integration of ESG consideration in investment decision process of the Article 9 CIS
- Engagement and voting
- Monitoring and reporting of the attainment of the Article 9 CIS's ESG focus and investment objectives

DOES THIS FUND HAS A BENCHMARK?

There is no reference benchmark for this fund.

WHAT ARE ARCHITAS ASIA'S VOTING POLICY AND SHAREHOLDERS RIGHT ?

<https://hk.architas.com/professional-investors/responsible-investing/>

HOW WAS THIS PERIODIC REPORT ON ESG PRODUCED?

As E.P.I.C. Global Equity Opportunities Fund is a fund of fund, Architas collects on regular basis allocation and European ESG Template (EET) of underlying funds.

To calculate ESG metrics, a look-through on the allocation of the funds is performed to obtain allocation at direct investments level. Then, ESG metrics are calculated based on the aggregation of data at direct investments level provided by ESG specialist data provider.

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: E.P.I.C. Global Equity Opportunities Fund

Legal entity identifier: 213800NZSFBLVTZLKH92

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainable investment objective

| Did this financial product have a sustainable investment objective? | |
|--|--|
| <input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> Yes | <input type="radio"/> <input type="radio"/> <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> It made sustainable investments with an environmental objective: <u>0</u> % <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of <u> </u> % of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective |
| <input checked="" type="checkbox"/> It made sustainable investments with a social objective: <u>0</u> % | <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments |

To what extent was the sustainable investment objective of this financial product met?

During the reference period (18/01/22 – 30/09/22), the investment objective of the Sub-Fund was to provide long-term growth of capital with a medium to high volatility level from a diversified and actively managed portfolio of securities with a focus on Sustainable Investments.

Please note that the 0% in sustainable investments with an environmental objective and 0% in sustainable investment with a social objective noted in the table above, is based on the fact that there are challenges in sourcing reliable data in order to be able to categorize which objective the assets should be counted in, environmental or social. All assets within this fund (excluding cash) meet the definition of sustainable investments.

“Sustainable Investments” are investments in economic activities that contribute to at least one of the environmental objectives as provided for in Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending the SFDR (the “Taxonomy Regulation”) and/or social objectives as provided for in the SFDR, do not significantly harm any of these environmental and/or social objectives, and where the issuer of each investment follows, in the Manager’s view, good governance practices.

While the fund has sustainable investment as its investment objective and commits to hold 100% of its Net Asset Value (excluding cash) in investments that the Manager believes are Sustainable Investments, the fund is not allocating a specific minimum threshold between environmental and/or social sustainable investments as this will depend on the availability of any given sustainable investment.

For the avoidance of doubt, when investing in underlying funds classified as article 9, the Manager considered such funds as sustainable investments.

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

The sustainability indicators used to assess the extra-financial performance of the fund were :

1. The percentage of investment in underlying funds classified as Article 9 (which have a sustainable objective) according to the SFDR regulation.

This threshold of at least 90% of investments in products classified as Article 9 has been respected over the reference period (18/01/22 – 30/09/22).

In order to verify compliance with this constraint, we calculated an annual average per fund of the investments in underlying funds being Article 9 at the end of each quarter. The result of this calculation shows the threshold of 99.08%.

2. The last ESG quality score was : 3.87 (calculated as at 30.09.2022)

The evaluation of the ESG qualitative analysis questionnaire makes it possible to establish an ESG score ranging from 0 to 5 on each of the four parts of the questionnaire:

- ESG policy and governance
- ESG Integration
- Engagement and stewardship
- Risk and Reporting

The process leads to an overall ESG score between 0 (lowest score) and 5 (highest score). Underlying funds with an overall ESG score below 2 are systematically excluded from the investable universe.

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.

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

All of the underlying assets comply with the Do No Significant Harm “DNSH” requirement, due to the fact they are all classified as Article 9.

Since Q4 2022, underlying funds' approach to the DNSH requirement has been assessed as part of the ESG Due Diligence of the fund.

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

The Fund was not been able to go to the granular level of evaluating adverse impacts on sustainability factors due to the current difficulty in obtaining reliable data. The Manager is working to address this challenge.

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

During the reference period, we evaluated human rights issues which may include alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

As part of the ESG due diligence process, we evaluated each underlying fund manager’s approach to issues concerning human rights through the exclusion policies applied by each fund manager.

The underlying funds' exclusion policies were taken into account as part of the ESG Due Diligence for fund selection.



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

The Fund was not been able to go to the granular level of evaluating adverse impacts on sustainability factors due to the current difficulty in obtaining reliable data. The Manager is working to address this challenge.



What were the top investments of this financial product?

| Largest investments | % Assets |
|--------------------------------|----------|
| AXA WORLD FUNDS GLOBAL FACTO | 14,37% |
| AMUNDI MSCI WORLD CLIMATE TRAN | 14,03% |
| SUSTAINABLE GLOBAL THEMATIC PO | 13,60% |

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: from 18/01/2022 to 30/09/2022

| | |
|--------------------------------|--------|
| ROBECO CAPITAL GROWTH FUNDS | 10,56% |
| AXA WORLD FUNDS FRAMLINGTON | 9,86% |
| NN L HEALTH + WELL BEING | 5,62% |
| BNP PARIBAS FUNDS AQUA | 4,93% |
| BAILLIE GIFFORD WORLDWIDE POSI | 4,80% |
| AXA WORLD FDS SICAV | 4,57% |
| AXA WORLD FUNDS ACT CLEAN EC | 4,42% |
| CANDRIAM SUSTAINABLE EQUITY | 4,27% |
| NATIXIS INTERNATIONAL FUNDS LU | 4,04% |
| SCHRODER INTERNATIONAL SELECTI | 4,02% |

The table above lists the main investments in this product during the reference period (18.01.2022 to 30.09.2022).

