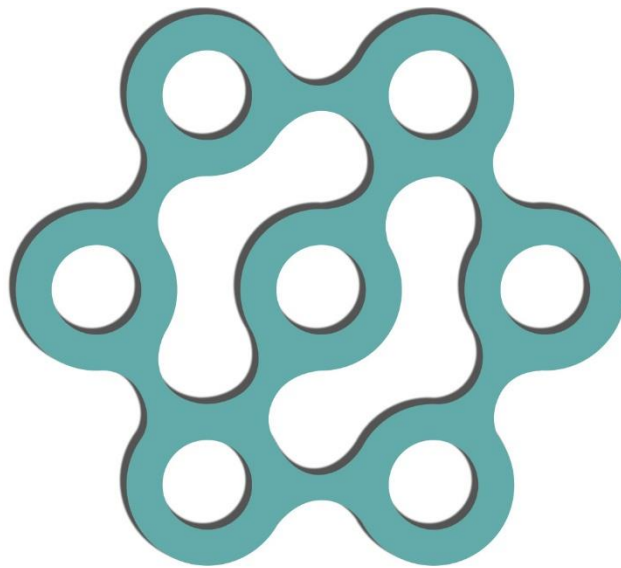


ELEVA Absolute Return Europe Fund
Sustainability-related website disclosure, Article 10 (SFDR)



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A. Summary

ELEVA Absolute Return Europe (the “Sub-fund”) is a fund classified article 8 according to SFDR regulation investing primarily in listed European equities and equity-related securities on both a long and short basis following an active investment strategy.

The Sub-fund seeks to achieve a positive absolute return over the medium term through capital growth by investing primarily in listed European equities and equity-related securities on both a long and short (through FDI) basis.

The Sub-Fund has at least a gross exposure of 75% to investments that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics).

For the sake of clarity, the gross exposure is defined as total exposure to equities and equity related products (long) plus equities and equity related products (short) plus corporate bonds plus sovereign bonds divided by the net asset value of the Sub-Fund.

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

ELEVA Absolute Return Europe fund promotes a combination of environmental, social and governance (“ESG”) characteristics. This Sub-Fund integrates, in the long and the short invested pockets, binding ESG criteria in its investment management process. The main non-financial objective of Eleva Absolute Return Europe Fund is to invest, on a long basis, in companies with good ESG practices (i.e. best in universe) or companies that are on an improving path regarding ESG practices (i.e. best efforts) while excluding companies that would not have a minimum absolute ESG rating (40/100). At the same time, the Sub-Fund does not short any company with excellent ESG practices (i.e. with an ESG score > 80 / 100).

The long book of the Sub-Fund seeks to invest in companies having a good behaviour towards their key stakeholders (Shareholders, Employees, Suppliers, Civil Society and the Planet). For instance, the Sub-Fund seeks to invest in companies with good corporate governance practices (e.g. Boards with gender and cognitive diversity and a sufficient level of independence), with good environmental and social practices (e.g. signatories of the UN Global Compact) and implementing carbon reduction measures (e.g. the long book of the Sub-Fund has an ESG KPI on carbon footprint).

The Sub-Fund is actively managed with no reference to a benchmark.



D. Investment strategy

a. Investment strategy used to meet the environmental or social characteristics

The Sub-Fund implements several sustainable approaches under steps 2 and 3, as defined by the Global Sustainable Investment Alliance: exclusionary screening, norm-based screening, positive ESG screening (i.e. “best in universe” or “best efforts”).

The Sub-Fund will invest in or take both long and short exposures (through FDIs) to, principally, listed European equity and equity-related instruments (which may include, but are not limited to, warrants and convertible securities) of issuers from any economic sector and market capitalisation.

Where investing on a long basis, the Sub-Fund’s investment process counts 3 steps being based on a combination of non financial and financial criteria.

Step 1/ From a broad universe made of all companies (all market capitalisations, all sectors) with their registered office in Europe (i.e. European Economic Area, UK, Switzerland), i.e. circa 12700 companies, the Sub Fund focuses on companies meeting the following financial and non financial criteria:

- Liquidity, measured through daily liquidity for each company;
- Minimum market cap is set at 5 billion euros unless that company has a strong balance sheet and a sufficient revenue growth;
- Existence of an ESG scoring (i.e. an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider).

These criteria define the so-called initial investment universe (in order to compare the Sub-Fund with its investment universe on ESG criteria) and is made of circa 800 companies.

Step 2/ Strict Exclusion: the Management Company excludes companies from the initial investment universe which have significant negative impacts on specific ESG factors as detailed in the section “Investment Objectives and Policies” of the Prospectus.

