

## ILLUSTRATIVE MOCK-UP 2

### PRE-CONTRACTUAL DISCLOSURE OF A PRODUCT THAT PROMOTES E/S CHARACTERISTICS (WITHOUT ICONS)

This product has:

An ESG objective

ESG characteristics

### Environmental and/or social characteristics

<p>This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.</p>	<p><i>Explanatory notes</i></p>
<p><b>What environmental and/or social characteristics are promoted by this financial product?</b></p>	
<p>The characteristics promoted by this financial product consist of investing in corporates with excellent Environmental, Social and Governance ratings while excluding issuers producing nuclear power, owning fossil fuel reserves, producing tobacco or military weapons as well as any company from the gambling sector.</p> <p>This product is passively managed. Its objective is to track the performance of TRXI World 5% Issuer Capped ESG Index, and to limit to max. 1% the tracking error between the net asset value of the product and the performance of the Index.</p>	
<p><b>What investment strategy does this financial product follow?</b></p>	
<p><b>What investment strategy does this financial product follow to meet the E/S characteristics?</b></p> <p>The investment strategy aims at tracking the TRXI World 5% Issuer Capped ESG Index.</p> <p>The TRXI World 5% Issuer Capped ESG Index applies a max 5% weight to the largest holdings of the TRXI World ESG Index. The latter captures companies with excellent Environmental, Social and Governance ratings, following a best-in-class investment strategy, while excluding issuers producing nuclear power, owning fossil fuel reserves, producing or selling tobacco or military weapons as well as any company from the gambling sector.</p>	<p><i>An investment strategy is what guides the decision on what to invest in based on e.g. investment goals, risk tolerance and future needs for liquidity.</i></p> <p><i>E/S stands for "environmental and/or social"</i></p>

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Both the TRXI World 5% Issuer Capped ESG Index and the TRXI World ESG Index serve as a potential replacement for current TRXI World index exposure for investors interested in selecting corporates with the best ESG ratings while eliminating companies that have a negative impact on certain sustainability factors from their portfolio

### **What are the binding elements for the investment selection?**

This product is aligned with the TRXI World 5% Issuer Capped ESG Index at 95%.

The TRXI World 5% Issuer Capped ESG Index, tracked by this product, targets securities of companies with the highest ESG ratings making up 25% of the market capitalization in each sector and region of the parent index. Companies must have an RTT ESG rating above 'BBB' and the RTT ESG Controversies score greater than 4 to be eligible for the TRXI ESG Index. The Index applies a maximum 5% weight to the largest holdings.

The exclusion of issuers producing nuclear power, owning fossil fuel reserves, producing tobacco or military weapons as well as any company from the gambling sector is another binding element.

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

The investment seeks to provide investment results that, before fees and expenses, correspond generally to the total return performance of the TRXI World 5% Issuer Capped ESG Index. Normally, the fund generally invests substantially all, but at least 95%, of its total assets in the securities comprising the index. In addition, it may invest in equity securities that are not included in the index, cash and cash equivalents or money market instruments. The fund is non-diversified.

Compliance with the characteristics is monitored on a regular basis.

### **Is there an amount of potential investments excluded, as a result of the implementation of the selection criteria?**

No

Yes, the implementation of the selection criteria leads to the exclusion of at least 50% of potential investments.

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

The investee companies are rated for governance aspects using the RTT ESG Ratings ([www.RTT-ESG-Rating.com](http://www.RTT-ESG-Rating.com)).

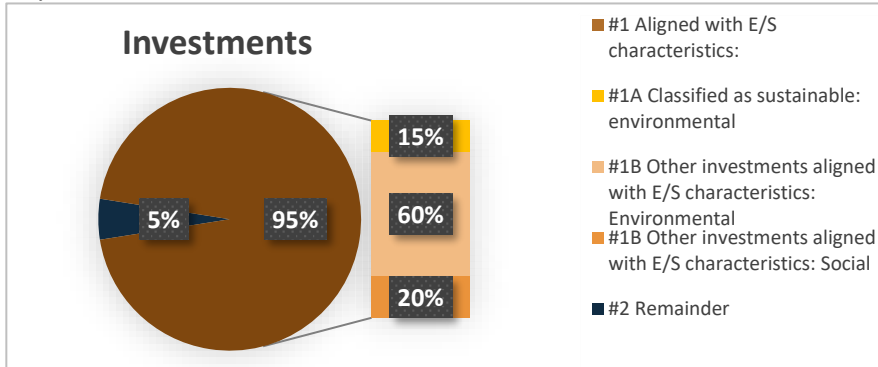
*Binding elements are commitments that cannot be amended during the life of the financial product.*

