ANNEX II

pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Blue Sky Active Fixed Income Emerging Market Debt USD Denominated Fund
Legal entity identifier: 724500IV7LZODNCWGC07

Environmental and/or social characteristics

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:** ___% ☐ 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 **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 will make a minimum of **sustainable investments with a social objective:** ___%	X It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics, but does not have an objective to make any sustainable investments.

Country exclusion policy

- The fund will not invest in sovereign issuers that classify as ‘Not Free’ by the Freedom House Index.

Corporate exclusion policy
- The fund wil not invest in issuers that have violated the UN Global Compact (“**UNGC**”).
- The fund will not invest in issuers that are involved with controversial weapons.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

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 fund promotes the following environmental and social sustainalble characteristics:

- Country exclusion policy:
  - Absence of investments of sovereign debt of countriees that classify as ‘Not Free’ in the Freedom House Index.
- Corporate exclusion policy
  - Absence of investmens in debt issued by state-owned enterprises that have >50% ownership by a sovereign that classifies as ‘Not Free’ in the Freedom House Index.
  - PAI # 10 Violaters of UNGC are exluded.
  - PAI # 14 controversial weapons are excluded.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The fund has the following sustainability indicators:

- The fund has decarbonization targets as described above which are in line with the minimum standards for EU Climate Transition Benchmarks (EU CTBs) under Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011.
- The number of companies that are in violation of the UNGC or OECD guidelines for Multinational companies.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The sustainable investments do no significant harm to any environmental or social sustainable investment objective by considering a principal adverse impact and aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding

Principles on Business and Human Rights. In addition, sustainable investments made through the Climate Transition Benchmark follow eligibility requirements as per Article 12 of the EU regulation Climate Transition Benchmarks and sustainability-related disclosures for benchmarks and follows the fund manager's exclusion policy.

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

All sustainable investments are constituents of the Climate Transition Benchmark and follow the constraints as agreed upon in the IMA with the external asset manager which include the fund manager's ESG-policy and the manager selection and monitoring policy and exclusion policy. Thereby assessing the following PAI indicators:

- PAI #2: Carbon Footprint

- PAI #10 Violations of the UN Global Compact ("**UNGC**") principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises)

- PAI #14 Exposure to controversial weapons

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

The sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights via Blue Sky Group's Exclusion Policy.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

X Yes, the fund considers principal adverse impacts on sustainability factors as referred to in Annex 1 of the SFDR Delegated Act. The following principal adverse impacts on sustainability factors are considered via the IMA with the external manager which includes the fund manager's exclusion policy:

- PAI 10: violation of UNGC.
- PAI 14: exposure to controversial weapons.

No

What investment strategy does this financial product follow?

An active strategy in relation to the benchmark is followed.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

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

The funds has the following binding elements:

- Adherence to the Country and Corporate exlusion policy.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

The fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

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

The fund excludes companies that violate the UNGC criteria.

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

The fund is required to assess good governance practices of investee companies. It is expected that the companies conduct their operations in accordance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the UNGC principles.

When considering an investment using fundamental techniques, the fund manager of the fund (BSG Fund Management B.V.) considers whether the portfolio holdings meet good governance practices, in particular with respect to sound management structures and employee relations. Among the considerations included within a fundamental assessment are:

• Management Structures: accurate reporting to the markets (e.g. unqualified annual financial statements); compliance with Principle 10 of the UNGC on antibribery and corruption; the ability of the board to challenge and counsel management; and board diversity.

• Employee Relations: compliance with Principle 4 of the UNGC on forced and compulsory labour; and history of strikes or other material labour strife

Asset allocation describes the share of investments in specific assets.

In addition, the Investment Manager is a signatory to the UN Principles for Responsible Investment (UNPRI). As a signatory, the good governance practices of investee companies are also assessed by having regard to the UNPRI principles prior to making an investment and periodically thereafter.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to 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.

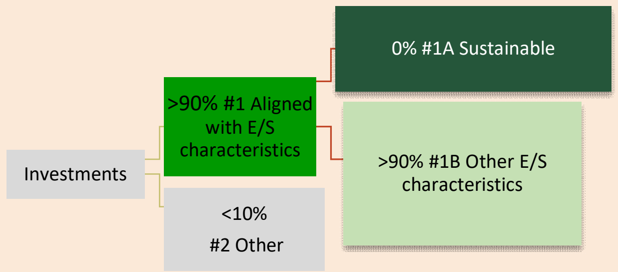
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best

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.

What is the asset allocation planned for this financial product?

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

The fund does not make use of derivatives to attain the sustainable objective



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

promoted by the financial product. In case the fund uses derivatives, the underlying shall comply with the investment policy of the fund. Where relevant, minimum environmental or social safeguards are taken into account.

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

0%

The fund commits to a minimum share of 0% of Taxonomy-aligned activities.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

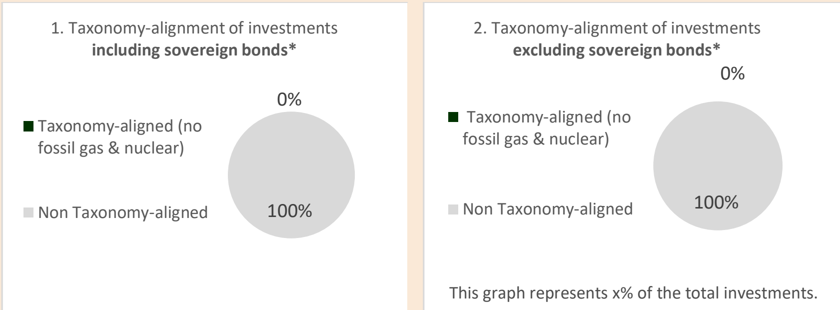
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Yes:

In fossil gas   In nuclear energy

X 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%

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

0%

What is the minimum share of socially sustainable investments?

0%
The fund does not intend to make investments to sustainable investments with a social objective. However, it cannot be disregarded that some companies contribute to social objectives.

What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

The type of instruments included under "#2 Not Sustainable" and their purpose are outlined in Annex I of this Prospectus under the header 'Financial instruments and investment restrictions'. Amongst others, the use of cash, cash equivalents and derivatives is included under "#2 Not Sustainable". In case the fund uses derivatives, the underlying shall comply with the investment policy of the fund. Where relevant, minimum environmental or social safeguards are taken into account.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

Yes, a customised benchmark is contsructed to exludes countries and companies according to the exlusion policy.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

The reference benchmark is customized to take into account the corporate and country exclusions. Hence it is aligned with the promotion of Environmental and/or Social characteristics.

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

The index composition is tailored to the promotion of enveronmental and/or social charateristics resulting from the application of the corporate and country exclusion policy.

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

The customised benchmark differs from the broad market index as it exlcudes issuers that do not meet the criteria set in the country and company exlusion policy.

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

The index construction is further tailored to implement exlusions of issuers that are in breach of the country and company exclusion policy.

Where can I find more product specific information online?

More product-specific information can be found on the website**:** **https://www.blueskygroup.nl/nl/esg-wet-en-regelgeving**