Step 3/ Fundamental analysis: the Management Company does a fundamental analysis of each company which is considered for investment on the basis of both financial and non financial criteria.

Where investing on a short basis, the Management Company will seek to focus on three particular types of opportunities:

1. companies where the Management Company considers there to be a disconnect between the credit and the equity market perception of the fundamentals of those companies;
2. companies that the Management Company considers overvalued and at a negative inflexion points; and
3. companies that the Management Company considers belonging to long term challenged industries.



Companies excluded as per step 2 “strict exclusion” (see above, in the long invested pocket section) are also excluded in the short invested pocket.

The alignment with ESG characteristics is conducted in different ways, depending on the instrument type:

- Equities, equity related products (e.g. CFD single name), corporate bonds, commercial paper, other ELEVA Capital UCITS (article 8 or 9) on a long basis: issuers invested in this category are scored on ESG criteria using the Management Company’s proprietary methodology. The ESG score of these instruments has a binding effect. The exclusion policy does apply to these instruments.
- Sovereign bonds on a long basis: sovereign bonds are scored on ESG criteria using the data provided by a single external data provider. The ESG score of these instruments has binding effect (see next question).
- Indices (through futures, CFD etc...) on a long and short basis : these instruments are scored on ESG criteria via underlying assets look-through, using an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider. The ESG score of these instruments do not have any binding effect. The exclusion policy does not apply to these instruments.
- Equities and equity related products (e.g. CFD single name) on a short basis: companies in the short invested pocket are analysed and scored on ESG criteria using either an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider. The ESG score has a binding effect. Companies excluded as per step 2 “strict exclusion” (see above) are also excluded in this pocket.

The Sub-Fund’s strategy in relation to the ESG characteristics is an integral part of the Sub-Fund’s investment strategy which is continuously monitored via the risk control and related systems in place. In addition to ongoing monitoring, pre-trade controls are also performed.

b. Policy to assess good governance practices

Assessing company’s governance practices is an integral part of the Management Company proprietary ESG Scoring methodology. Governance criteria (essentially located in the pillars Shareholders and Civil society) account for 30% to 40% of the ESG score, depending on a company’s sector. As a reminder each investee company is scored on ESG criteria with the Management Company ESG scoring methodology.

For more details on our ESG methodology, please refer to ELEVA Capital Transparency code available in our website: <https://www.elevacapital.com/lu/our-responsible-approach#for-further-information>

E. Proportion of investments

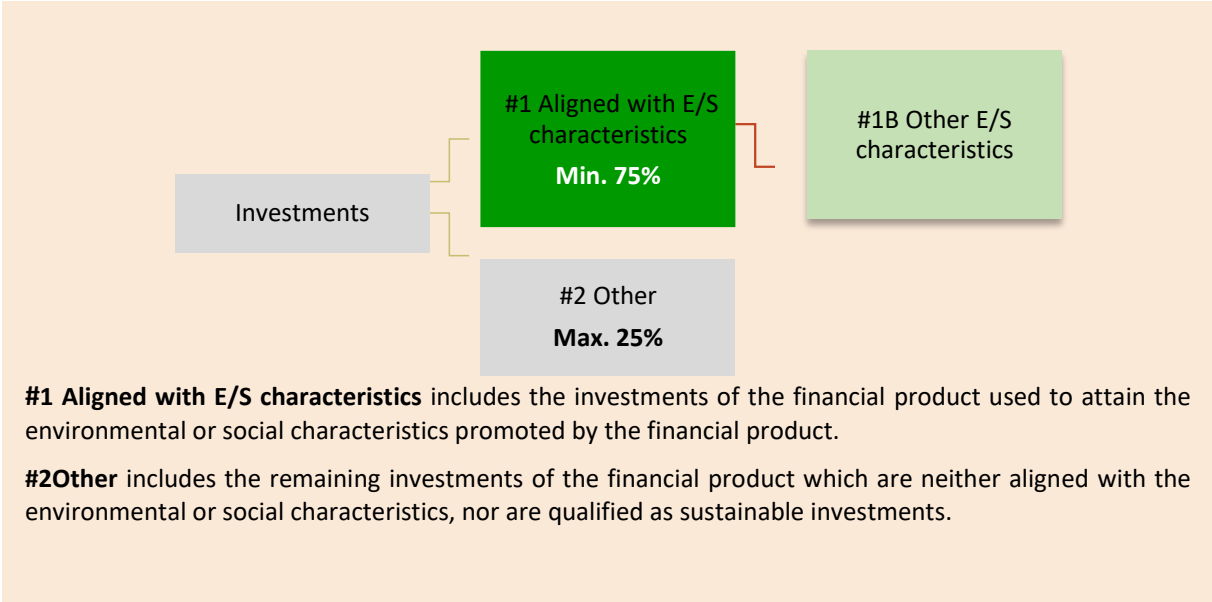
The ELEVA Absolute Return Europe Fund seeks to achieve a positive absolute return over the medium term through capital growth by investing primarily in listed European equities and equity-related securities on both a long and short (through FDI) basis.



1 investments aligned with E/S characteristics: Minimum 75%, calculated as the gross exposure to equities and equity related products (long) plus equities and equity related products (short) plus corporate bonds plus sovereign bonds divided by the net asset value of the Sub-Fund.

2 Other: Maximum 25%. Up to 25% of the investments may be invested in instruments not rated on ESG criteria including maximum 20% of cash. This percentage is calculated by summing in absolute value the investments with no ESG rating divided by the net asset value of the Sub-Fund. It is intended that the Sub-Fund’s net market exposure will be in the range of minus 10 per cent to plus 50 per cent of the net asset value.

The investments included under “#2 Other” are made of cash and instruments not rated on ESG criteria (e.g. IPOs, initial public offerings) or among others, money market instruments, and UCITS). These investments may be held for hedging purposes, technical purposes and/or on a temporary basis and/or pending available information to score them on ESG criteria (e.g. IPOs). The Sub-Fund does not consider any minimum environmental or social safeguards on these remaining investments “#2 Other”.



F. Monitoring of environmental or social characteristics

The Sub-Fund’s strategy in relation to the ESG characteristics is an integral part of the Sub-Fund’s investment strategy, which is continuously monitored via the risk control and related systems in place. In addition to ongoing monitoring, pre-trade controls are also performed.

G. Methodologies for environmental or social characteristics

Where investing on a long basis, the Sub-Fund's investment process counts 3 steps being based on a combination of non financial and financial criteria. The sustainability indicator used in the context of the non financial part of the process is the ESG scoring (i.e. an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider).

The Management Company indeed uses a proprietary tool to internally analyse and score the companies on ESG criteria from 0 (worst score) to 100 (best score). The analysed ESG criteria include, among others:

- Shareholders (i.e. Governance criteria): quality of management team (track record, alignment of interest with shareholders, etc.), quality of the board of directors (board efficiency, gender diversity, checks and balances, etc.), quality of the relationship with shareholders (quality of risk management and controls, financial communication, respect of minority shareholders, etc.);
- Employees (i.e. Social criteria): quality of human resources ("HR") management (HR policies, management of human capital, gender pay gap, etc.), employer brand equity (reputation as an employer, etc.), employees retention (employee training, turnover, etc.), safety & security (policy on accident prevention, history of accidents and risk management, etc.);
- Suppliers (i.e. a combination of Environmental, Social and Governance criteria): level of risk in the supply chain (complexity of supply chain, disruption risks, etc.), supply chain risk management and control (controls, audits, engagement on Corporate Social Responsibility issues, etc.);
- Civil Society (i.e. a combination of Social and Governance criteria): customers (products quality, customer satisfaction, etc.), state (fiscal behaviour, business ethics, process to monitor the compliance with UN Global Compact principles etc.), local communities (philanthropic approach, etc.);
- Planet (i.e. Environmental criteria): climate change (risks and policies, targets on carbon emissions reduction, performance on GHG emissions and intensity), energy management (risks and policies, share or non-renewable energy consumption/production, targets, performance on energy consumption), water (risks and policies, targets, performance), biodiversity and other (risks and policies, targets, performance), environmental impact of products (taxonomy-aligned products, exposure to fossil fuels, eco-design, circular economy etc.).

Sovereign issuers are also scored on ESG criteria using the data provided by a single external data provider.

The long invested pocket (excluding sovereign bonds) of the ELEVA Absolute Return Europe Fund must show a better performance than its initial investment universe on the following two ESG key performance indicators:

- Carbon footprint (in tons of CO2 equivalent/million euros invested) and
- Exposure to the UN Global Compact signatories (sum of the weights of the UN Global Compact signatories).

For more details on the calculation methodology for these indicators, please refer to ELEVA Capital Transparency Code available on our website: <https://www.elevacapital.com/lu/our-responsible-approach#for-further-information>



Companies in the short invested pocket are analysed and scored on ESG criteria using either an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider. The Sub-Fund does not short any company with excellent ESG practices (i.e. with an ESG score > 80 / 100).

H. Data sources and processing

The ESG process (ESG rating, voting, engagement) relies on several data sources:

- Corporate public documentation remains our main data source, either directly (annual reports, CSR reports, etc.) or indirectly (access via Bloomberg or via raw data collected by our ESG data provider).
- Meetings with companies and site visits also allow us to refine our analyses.
- Information produced by non-governmental organisations (NGOs) such as:
 - The CDP (corporate ratings and responses) on topics of climate change, water and forest management.
 - The Access to Medicine Index allows us to measure the involvement of pharmaceutical companies in the accessibility of their products to the poorest populations.
 - Uргewald's Global Coal Exit List (GCEL), used as part of our coal policy and the resulting exclusion list.
- Databases that allow us to verify companies' engagement with CSR initiatives, for example:
 - Alignment with UN Global Compact
 - Commitment to the Science-Based Target Initiative
- Brokers' ESG research, whether thematic, sectoral, or on issuers in particular
- MSCI's ESG research, which we use primarily for:
 - Establishing our exclusion lists
 - Monitoring controversies
 - Access to raw data from companies that feed into our internal ESG analysis model
 - Reporting (carbon footprints, ESG impact indicators, etc.)
 - Sovereign issuers ESG scoring.

I. Limitations to methodologies and data

The main methodological limits associated to the ESG process are:

- The availability of data to conduct ESG analysis.
- The quality of the data used in the assessment of ESG quality.
- The comparability of data, as not all companies publish the same indicators.
- The use of proprietary methodologies, which relies on the experience and skills of the asset manager's staff.
- The use of an external ESG data provider which may raise the following issues:



- o Issues related to missing or incomplete information from some companies (for example relating to their capacity to manage their ESG risks) which have been used as input of data providers' scoring model; this problem may be mitigated by those providers through the use of alternative data sources, external to the company, to feed their scoring models;
- o Issues linked to the quantity and quality of ESG data to be processed by ESG data providers (significant flow of information to be integrated continuously into their ESG scoring model); this problem may be mitigated through the use of technologies like artificial intelligence and the numerous analysts who work to transform raw data into relevant information;
- o Issues linked to the identification of relevant factors for the ESG analysis conducted in accordance with the ESG data provider framework. This is usually set beforehand as each sector (and sometimes each company) has its own set of indicators deemed material by the ESG data provider and its own weightings: ESG data providers may use a quantitative approach validated by each sector specialist and investor feedback to determine the most relevant ESG factors for a given sector (or for a particular company if applicable).

J. Due diligence

ELEVA Capital has implemented a due diligence controls plan to ensure that the financial product is managed in accordance with the corresponding ESG rules.

- **Internal control:**

- o **First level control**

- **Monitoring compliance with exclusion rules:** the Risk team implements the exclusion list, which are sent on a monthly basis by our ESG data provider, which to date is MSCI. Pre-trade control is set up as well as post-trade control.
- **Monitoring compliance with minimum ESG ratings and the universe reduction rate:** the Risk team also monitors the existence of a pre-investment ESG score and compliance with the minimum ESG score. Compliance with the initial investment universe reduction rule is also verified. This is monitored through pre-trade checks and post-trade controls.
- **Monitoring compliance with the minimum share of investments with E/S characteristics:** the Sub-Fund has at least a gross exposure of 75% to investments that have been determined as “eligible” as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). This minimum is monitored daily by the Risk Team.
- **Monitoring performance compliance on binding ESG performance indicators:** the Sub-Fund is required to comply with two binding ESG performance indicators. These indicators are reported in the Sub-fund's monthly report.

- o **Second level control:** The compliance department ensures a second level control that is integrated into the internal control system of the annual internal control plan. In addition, periodic monitoring of this process will occur at least once every three years. Periodic checks will be outsourced.



K. Engagement policies

Systematic engagement with investee companies is an integral part of our responsible investment policy. As active shareholders, we are committed to helping companies progress on their sustainability journey. We believe that companies improving their ESG credentials will better manage their risks. Further information in relation to engagement policy carried out by ELEVA Capital can be found in Voting and Engagement policy available on our website <https://www.elevacapital.com/lu/our-responsible-approach#for-further-information>



Disclaimer

ELEVA Capital is subjected to the Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR).

Regulation (EU) 2019/2088 was supplemented by Delegated Regulation (EU) 2022/1288 of 6 April 2022 which specifies the provisions of the Article 10 of SFDR to be made in terms of publication of information on sustainability, for submitted funds.

This present document is issued to disclose sustainability-related information on this product, in relation to the Article 10 of SFDR. Please refer to the prospectus of the fund and to the KID before making any final investment decisions.





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