*Governance is about a company's leadership, remuneration of staff (incl. executives), audits, internal controls, shareholder rights, tax compliance and its relations to other stakeholders.*

### **What is the minimum asset allocation planned for this product?**

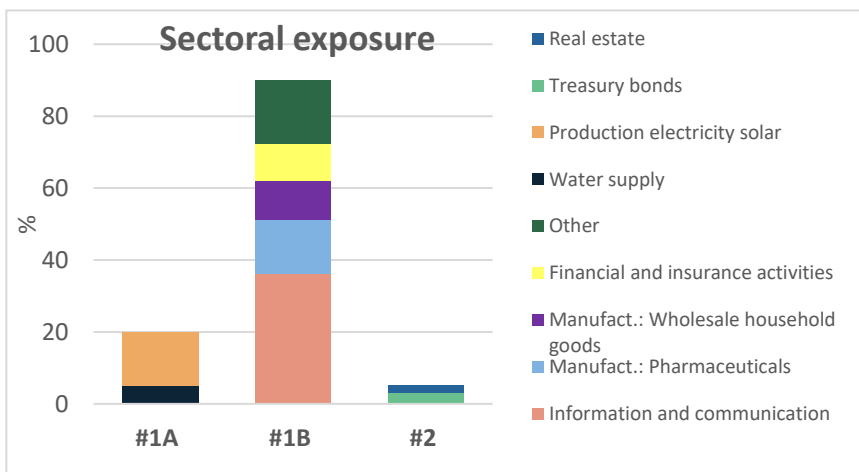
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The fund invests in direct holdings. In order to meet the environmental or social characteristics promoted, the fund generally invests at least **95%** of its total assets in the securities comprising the TRXI World 5% Issuer Capped ESG Index . Hence, **95%** of the investments are aligned with the environmental characteristic (this includes **15%** of the total investments that are qualified as sustainable, some of which are classified as environmental investments under the EU framework to facilitate sustainable investment). **5%** of the total investments do not incorporate any environmental or social characteristic.



In which economic sectors are the investments made?

The fund is mostly exposed to the Information Technology and Health Care sectors.



Does this financial product make use of derivatives?

Yes <input type="checkbox"/>	If yes, how is the use of derivatives aligned with the E/S characteristics? <input type="checkbox"/> yes <input type="checkbox"/> no Explain:
No <input checked="" type="checkbox"/>	

**Asset Allocation** is one element of the implementation of the investment strategy, it describes which percentage of your investments goes into what type of assets.

The category **#1 Aligned with E/S characteristics** includes any investment that is aligned with the characteristic:

- The **Subcategory #1A** covers investments that are qualified as sustainable. A sustainable investment means an investment in an economic activity that contributes to an environmental objective, measured for example by key resource efficiency indicators such as CO2 emissions, or the use of water, or an investment that contributes to a social objective, such as tackling inequality or that fosters social cohesion.

- The **sub-category #1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that **do not** meet the criteria of 'sustainable investment'.

- **#2Remainder** includes investments which are not aligned with the E/S characteristics, nor are qualified as sustainable.

**Derivatives** are financial instruments whose value derives from the value of an underlying asset, but is not equal to an actual investment in the underlying.

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**What investments are included under “#2 Remainder”?**

The fund may invest in equity securities that are not included in the index, cash and cash equivalents or money market instruments.

