

Other Additional Disclosures (Unaudited)

Periodic 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: **Algebris Global Credit Opportunities Fund (the “Fund”)**

Legal entity identifier: **549300KQJBOA8BXWJ327**

All data presented in the annex which follows has been calculated based on the portfolio holdings of the Fund for the year ended 31 December 2022 and constitutes unaudited information which has not been subject to any assurance provided by the Auditors or any third party. All data and other information contained in the annex has been compiled in accordance with the proprietary sustainable finance framework implemented by the Manager and the Investment Manager for the Fund.

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.

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☐ It made 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 made sustainable investments with a social objective: ____%

☒ ☐ ☒ No

☐ It promoted Environmental/Social (E/S) characteristics and while it did 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 promoted E/S characteristics, but **did not make any sustainable investments**

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.

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



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and social characteristics which were promoted by the Fund are:

1. Prevention of predatory lending practices ("**Characteristic 1**")
2. Pollution prevention and control ("**Characteristic 2**")
3. Human rights ("**Characteristic 3**")
4. Labour relations ("**Characteristic 4**")

(Each a "**Characteristic**" and Characteristics 1 to 4 together referred to as the "**Core ESG Concerns**")

No reference benchmark was designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

For the reference period 1 January 2022 to 31 December 2022 (the "**Reference Period**") the overall percentage of Portfolio of the Fund (i.e., the total NAV of the Fund) (the "**Portfolio**") that promoted one or more Core ESG Concerns was 84 %. The remaining 16 % of the Portfolio that did not promote the Fund's environmental and social characteristics (the "**ES Characteristics**") were in assets that are considered "other" assets for the purpose of this annex¹.

To measure the attainment of Characteristics 1 to 4 above the following sustainability indicators were used:

(i) Characteristic 1:

- **Indicator:** the share of revenues derived from predatory lending activities ("**Indicator 1**").

(ii) Characteristic 2:

- **Indicator:** amount of air pollutants in proportion to company revenue and/or the amount of inorganic pollutants in proportion to company revenues ("**Indicator 2**").

(iii) Characteristic 3:

- **Indicator:** the share of investments in companies involved in very serious violations of human rights under the United Nations Global Compact ("**UNGC**") ("**Indicator 3.a**").
- **Indicator:** the existence of human rights commitments, policies and procedures at the individual investee level ("**Indicator 3.b**").

(iv) Characteristics 4:

- **Indicator:** the share of investments in companies involved in very serious violations of labour rights under the UNGC ("**Indicator 4.a**").
- **Indicator:** the evolution at portfolio level of an aggregate labour practice score ("**Indicator 4.b**"). The score reflects the investees' gender balance; gender pay ratio; performance in terms of preventing discrimination and harassment; freedom of association; ethnic diversity.

¹ These percentages have been calculated based on total exposure after removing net short positions, to account for leverage of the Fund.

In addition to indicators 1 to 4.b listed above (the “**Core Indicators**”), the following indicators are also considered by the Fund to measure the attainment of its overall ESG policy (the “**Additional Indicators**”):

(v) **Exclusion Policies:**

- **Indicator:** any Portfolio (0%) of the Fund comprising of issuers on the exclusion list disclosed in the Fund’s supplement (“**Indicator 5**”).

(vi) **Voting policy and engagement**

- **Indicator:** the % of meetings voted (“**Indicator 6.a**”); the % of shareholders’ resolutions voted against (“**Indicator 6.b**”); the % of shareholders’ resolutions voted in favour (“**Indicator 6.c**”); the number of ESG-related engagements with investee companies (“**Indicator 6.d**”).

(vii) **ESG screening**

- **Indicator:** the evolution at portfolio level of a global ESG score (“**Indicator 7.a**”), as well as of individual Environmental (“**Indicator 7.b**”), Social (“**Indicator 7.c**”), and Governance (“**Indicator 7.d**”) scores.

The Core Indicators and Additional Indicators together referred to as the “**Indicators**”.

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

Methodologies Used

The Investment Manager assessed the performance of the Indicators using the following methodologies to calculate the value of Indicators for the Reference Period as applicable:

- (i) a percentage of Portfolio calculated as the average of the Fund’s quarter-end calculations invested in the applicable issuers over the Reference Period (the “**Average Portfolio Methodology**”);
- (ii) a percentage of revenues of the applicable issuer attributable to the applicable activity calculated as the average revenues of the Fund’s quarter-end calculations over the Reference Period (the “**Average Revenues Methodology**”);
- (iii) the tonnes² of air pollutants of the investee companies in the Portfolio for the Reference Period (the “**Air Pollutants Methodology**”) and/or the tonnes of inorganic pollutants of the investee companies in the Portfolio for the Reference Period (the “**Inorganic Pollutants Methodology**”) per million EUR invested.
- (iv) the tonnes of CO₂ emissions of the investee companies in the Portfolio for the Reference Period (the “**CO₂e Calculation**”), the tonnes of CO₂ emissions of the Portfolio per €1,000,000.00 of AuM for the Reference Period (the “**Carbon Footprint Calculation**”), and the tonnes of CO₂ emissions of the Portfolio per €1,000,000.00 of revenue generated by the investee companies (or in the case of sovereigns per €1,000,000.00 of GDP of the investee country) in the Portfolio for the Reference Period (the “**GHG Intensity Methodology**”);
- (v) the tonnes of hazardous waste and radioactive waste generated by the Portfolio per €1,000,000.00 of revenue generated by the investee companies in the Portfolio for the Reference Period (the “**Hazardous Waste Calculation**”);
- (vi) the GWh consumed by the Portfolio per €1,000,000.00 of revenue generated by the investee companies in the Portfolio for the Reference Period (the “**Energy Consumption Calculation**”);

² All references to “tonnes” in this report are to metric tonnes unless expressed otherwise.

Other Additional Disclosures (Unaudited)

- (vii) the share of the investee companies in the Portfolio' consumption of non-renewable energy and energy production from non-renewable sources compared to renewable energy sources for the Reference Period (the "**Non-Renewable Energy Consumption**" and "**Non-Renewable Energy Production**")
 - (viii) the average unadjusted gender pay-gap of investee companies ("**Gender Pay Gap Calculation**"). Unadjusted gender pay gap means the difference between average gross hourly earnings of male paid employees and of female paid employees as a % of average gross hourly earnings of male paid employees.
 - (ix) the average percentage of female board members in investee companies ("**Board Gender Diversity Calculation**")
 - (x) a percentage of meetings, proposals, and shareholder resolutions voted for or against calculated as a simple percentage out of the total number of the applicable meetings, proposals, and shareholder resolutions during the Reference Period (the "**Voting Methodology**");
 - (xi) the number of engagements made during the Reference Period (the "**Total Engagements Calculation**");
 - (xii) the portfolio average (weighted using investment weights) of an issuer-level score from third party ESG data providers covering labour relations and labour practices; the portfolio average (weighted using investment weights) of an issuer-level governance score from third party ESG data providers; the portfolio average (weighted using investment weights) of an issuer-level environmental score from third party ESG data providers; the portfolio average (weighted using investment weights) of an issuer-level social score from third party ESG data providers; and the portfolio average (weighted using investment weights) of an issuer-level ESG score from third party ESG data providers. These are all computed according to the same methodology being the average scores of quarter-end portfolios for the four quarters of the year (the "**Average Score Methodology**")
- ((i) to (xii) above together referred to as the "**Reporting Methodologies**").

The Reporting Methodologies used by the Investment Manager in consultation with the Manager were chosen for the applicable Indicators in compliance with the Fund, Manager and Investment Managers' obligation to ensure that information disclosed is fair, clear and not misleading. Unless expressed otherwise, all methodologies are based on the average of the Fund's four quarter-ends.

Performance of the Indicators

(A) Core ESG Concerns:

For the Reference Period the Core Indicators reported as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 1	Share of investees' revenues from predatory lending activities (%)	Average Revenues Methodology	0.00 %³	Sustainalytics
Indicator 2	Emissions of air pollutants (tonnes per EUR million invested)	Air Pollutants Methodology	0.793 ⁴	Clarity AI
Indicator 3.a	Share of investments in companies involved in very serious violations of human rights under the UN Global Compact (UNGC), (%)	Average Holding Methodology	0.5 %⁵	MSCI
Indicator 3.b	Share of investments in companies lacking human rights commitments, policies, and procedures at the individual investee level (%)	Average Holding Methodology	13.6 %⁶	Clarity AI
Indicator 4.a	Share of investments in companies involved in very serious violations of labour rights under UNGC (%)	Average Holding Methodology	0.00%⁷	MSCI
Indicator 4.b	Portfolio level annual average Labour Practice score (0-100, 100 = best)	Average Score Methodology	48 / 100⁸	Clarity AI S&P RobecoSAM

³ Reported as a % of any applicable revenue for the Reference Period, such % calculated using the Average Revenues Methodology. All companies screened prior to investment against the Algebris Predatory Lending Exclusions List – which flags companies deriving any revenues from this activity. Investment in such companies is not allowed at Firm level.

⁴ Reported as tonnes of CO2 emissions per € 1 million of revenue using the Air Pollutants Methodology. Annual average coverage for this indicator is 21%. The value for this indicator for the Reference Period differ significantly across quarters: the value for Q1 was 2.45 per EUR million invested, whereas the in Q2, Q3 and Q4 the same indicator ranged between 0.2 and 0.3 tonnes per EUR million invested. This was due to changes in the underlying portfolio.

⁵ Reported as a % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. All companies are screened prior to the investment against the Algebris UNGC Exclusion List – which flags companies involved in very serious violations of the UNGC principles. Investment in such companies is not allowed at Manager-level. The positive % reflects investment in a company that was in the portfolio at the end of Q1 2022 and became ineligible as a result of an update in the Algebris UNGC screening. The position was exited as a result.

⁶ Reported as % of Portfolio invested in applicable companies over the Reference Period, such % calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 81%.

⁷ Reported as a % of Portfolio invested in applicable companies over the Reference Period, in accordance with the Average Portfolio Methodology. All companies are screened prior to the investment against the Algebris UNGC Exclusion List – which flags companies involved in very serious violations of the UNGC principles. Investment in such companies is not allowed at Manager level.

⁸ Reported as the average of quarter-end portfolios for the four quarters of the year in accordance with the Average Score Methodology. Algebris sources labor practice scores from several third party ESG data providers, to ensure better coverage. The number reported in the table (48 / 100) is the average of the scores sourced from two different providers (Clarity AI and S&P RobecoSAM). The two providers offer a very similar picture for the portfolio: the original score from Clarity AI is 59/100 (with annual average coverage of 82%) and the original score from RobecoSAM is 36/100 (with annual average coverage of 82%)

Other Additional Disclosures (Unaudited)

(B) Exclusion Policies

For the Reference Period Indicator 5 reported as follows:

- **Indicator 5⁹: 0.50%**

Over the period under consideration, the Fund held **one** positions in companies that were listed on the Manager's ESG exclusion lists. The position was on the portfolio and became ineligible as a consequence of one of the periodic updates in the Manager's ESG exclusion lists, and was sold thereafter in accordance with the ESG Policy of the Manager.

(C) Voting Policy and Engagement

For the Reference Period Indicator 6 reported as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 6.a	The share of meeting voted (% of total)	Voting & Engagement Methodology	N/A ¹⁰	N/A
Indicator 6.b	The % of shareholders' resolutions voted against (% of all shareholders resolutions)	Voting & Engagement Methodology	N/A ¹¹	N/A
Indicator 6.c	The share of shareholders' resolutions voted in favour (% of all shareholders resolution)	Voting & Engagement Methodology	N/A ¹²	N/A
Indicator 6.d	The number of ESG-related engagements with investees (N)	Voting & Engagement Methodology	0 ¹³	Algebris

⁹ Reported as a % of Portfolio invested in applicable companies over the Reference Period, in accordance with the Average Portfolio Methodology. All companies are screened prior to investment against the Algebris ESG exclusion list applicable to the Fund. Investments in such companies are not permitted at Firm level.

¹⁰ The Fund invests in credit and does not hold any equity investment, on which it can exercise voting rights.

¹¹ The Fund invests in credit and does not hold any equity investment, on which it can exercise voting rights.

¹² The Fund invests in credit and does not hold any equity investment, on which it can exercise voting rights.

¹³ Reported as absolute number of engagements on ESG matters held with investee companies during the Reference Period.

Other Additional Disclosures (Unaudited)

(D) ESG screening

For the Reference Period Indicators 7.a – 7.e performed as follows:

INDICATOR	DEFINITION	METHODOLOGY	VALUE	SOURCE
Indicator 7.a	Portfolio level annual average Global ESG score	Average Score Methodology	Corporate: 56 /100¹⁴ Sovereign: 50 / 100 ¹⁵	Clarity AI S&P RobecoSAM
Indicator 7.b	Portfolio level annual average Environmental Score	Average Score Methodology	Corporate: 61 /100¹⁶ Sovereign: 59 / 100 ¹⁷	Clarity AI S&P RobecoSAM
Indicator 7.c	Portfolio level annual average Social Scores	Average Score Methodology	Corporate: 53 /100¹⁸ Sovereign: 51 / 100 ¹⁹	Clarity AI S&P RobecoSAM
Indicator 7.d	Portfolio level annual average Governance Scores	Average Score Methodology	Corporate: 58 /100²⁰ Sovereign: 45 / 100 ²¹	Clarity AI S&P RobecoSAM

● **...and compared to previous periods?**

N/A

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A

¹⁴ Algebris sources ESG scores from several third party ESG data providers, to ensure better coverage. The number reported in the table (56 / 100) is the average of the scores sourced from two different providers (Clarity AI and S&P RobecoSAM). The original score from Clarity AI is 68/100 (with annual average coverage of 82%) and the original score from RobecoSAM is 44/100 (with annual average coverage of 69%)

¹⁵ Algebris sources sovereign ESG scores from Clarity AI. Annual average coverage for this indicator was 100%

¹⁶ Algebris sources E scores from several third party ESG data providers, to ensure better coverage. The number reported in the table (61 / 100) is the average of the scores sourced from two different providers (Clarity AI and S&P RobecoSAM). The original score from Clarity AI is 76/100 (with annual average coverage of 82%) and the original score from RobecoSAM is 46/ 100 (with annual average coverage of 69%)

¹⁷ Algebris sources sovereign E scores from Clarity AI. Annual average coverage for this indicator was 100%

¹⁸ Algebris sources E scores from several third party ESG data providers, to ensure better coverage. The number reported in the table (53 / 100) is the average of the scores sourced from two different providers (Clarity AI and S&P RobecoSAM). The original score from Clarity AI is 62/100 (with annual average coverage of 82%) and the original score from RobecoSAM is 43/100 (with annual average coverage of 69%)

¹⁹ Algebris sources sovereign S scores from Clarity AI. Annual average coverage for this indicator was 100%

²⁰ Algebris sources E scores from several third party ESG data providers, to ensure better coverage. The number reported in the table (56 / 100) is the average of the scores sourced from two different providers (Clarity AI and S&P RobecoSAM). The original score from Clarity AI is 71/100 (with annual average coverage of 82%) and the original score from RobecoSAM is 45/100 (with annual average coverage of 69%)

²¹ Algebris sources sovereign G scores from Clarity AI. Annual average coverage for this indicator was 100%

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 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 Union criteria.

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

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

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

N/A

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

N/A



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

Adverse Indicators Considered by the Investment Manager

During the Reference Period, the Investment Manager considered the principal adverse impacts (“**PAI**”) of the Fund’s investments prior to investment, and on an ongoing basis, by considering the following PAI adverse sustainability indicators (the “**Adverse Indicators**”) in respect of all investee companies:

(1) Climate and other Environmental Adverse Indicators:

GHG Emissions

- **GHG Emissions:** the total greenhouse gases (“**GHG**”) emissions of the investee company (“**PAI 1**”).
- **Carbon Footprint:** the carbon footprint of the investment company (“**PAI 2**”).
- **GHG Intensity:** the measure of the GHG intensity of the investee company (“**PAI 3**”).
- **Exposure to Fossil Fuel:** the share of investments the Fund made in companies active in the fossil fuel sectors (“**PAI 4**”).
- **Non-Renewable Energy Consumption:** the investee companies’ share of non-renewable energy consumption and non-renewable energy production from non-renewable energy sources compared to renewable energy sources (“**PAI 5**”).
- **Energy Consumption Intensity:** the investee companies’ energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector (“**PAI 6**”).