To produce it, the approach was as follows:

1. Recovering the fund's assets under management at the end of each quarter;
2. Sum the market values in position on the same company;
3. Divide the amounts obtained by the total assets under management of the fund;
4. Obtain the percentage of net assets associated with the company;
5. Rank the most important investments of the reference period in descending order.



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

0%.

● **What was the asset allocation?**

During the reference period, the Sub-Fund held on average* 99% of its Net Asset Value in Eligible CIS and direct investments that the Manager believes are Sustainable Investments.

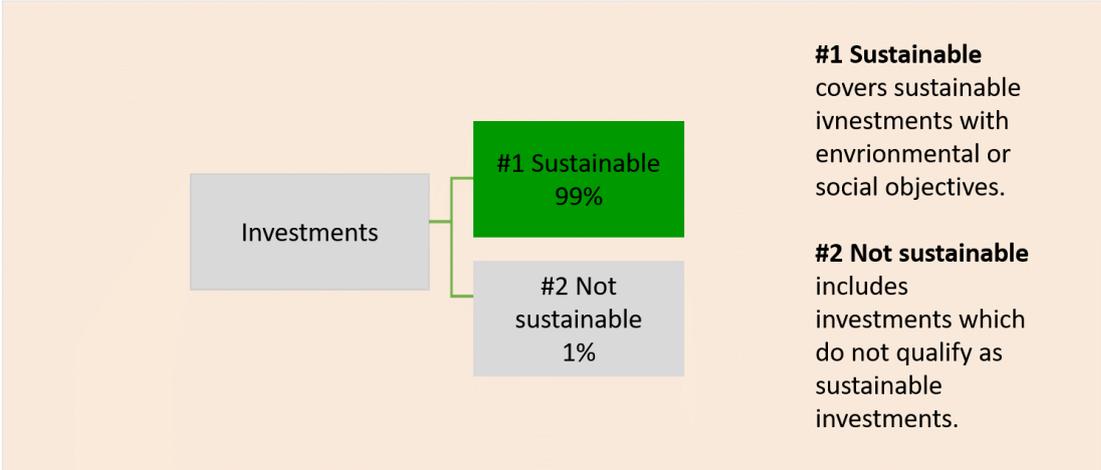
*Calculation of an annual average per fund of investments in underlying funds being Article 9 at the end of each quarter.

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.

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 emission levels corresponding to the best performance.



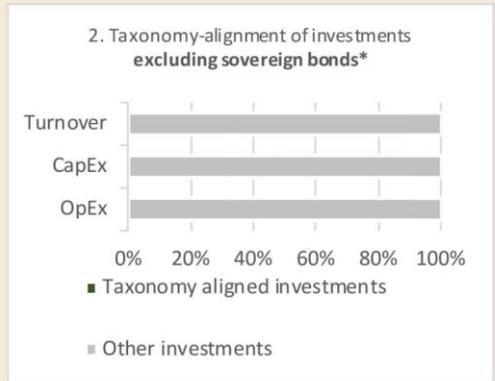
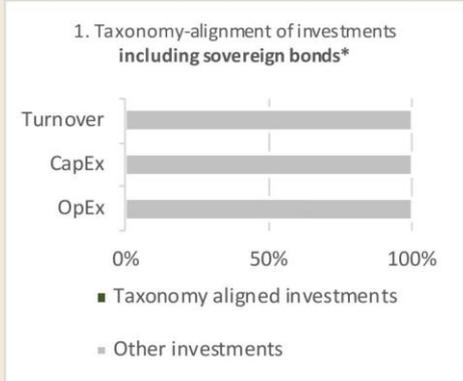
In which economic sectors were the investments made?

As the Fund is managed on a multi-management basis (fund-of-funds structure), investments have been made mainly in underlying funds (UCIs). In view of this structure, we cannot provide relevant answers.



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

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.



*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?**

0%.

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

Non-applicable.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



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

0%.



- **What was the share of socially sustainable investments?**

0%.



- **What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

"Not sustainable" included cash and money market instruments, for purposes such as general running of the fund and for liquidity. Cash and money market instruments are not subject to additional minimum environmental or social safeguards.



- **What actions have been taken to attain the sustainable investment objective during the reference period?**

During the reference period, the Fund continued to be fully compliant with its sustainable investment objective as stated in the Annex II. It did so by holding 100% of its Net Asset Value (excluding cash) in investments that the Manager believes are Sustainable Investments. For the avoidance of doubt, when investing in underlying funds classified as article 9, the Manager considers such funds as sustainable investments.

In the instance that an underlying fund was considering reclassification i.e. an article 9 fund contemplating being reclassified as article 8, the Manager took proactive measures and made the necessary portfolio changes to continue to meet the sustainable investment objective. This included direct engagement with Fund Managers of underlying funds to understand current and future classification and the related rationale.



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

Non-applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

- *How did the reference benchmark differ from a broad market index?*

Non-applicable.

- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*

Non-applicable.

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

Non-applicable.

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

Non-applicable.