**How will sustainable investments contribute to a sustainable objective and not significantly harm any other sustainable investment objectives during the reference period?**

*This section only concerns the portion of **sustainable investments illustrated above (#1A Sustainable)**, and not the other E/S characteristics part, nor the remainder*

**How will sustainable investments of the financial product contribute to a sustainable objective?**

Investments in solar photovoltaic energy production are considered as significantly contributing to climate change mitigation under the EU Taxonomy. The investments in companies supplying water contribute to climate change adaptation. The activity of the company supplying water has a substantial contribution to GHG emissions savings through low specific energy consumption in the water supply system measured in kWh per cubic meter of water. Nonetheless, all of the selected companies supplying water might not be compliant with EU Taxonomy energy consumption thresholds for substantial contribution to climate change adaptation. Our applied threshold is that of 1 kWh per cubic meter of water, instead of 0.5 kWh as per the EU Taxonomy.

*An investment that contributes to an environmental or social objective can only be considered “sustainable” where it demonstrates a contribution to an environmental or social objective, and it does **not significantly harm** any (other) sustainability objective.*

**How are principal adverse impacts on sustainability factors taken into account?**

Upon investment and over the life of the product, we assess and monitor indicators that are deemed to indicate the presence of a principal adverse impact as per EU law, except for all biodiversity-related indicators, for which we are unable to collect data. More details can be found under the prospectus section on Adverse Impact.

***Principal adverse impacts** are the biggest negative impact of the investments on sustainability factors (environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.)*

We address adverse impacts by engaging with investee companies. We use research from proxy voting companies to help us decide how to vote.

*The **EU Taxonomy** is a classification of environmental activities approved by the European Union.*

**How are investments excluded that significantly harm sustainable investment objectives?**

All investments qualifying as sustainable (15%) are screened against all significant harm indicators relevant to solar photovoltaic energy production and water supply under the EU Taxonomy, with the exception of biodiversity-related indicators. Environmental Impact Assessment have been completed where relevant.

The implementation of site-level biodiversity management plan complies with the IFC Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.

The production of electricity from solar Photovoltaic did not substantially undermine climate change mitigation.

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## What sustainability indicators are used to assess the E/S characteristics of this product?

The indicators used are:

- highest ESG ratings making up 25% of the market capitalisation in each sector and region of the parent index. Companies must have an RTT ESG rating above 'BBB' and the RTT ESG Controversies score greater than 4 to be eligible for the TRXI ESG Index. The Index applies a maximum 5% weight to the largest holdings.
- No economic activity of production of nuclear power, no ownership of fossil fuel reserves, no involvement in production or sale of tobacco or military weapons as well absence of activities in the gambling sector. As regards the 15% of investments qualifying as sustainable, indicators used are the one described in the relevant section above.

*Sustainability indicators are used to measure the attainment of each of the E/S characteristics promoted by the financial product.*

## Can I find on-line more product-specific information?

You can find more information about the data sources and methodologies used at: [www.investorYX/5%CappedESG-ETF-fund.com](http://www.investorYX/5%CappedESG-ETF-fund.com)  
You can read about our assessment of the principal adverse impacts of our entity on sustainability factors at:  
[www.investorYX/sustainability/adverse\\_impact\\_statement](http://www.investorYX/sustainability/adverse_impact_statement)

## Is a specific index designated as a reference benchmark to determine whether this product is sustainable?

no

**yes**, however the reference benchmark is **not aligned** with all of the environmental or social characteristics promoted. Details:

This product is 95% aligned with the TRXI World 5% Issuer Capped ESG Index. The Index is a capitalisation weighted index that limits company concentration by constraining the maximum weight of a company to 5%. It is a capped version of the TRXI World ESG Index which provides exposure to corporates across the world with excellent Environmental, Social and Governance (ESG) ratings and excludes companies which are producing nuclear power, owning fossil fuel reserves, producing tobacco or military weapons as well as any company from the gambling sector.

The TRXI World ESG Index is designed for investors seeking a diversified sustainable benchmark comprised of companies with strong sustainability profiles while avoiding companies incompatible with values screens.

The TRXI World ESG Index is constructed in the following way. First issuers producing nuclear power, owning fossil fuel reserves, producing tobacco or military weapons as well as any company from the gambling sector is excluded from the TRXI World Index. Then, a best in-class selection process is applied to the remaining universe of securities in the parent index.

*A reference sustainable benchmark is an index against which it can be measured whether the financial product is meeting its sustainable investment objective.*

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**yes**, the reference benchmark **is aligned** with each of the environmental or social characteristics promoted by the financial product. Details:

