UNIGESTION

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Article 10 (SFDR)
Website disclosure for an article 8 fund

UNI-GLOBAL – Total Return Bonds

Product Name: **Total Return Bonds**	Legal identity identifier: **222100EOPY8L2BBVR224**

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 had a 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: __%**	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

A. Summary

The Sub-Fund promotes environmental and social characteristics by investing in instruments that operate across the entire value chain. The main characteristics promoted is to have an overall Greenhouse Gas (GHG) intensity lower than the GHG intensity of the Bloomberg Global Treasury (BTSYTRUU Index) (the "**Sovereign Index**"), whose countries in the worst/highest decile (10%) have been removed. The sub-fund also targets an overall ESG score better than the ESG score of the Sovereign Index, whose countries in the worse quintile (20%) have been removed. The Sovereign Index is only used to determine the GHG intensity target and the ESG target of the sub-fund's portfolio.

The Sub-Fund employs a 3-pillar investment strategy to attain its environmental or social characteristics promoted, including
(1) Liquidity Screening,
(2) Pillar I: Exclusionary screening based on various ESG aspects,
(3) Pillar II: ESG guidelines aiming at identifying and positively tilting towards investee countries with better ESG scores, and negatively tilting away from the ones with the worst ESG scores., and
(4) Pillar III: Parallel process to promote commitment to climate and responsible investments through investing at least 50% of the targeted country weight to government green bonds, whenever available.

To measure the attainment of the environmental or social characteristics, the Investment Manager utilizes external ESG ratings, assessments and KPIs from external ESG data providers. The main sustainability indicators used to measure the Greenhouse Gas intensity of the portfolio is the carbon intensity as a percentage of GDP for countries in the sovereign

bonds' asset class. The CO2e indicator is then combined with the ESG score of portfolio countries that is used to achieve the higher ESG score at portfolio level.

The sub-fund does not use a benchmark to assess its environmental or social performance but uses different indicators to assess such performance of its investments.

B. No sustainable investment objective

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

C. Environmental or social characteristics of the financial product

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

The sub-fund considers ESG for sovereign bonds it is holding. The main characteristics promoted is to have an overall Greenhouse Gas (GHG) intensity lower than the GHG intensity of the Bloomberg Global Treasury (BTSYTRUU Index) (the "Sovereign Index"), whose countries in the worst/highest decile (10%) have been removed. The sub-fund also targets an overall ESG score better than the ESG score of the Sovereign Index, whose countries in the worse quintile (20%) have been removed. The Sovereign Index is only used to determine the GHG intensity target and the ESG target of the sub-fund's portfolio.

The ESG characteristics do not apply to corporate bonds.

The Sovereign Index does not take into account the environmental and social characteristics promoted by the sub-fund, which are expected to be achieved by the investment strategy of the Investment Manager.

Does this financial product take into account principal adverse impacts on sustainability factors?

☐ Yes

☒ No

D. Investment strategy

What investment strategy does this financial product follow?

For our sovereign bonds' holdings, we first define an investable investment universe, which is comprised of all government bonds held in the Sovereign Index.

Prior to applying ESG related exclusionary screenings, we filter the Sovereign Index based on liquidity measures and exclude the countries having a below average liquidity score. We use

Bloomberg's Liquidity Assessment (LQA) score as a measure, which assesses positions' liquidity risk by quantitatively estimating a security's liquidity.

Prior to applying ESG related exclusionary screenings, we filter the Sovereign Index based on liquidity measures and exclude the countries having a below average liquidity score. We use Bloomberg's Liquidity Assessment (LQA) score as a measure, which assesses positions' liquidity risk by quantitatively estimating a security's liquidity.

Liquidity is measured in terms of the security's liquidation cost (i.e., the deviation of the liquidation price from fair value price), liquidation horizon (i.e., the estimated number of trading day to liquidate an associated volume), and level of uncertainty for both the liquidation cost and liquidation horizon. LQA's methodology combines traditional market impact models with machine learning techniques to account for all the relevant factors influencing liquidity.

The resulting list of countries composes the remaining relevant choices on which Pillar I (Exclusionary screenings) and Pillar II (ESG guidelines) will subsequently be applied.

Step 1. Exclusionary screening (Pillar I):

The exclusions are applied to the remaining relevant choices in the first step of the investment process. The sub-fund considers three such exclusions:

- **Non-covered countries**: Countries not covered by the ESG score established by Unigestion,
- **Worst-in-class countries:** Countries with the worst ESG scores (worst decile) of the Sovereign Index, and
- **High carbon emitters:** Large emitters of greenhouse gases (GHG) (i.e., countries with carbon emissions of more than 40% of GDP (KG/PPP $ of GDP))

Step 2. Portfolio Construction (Pillar II: ESG guidelines):

We require our portfolios to maintain an ESG score higher than the Sovereign Index on an ongoing basis. This is achieved through a positive tilt to countries with better ESG scores and a negative tilt to the ones with the worst ESG scores.

The global country allocation is then determined through an optimisation process on the remaining relevant choices. The objective is to maximise the overall ESG score and keep GHG intensity below the Sovereign Index level, while maintaining a diversified allocation across countries by controlling the tracking error versus the initial allocation. At this stage, by effectively favouring countries with higher ESG scores, we ensure that the overall ESG score is above the Sovereign Index while the allocation across countries is not distorted by too many exclusions.

Target allocations resulting from Pillar I and Pillar II will be reviewed on a bi-annual basis on June 30th and December 31st and changes, if applicable, will be implemented in the first 15 days of the following month.

Step 3. Parallel process (Pillar III):

Investing in green bonds is one way to promote commitment to climate and responsible investment and we have decided to favour them over other government bonds. We implement our allocation such that:

- If **government** green bonds are available for a country, we will allocate at least 50% of the targeted country weight to government green bonds.
- We **exclude** green bonds issued by supranational and regional entities or government backed companies.

New issuers of green bonds by countries eligible in the target allocations will be invested, based on availability, during the semi-annual re-allocation process.

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 binding element of the sub-fund is that it will strive to reach all the goals set in the below table by applying a 3-pillar investment strategy as further described above.

How is the strategy implemented in the investment process on a continuous basis?

For Pillars I and II of the investment strategy, the asset manager performs the initial analysis, and the risk manager reviews the framework initially and implements pre- and post-trade checks on a daily basis. Target allocations resulting from Pillars I and II will be reviewed on a bi-annual basis on June 30th and December 31st, and changes, if applicable, shall be implemented in the first 15 days of the following month. For Pillar III of the investment strategy, the Asset Manager does the deep dive based on various info (ESG ratings, research and newspapers,), the risk manager validates it via independent stress tests (climate risk), and performs standard checks based on investment guidelines.

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

We take into account ESG criteria in different layers of our decision-making process.

As an active manager, we frequently review every holding in our portfolios.

As part of our review, we focus on E, S & G criteria in order to determine the risk of our holdings with respect to any of these criteria. All of the categories mentioned are considered within our G score and are regularly monitored.

We then monitor this fact on a daily basis through the risk management process and if the situation of any of our holdings changes, we will sell the position at most during next rebalancing of the sub-fund.

The consideration of good governance practices of investee countries is part of each pillar abovementioned. As governance is a considerable part of the ESG rating, the Sub-Fund will naturally tilt the portfolio towards countries with better governance practices (Pilar II).
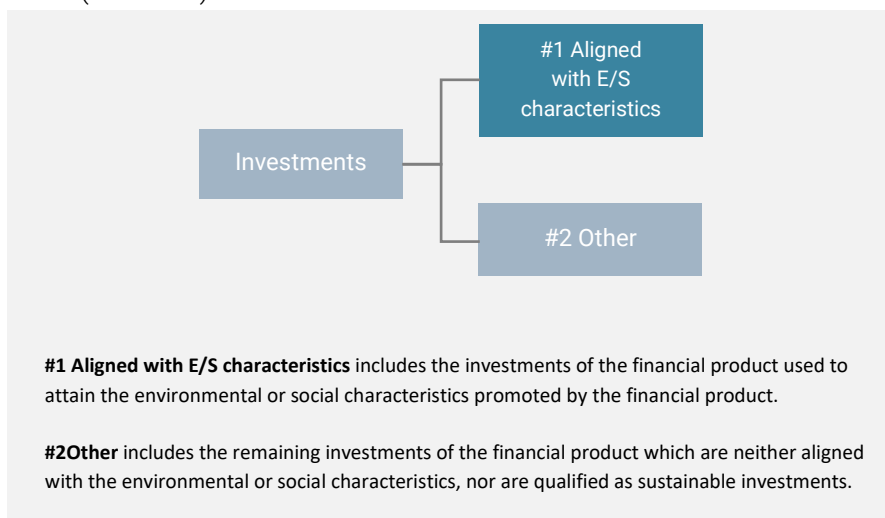
E. Proportion of investments

What is the planned asset allocation for this financial product?

The sub-fund will invest at least 80% of its NAV sovereign bonds that qualify as aligned with the E/S characteristics promoted (#1).

The sub-fund is allowed to invest up to 20% of its NAV in cash, cash equivalents, derivatives or corporate bonds (#2 Other).

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                              ┌──── #1 Aligned
                              │     with E/S
                              │     characteristics
          Investments ───────┤
                              │
                              └──── #2 Other
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#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.

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

1. Cash and cash equivalents for liquidity purposes
2. Hedging instruments in order to reduce market risks
3. Corporate bonds for diversification purposes

Such investments do not follow any minimum environmental or social safeguards.

F. Monitoring of environmental or social characteristics

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

KPI	Measure	Goal	Methodology
1. Relative Decarbonization	KG/PPP $ of GDP	<total GHG intensity level of the Sovereign Index	Green House Gas (GHG) Intensity of the country. Aggregation on the portfolio level.

2. Relative ESG Score Rank	unit	>ESG Score Rank of the Sovereign Index	Environmental, Social and Governance combined score, based on an internal methodology. Aggregation on the portfolio level. The ESG Score ranges from 0 to 100, 0 being the worst and 100 being the best. More information on the internal methodology used to compute the ESG Score can be found at https://unigestionfile.blob.core.windows.net/public/922869b0-9540-4868-a56d-62a2ffbf58b0.PDF .
3. Green Bonds	% Allocation	>=50% of target country allocation	Only applicable to Government Green Bonds, while green bonds issued by supranational and regional entities or government-backed companies are excluded.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The monitoring of these indicators is done on an ongoing basis throughout the lifecycle of the Sub-Fund. In addition, the Investment Manager has a dedicated Responsible Investment Committee which is sponsored by Investment Manager's CEO that leads the development and integration of SRI principles into all the investment processes.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The methodology used to measure the attainment of the ESG characteristics promoted by the Sub-Fund is part of the second pillar of the investment strategy and supported through the continuous positive tilt toward investments with better ESG score and lower aggregate GHG intensity.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

As data sources, the investment manager employs a combination of research, news, and data from external research providers including but not limited to Sustainalytics, S&P Trucost and Transition Pathway Initiative.

To measure the attainment of the environmental or social characteristics, the investment manager utilizes external ESG ratings, assessments and KPIs from external ESG data providers. Prior to using external ESG data, the data source and the methodology of the external provider are assessed. Once the service provider is selected, their external data will never lead to the investment manager's mechanistic reliance on that ESG assessment. Instead, the investment manager will use the external data as an additional, but not the sole, source for the internal assessments. The following external ESG data sources are currently used:

- Sustainalytics
- Trucost
- ISS
- TPI
- IMF
- World Bank
- Witch Model

The ESG scores for countries are then built internally using the data provided externally as explained above.

I. Limitations to methodologies and data

If any, what are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The security selection can involve a significant element of subjectivity when applying ESG filters. Indeed, the way in which the sub-fund incorporates ESG factors in its investment processes may vary depending on the investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing the portfolio construction.

In addition, the extra-financial management process relies in part on data provided by external rating agencies, which may apply different models and which may contain inaccurate or incomplete data. In case of insufficient data, ESG data providers may rely on estimates and approximations using internal methodologies that may be subjective. These methodologies may also vary for each data provider. As the sub-fund rely in part on this data in making investment decisions, such uncertainty in data collection may negatively impact portfolio performance. In addition, it should be noted that the consideration of extra-financial data when constructing portfolios may lead to the exclusion of certain issuers and imply the foregoing of certain investment opportunities that would nevertheless be available to a fund not considering such data.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Our aim of the strategy is to use a combination of quantitative and qualitative capabilities to identify a diversified set of countries which aids investors to get exposure to an ESG

conscious portfolio while controlling for various market risks and biases including crowding and valuation.

We create an ESG case for each of our candidates.

We use various country and external data sources to gather ESG relevant information for each candidate (i.e., GHG, Net Zero targets and Process, exposure to green or brown activities, physical risk assessment and so on). We also verify the fundamental characteristics of the country.

If all of the above steps collectively check out and agreed upon with the ESG working group during the preliminary review, we invest in the candidate country.

For objectives as drafted within our pre contractual documents, as well as strict filters, the risk management independently verifies each, pre and post trade in order to confirm the compliance at stock level and portfolio level.

K. Engagement policies

Is engagement part of the environmental or social investment strategy?

☒ Yes

☐ No

If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)

Pillar III of the investment strategy represents the sub-fund's engagement efforts where the Investment manager has parallel considerations such as investing in green bonds in the case of sovereign investments that are considered relevant to the asset class.

The investment manager's proxy voting is carried out by the Investment manager's proxy voting adviser called Institutional Shareholder Services (ISS) using an enhanced version of its International Sustainable Proxy Voting policy. The investment manager monitors the voting guidelines to ensure they are aligned with its approach to stewardship.

Engagement activities are directed by the Responsible Investment Committee (RIC) and conducted by the Corporate Engagement Team.

L. Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

☐ Yes

☒ No