PAIs 1 to 6 together referred to as the “**GHG Indicators**”.

Biodiversity

- **Adverse Biodiversity Activities:** the share of investments by the Fund in investee companies with sites and/or operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas (“**PAI 7**” or the “**Biodiversity Indicator**”).

Water

- **Emissions to Water:** the tonnes of emissions to water generated by investee companies per million EUR invested (“**PAI 8**” or the “**Water Indicator**”).

Waste

- **Hazardous Waste Ratio:** the tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested (“**PAI 9**” or the “**Waste Indicator**”).

Emissions

- **Absence of Carbon Emission Reduction Initiatives:** the share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement adopted under the UN Framework Convention on Climate Change (“**PAI 10**” or the “**Emissions Reduction Indicator**”).

(2) **Social Adverse Indicators:**

Social and Employee Matters

- **Violations of UNGC principles and OECD Guidelines:** the share of investments the Fund makes in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for multinational enterprises (“**PAI 11**”).
- **Lack of process to monitor compliance with UNGC:** the share of investments of the Fund in companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises (“**PAI 12**”).
- **Unadjusted Gender Pay Gap:** the average unadjusted gender pay gap of investee companies of the Fund (“**PAI 13**”).
- **Board Gender Diversity:** the ratio of female to male board members in the investee companies of the Fund (“**PAI 14**”).
- **Exposure to Controversial Weapons:** the share of investments the Fund makes in investee companies involved in the manufacturing or selling of controversial weapons (“**PAI 15**”).
- **Absence of Anti-Corruption and Anti-Bribery Policies:** the share of investments in investee companies that do not have policies on anti-corruption and anti-bribery consistent with the United Nations Convention against Corruption (“**PAI 16**”).

PAIs 11 to 16 referred to together as the (“**Social Indicators**”).

(3) **Sovereign Adverse Indicators:**

GHG Emissions

- **GHG Intensity:** the measure of the GHG intensity of the investee country (“**PAI 17**”).

Other Additional Disclosures (Unaudited)

Social

- **Social Violations:** the number of investee countries subject to applicable social violations²² (“PAI 18”).

Adverse Indicators Reporting:

During the Reference Period, the impact applicable to the PAIs applied to the investee companies in the Fund’s portfolio can be reported as:

Adverse Indicator		Metric	Impact 2022
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS			
Greenhouse gas emissions	PAI 1. GHG emissions²³	Scope 1 GHG emissions	15487.95 tonnes CO2e
		Scope 2 GHG emissions	1504.59 tonnes CO2e
		Scope 3 GHG emissions	57017.91 tonnes CO2e
		Total GHG emissions	75883.94 tonnes CO2e
	PAI 2. Carbon footprint	Carbon footprint	226.54 tonnes CO2e / EUR M invested²⁴
	PAI 3. GHG intensity of investee companies	GHG intensity of investee companies	455.61 tonnes CO2e / EUR M revenue²⁵
	PAI 4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5.28 %²⁶
	PAI 5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	Consumption: 59.46 %²⁷
			Production: 72.73 %²⁸

²² Algebris sources data on this indicator from Clarity AI. The provider identifies a country as subject to social violation if it meets any of the following criteria:

- (1) Countries with sanctions imposed by the European Union or the United Nations that satisfy one of the following: (i) Human rights abuses by the governmental institutions; (ii) Evidence to show that at least one person from the list of sanctioned persons in the country holds a position in the government or governmental institutions; (iii) the current regime is the result of a coup; (iv) violations of international law; (v) misappropriation of public funds resulting in undermining of democracy.
- (2) Countries with sanctions imposed by the Office of Foreign Asset Control (OFAC) of the United States that satisfy the following: (i) human rights abuses by the government or governmental institutions

²³ Calculated in accordance with the CO2e Calculation. Annual average coverage for this indicator is 85%

²⁴ Calculated in accordance with the Carbon Footprint Calculation. Annual average coverage for this indicator is 85%

²⁵ Calculated in accordance with the GHG Intensity Methodology. Annual average coverage for this indicator is 85%

²⁶ Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 91%.

²⁷ Calculated in accordance with the Non-Renewable Energy Consumption Calculation. Annual average coverage for this is 72%

²⁸ Calculated in accordance with the Non-Renewable Energy Production Calculation. Annual average coverage for this is 86%.

Other Additional Disclosures (Unaudited)

	PAI 6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	Total: 1.202²⁹ Sectors A, E : n/a Sector B = 1.41; C = 0.2; D = 6.83; F = 0.02; G = 0.07; H = 5.01; L = 0.03
Biodiversity	PAI 7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.386 %³⁰
Water	PAI 8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.00 tonnes / EUR M invested³¹
Waste	PAI 9. Hazardous waste ratio	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	1.084 tonnes / EUR M invested³²
Emission Reduction	PAI 10: Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement. Only validated Science Based Targets are considered for this indicator.	94.7%³³

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS			
Social and employee matters	PAI 11. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	3.83%³⁴ (of which UNGC violations: 0.5%)
	PAI 12. Lack of processes and compliance mechanisms to monitor compliance with UN Global	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC	2.00%³⁵

²⁹ Calculated in accordance with the Energy Consumption Calculation. Annual average coverage for this indicator is 75%.

³⁰ Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 85%. The positive value for this indicator is entirely attributable to one investment held in Q1.

³¹ Calculated in accordance with the GHG Intensity Methodology. Annual average coverage for this indicator is 42%

³² Calculated in accordance with the Hazardous Waste Intensity Methodology. Annual average coverage for this indicator is 38%

³³ Calculated in accordance with the Average Portfolio Methodology. Annual average coverage for this indicator is 96%

³⁴ Calculated in accordance with the Average Portfolio Methodology.

³⁵ Calculated in accordance with the Average Portfolio Methodology. Annual average coverage for this indicator is 84%

Other Additional Disclosures (Unaudited)

	Compact principles and OECD Guidelines for Multinational Enterprises	principles or OECD Guidelines for Multinational Enterprises	
	PAI 13. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	21.29% ³⁶
	PAI 14. Board gender diversity	Average ratio of female to male board members in investee companies	33.17% ³⁷
	PAI 15. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00 % ³⁸
	PAI 16: Lack of anti-corruption and anti-bribery policies	Share of investments in investee companies without policies on anti-corruption and anti-bribery consistent with the UN Convention against Corruption	1.46% ³⁹
MANDATORY SOVEREIGN PAIs			
Greenhouse Gases Emission	PAI 17: GHG Intensity (sovereigns)	Tonnes of GHG emission in proportion of the country's Gross Domestic Product (GDP)	632.97 tonnes CO2e / EUR M GDP ⁴⁰
Social Indicators	PAI 18: Investee countries subject to social violations	Relative number of investee countries subject to social violations	27% (out of all investee companies) ⁴¹
		Absolute number of investee countries subject to social violations	2 ⁴²

Actions Taken

Please see the section entitled 'What actions have been taken to meet the environmental and/ or social characteristics during the reference period'.

³⁶ Calculated using the Gender Pay Gap Methodology. Annual average coverage for this indicator is 47%

³⁷ Calculated using the Board Gender Diversity Methodology. Annual average coverage for this indicator is 87%

³⁸ Calculated using the Average Portfolio Methodology.

³⁹ Calculated using the Average Portfolio Methodology. Annual average coverage for this indicator is 88%

⁴⁰ Calculated in accordance with the GHG Intensity Methodology.

⁴¹ Calculated as the absolute number of countries meeting the relevant PAI definition

⁴² Calculated as the % of relevant countries meeting the relevant PAI definition as a share of all countries

Other Additional Disclosures (Unaudited)



What were the top investments of this financial product?

Issuer	Sector	Sub Sector	Country	% of NAV	Cum % NAV
DEUTSCHE BANK AG	Financial	Diversified Banks	Germany	2.4%	2.4%
Charles Schwab Corp/The	Financial	Wealth Management	United States	2.2%	4.6%
UNICREDIT SPA	Financial	Diversified Banks	Italy	2.2%	6.8%
CITIZENS FINANCIAL GROUP	Financial	Banks	United States	2.1%	8.8%
BARCLAYS PLC	Financial	Diversified Banks	United Kingdom	2.1%	10.9%
BANCO COMERC PORTUGUES	Financial	Banks	Portugal	2.0%	12.9%
Bank of America Corp	Financial	Diversified Banks	United States	1.9%	14.8%
CREDIT SUISSE GROUP AG	Financial	Institutional Brokerage	Switzerland	1.8%	16.6%
CITIGROUP INC	Financial	Diversified Banks	United States	1.8%	18.4%
DUFREY ONE BV	Consumer Cyclical	Other Spec Retail – Discr	Switzerland	1.6%	20.0%
COOPERATIEVE RABOBANK UA	Financial	Banks	Netherlands	1.6%	21.6%
Svenska Handelsbanken AB	Financial	Banks	Sweden	1.6%	23.2%
FINNAIR OYJ	Consumer Cyclical	Airlines	Finland	1.4%	24.6%
PIRAEUS BANK SA	Financial	Banks	Greece	1.3%	25.9%
JPMORGAN CHASE & CO	Financial	Diversified Banks	United States	1.2%	27.2%

Note: % may not sum to 100% due to the use of the Average Portfolio Methodology in calculating holdings across each sector

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is:

1 January 2022 to 31 December 2022



Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

Information on the proportion of the Fund which promoted environmental/social characteristics during the Reference Period is provided below.

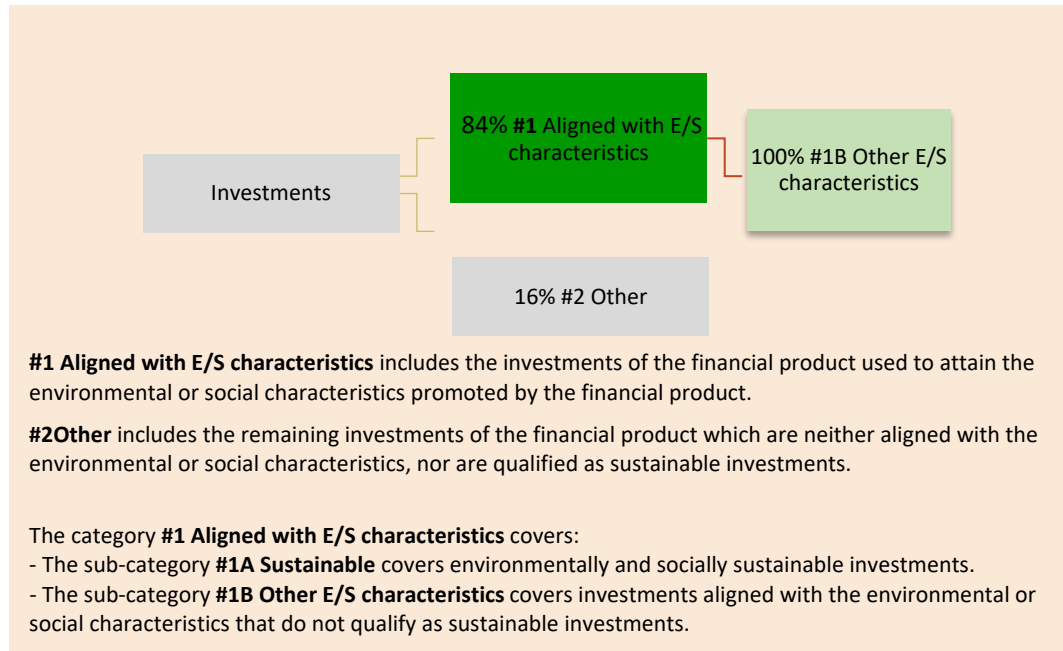
What was the asset allocation?

The proportion of the Fund's investments that were aligned with the E/S Characteristics was 94.2%⁴³. Please note that voting is not relevant to the particular assets of the Fund and this was not taken into account in determining this percentage. Please refer to the section 'What investments were included

⁴³ Reported as a % of any applicable revenue for the Reference Period, such % calculated using the Average Revenues Methodology.

Other Additional Disclosures (Unaudited)

under “other”, what was their purpose and were there any minimum environmental or social safeguards?” below for a description of the purpose of the investments during the Reference Period within #2 Other.



● In which economic sectors were the investments made?

Sector	Sub-Sector	% NAV
Communications	Cable & Satellite	3.17%
Communications	Internet Media & Services	0.62%
Communications	Video Games	0.80%
Communications	Wireless Telecommunications	0.40%
Communications	Wireline Telecommunications	2.49%
Consumer Discretionary	Apparel, Footwear & Acc Design	0.00%
Consumer Discretionary	Auto Parts	1.23%
Consumer Discretionary	Automobiles	1.44%
Consumer Discretionary	Building Products	0.13%
Consumer Discretionary	Casinos & Gaming	1.47%
Consumer Discretionary	Cruise Lines	1.84%
Consumer Discretionary	Department Stores	0.00%
Consumer Discretionary	Electronics & Appliances Stores	0.84%
Consumer Discretionary	Homebuilding	0.19%
Consumer Discretionary	Lodging	0.87%
Consumer Discretionary	Online Marketplace	1.01%

Other Additional Disclosures (Unaudited)

Consumer Discretionary	Other Spec Retail - Discr	2.98%
Consumer Discretionary	Restaurants	2.29%
Consumer Discretionary	Travel Services	0.63%
Consumer Staples	Agricultural Producers	0.11%
Consumer Staples	Food & Drug Stores	0.39%
Consumer Staples	Personal Care Products	0.00%
Energy	Drilling & Drilling Support	0.02%
Energy	Exploration & Production	0.31%
Energy	Integrated Oils	2.17%
Energy	Midstream - Oil & Gas	0.83%
Energy	Oilfield Services & Equipment	0.47%
Energy	Renewable Energy Project Dev	0.19%
Financials	Banks	22.64%
Financials	Commercial Finance	0.80%
Financials	Consumer Finance	1.09%
Financials	Diversified Banks	13.77%
Financials	Institutional Brokerage	6.27%
Financials	Instl Trust, Fiduciary & Custody	1.97%
Financials	Investment Management	0.09%
Financials	Life Insurance	0.74%
Financials	Mortgage Finance	0.28%
Financials	Other Financial Services	1.24%
Financials	P&C Insurance	0.20%
Financials	Wealth Management	3.98%
Government	Sovereign Agencies	0.11%
Government	Sovereign Government	9.42%
Health Care	Medical Equipment	0.25%
Health Care	Specialty & Generic Pharma	0.37%
Industrials	Aircraft & Parts	0.85%
Industrials	Airlines	2.66%
Industrials	Building Construction	0.06%
Industrials	Comm & Res Bldg Equip & Sys	0.29%
Industrials	Industrial Wholesale & Rental	0.16%

Other Additional Disclosures (Unaudited)

Industrials	Infrastructure Construction	0.01%
Industrials	Marine Shipping	0.00%
Industrials	Metalworking Machinery	0.24%
Industrials	Other Commercial Support Svcs	1.02%
Industrials	Other Machinery & Equipment	1.03%
Industrials	Rail Freight	0.09%
Industrials	Security Services	0.38%
Industrials	Waste Management	0.12%
Materials	Base Metals	0.00%
Materials	Basic & Diversified Chemicals	0.00%
Materials	Cement & Aggregates	0.00%
Materials	Containers & Packaging	0.00%
Materials	Steel Producers	0.32%
Real Estate	Multi Asset Class Own & Develop	0.37%
Real Estate	Residential Owners & Developers	0.15%
Real Estate	Retail REIT	0.13%
Technology	Application Software	0.17%
Technology	Data & Transaction Processors	1.02%
Technology	Semiconductor Mfg	0.06%
Utilities	Gas Utilities	0.58%
Utilities	Power Generation	0.17%

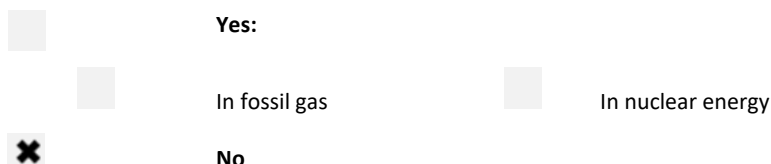
The above table uses the Average Portfolio Methodology in calculating holdings across each sector



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

While the Fund promotes environmental and social characteristics, during the Reference Period investments of the Fund in environmentally sustainable economic activities aligned with the “EU Taxonomy” (being Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments) (including in transitional and enabling activities) were 0.02% of the investments of the Fund.

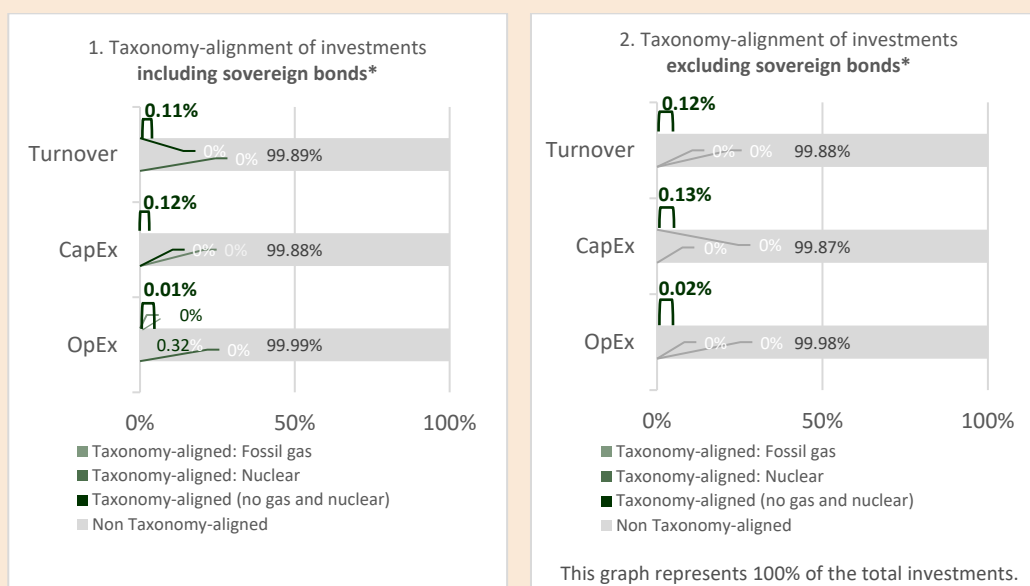
● Did the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy⁴⁴?



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.

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?

Enabling: 0.01% Transitional: 0.01%

⁴⁴ 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 objectives – 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 Delegate Regulation (EU) 2022/12141

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

N/A



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

0%



What was the share of socially sustainable investments?

0%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The “#2 Other” investments made by the Fund during the Reference Period include instruments which are used for the purpose of hedging (including currency risk management), liquidity, diversification, and efficient portfolio management. These investments include, but are not limited to, ancillary liquid assets and financial derivative instruments. Whilst these investments may not be aligned with the environmental or social characteristics promoted by the Fund, they will, to the extent possible, still be subject to the exclusion policies detailed above, in addition to the UNGC Screening. These provide the minimum safeguards.

The remaining assets of the Fund during the Reference Period comprised of cash and cash equivalents held from time to time on an ancillary basis, as well as instruments for hedging purposes. No minimum environmental or social safeguards applied in respect of these.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The following actions taken during the Reference Period to meet the environmental and/or social characteristics promoted by the Fund:

(i) **Characteristic 1 (Prevention and Contrast of Predatory Lending Practices):**

All companies are screened prior to investment against the Investment Manager’s Predatory Lending Exclusion List – which flags companies deriving any (>0%) revenues from this activity. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris’ internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert.

(ii) **Characteristic 2 (Pollution Prevention and Control):**

Where available, the Investment Manager monitors GHG emission, air pollutants emissions, and inorganic pollutants emission data from third party providers. Since data coverage from third party providers on air pollutants and inorganic pollutants emissions is still limited, for the time being no hard threshold has been set on this indicator for the purpose of investment eligibility.

(iii) **Characteristic 3 (Human Rights):**

All companies are screened prior to investment against the Investment Manager’s UNGC Exclusion List – which uses MSCI data to identify companies involved in breaches of the UNGC Principles. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2022, the Fund held no positions in names listed on the Investment Manager's UNGC exclusion list.

In Q1 2022, the Fund was invested in a company that subsequently became ineligible as a result of an update to the Algebris UNGC screening. The position was exited as a result. The Investment Manager will also monitor the existence of human rights policies and commitments at investee level. The share of investments in companies lacking such policies was minimal (2% on average) over the entire year under review.

(iv) Characteristics 4 (Labour Relations):

All companies are screened prior to investment against the Investment Manager's UNGC Exclusion List – which uses MSCI data to identify companies involved in very serious violations of the UNGC principles, including labour rights. The screening includes an assessment of compliance with labour standards (broad and narrow measures). Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2022, the Fund held no positions in names listed on the Investment Manager's UNGC exclusion list.

The Investment Manager monitors the evolution of third-party Labour Practice scores – aggregating a variety of indicators pertaining to labour conditions, health and safety, discrimination, and other relevant labour practices. The Investment Manager sources ESG scores from several third party ESG data providers, to increase coverage as much as possible. Where available (as is the case in the previous section), the Investment Manager compares scores from different providers to ensure they provide an as consistent picture as possible. In this disclosure, an average of scores from two providers has been reported together with the raw underlying scores by each of the providers – for full transparency.

(v) Characteristic 5 (Exclusion Policies):

All companies are screened prior to investment against the Investment Manager's ESG Exclusion Lists applicable to the Fund – which flags companies deriving any (>0%) revenues from this activity. Investment in such companies is not allowed at Manager level. All ESG exclusion lists are coded into the Algebris' internal automated controls system. These have fully integrated pre- and post-trade controls which include the relevant investment guidelines for a particular fund. Any attempts at trading a security that is restricted on ESG grounds would trigger a pre-trade alert. During 2022, the Fund held no positions in names listed on the Investment Manager's ESG exclusion lists.

In Q1 2022, the Fund was invested in a company that subsequently became ineligible as a result of an update to the Algebris UNGC screening. The position was exited as a result.

(vi) Characteristic 6 (Voting policy and engagement)

Voting provisions do not apply to this Fund. The Investment Manager has been participating in the Carbon Disclosure Project's Non-disclosure Campaign since 2021 – requesting investees to respond to climate change, forests and water security questionnaires developed and managed by CDP. Several of the investee companies of the Fund were targeted in the 2022 NDC round.

Typically, if an investee company is flagged by the Investment Manager's UNGC screening or ESG screening, the ESG team and the investment team would engage with the company to establish whether the investment becomes unacceptable. In the cases described under characteristic 4, however, the identified ESG issues were deemed serious enough to trigger divestment without engagement.

(vii) Characteristic 7 (ESG screening):

Where available, an Environmental Score, a Social Score, a Governance Score and an aggregate ESG Score from third-party ESG data providers is considered as part of the investment process.

The following actions taken during the Reference Period upon considering PAI:

Climate and Other Environmental Indicators:

- **GHG Emissions / Carbon Footprint / GHG Intensity:** the Investment Manager monitors investee companies' GHG emissions and GHG intensity, as well as the carbon footprint at portfolio level. The Investment Manager applies a strict fossil fuel exclusion policy that also includes a financing angle. Investment is not permitted in: (1) companies deriving 5% or more of their revenues from thermal coal mining and/or 10% or more of their revenues from thermal coal power generation; (2) companies deriving 5% or more of their revenues from Arctic Oil; (3) companies deriving 10% or more of their revenues from Tar sands; (5) any companies having a significant ownership stake in entities excluded under the Investment Manager's Climate-related exclusion policies applicable to the Fund and described above ⁴⁵; (6) Debt or equity issued by the top-5 global coal shareholders and bondholders, nor in debt or equity issued by major coal financiers – as described in the Investment Manager's [ESG Exclusion policy](#).
- **Exposure to companies active in the fossil fuel sector:** the Investment Manager joined the Net Zero Asset Managers Initiative (NZAM) in 2021, [committing](#) to manage a progressively larger share of its AUM in line with net zero emissions by 2050 or sooner and committing to implement a science-based [Fossil Fuel Investment Policy](#). As set out in the 2018 IPCC 1.5 degrees scenarios and the 2021 IEA Net Zero scenario, achieving net zero by 2050 will require a rapid reduction in emissions from fossil fuel combustion and phase out of investment in fossil fuels. The pathway laid out in the IEA report requires that no new unabated coal plants, no new oil and gas fields, and no new coal mines or mine extensions be approved from 2021 on. In its guidance for the financial sector, the Science Based Target Initiative (SBTi) also recommends that financial institutions seeking to align with the Paris Agreement transparently address the role of fossil fuels in their investment portfolio. The SBTi recommended phaseout of thermal coal investments and more thorough disclosure on financial institutions' fossil fuel investments and related activities. The Fund is subject to strict restrictions regarding investment in companies deriving revenues from fossil fuels. See details in the bullet point above.
- **Share of non-renewable energy consumption and production:** the Investment Manager monitors the average share of non-renewable energy consumption by investee companies, where available.
- **Biodiversity:** the Investment Manager monitors the exposure of investee companies to biodiversity risk and the existence of biodiversity policies. Where warranted, this may be part of ESG engagement with investee companies.
- **Water:** the Investment Manager monitors emission to water of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies.
- **Waste:** the Investment Manager monitors the hazardous waste ratio of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies.
- **Emission Reduction:** the Investment Manager monitors investee companies' commitment to set Science Based Targets for emission reduction (SBTs) and also monitors transition from these commitments into targets validated by the Science Based Target Initiative (SBTi).

Social Indicators:

- **UNGC / OECD Violations (PAI 10):** the Investment Manager applies an exclusion policy restricting investment in companies that are found to be in breach of the UN Global Compact principles. See

⁴⁵ Significant ownership data are sourced from data provider Sustainalytics. Significant ownership is typically defined as an ownership stake of 10% or above.

Other Additional Disclosures (Unaudited)

details for **Characteristic 3** under the section *What actions have been taken to meet the environmental and/or social characteristics during the reference period?*

- **UNGC / OECD Policies (PAI 11):** the Investment Manager monitors the existence of policies to monitor compliance with UNGC Principles and OECD guidelines. See details for **Characteristic 3** under the section *What actions have been taken to meet the environmental and/or social characteristics during the reference period?*
- **Unadjusted Gender Pay Gap:** the Investment Manager monitors the unadjusted gender pay gap of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies.
- **Board Gender Diversity:** the Investment Manager monitors the board gender diversity of investee companies. Where warranted, this may be part of ESG engagement with investee companies.
- **Exposure to Controversial Weapons:** the Fund is prevented from investing in companies deriving any (0%) revenue from the manufacturing or selling of controversial weapons. The Fund is also prevented from investing in any company having a significant ownership in the entities excluded under the above rule⁴⁶. The Fund is also restricted from investing in debt or equity issued by the top-5 nuclear weapons shareholders and lenders – as described in the Investment Manager's [ESG Exclusion Policy](#).
- **Lack of anti-corruption and anti-bribery policies:** the Investment Manager monitors the hazardous waste ratio of investee companies, where available. Where warranted, this may be part of ESG engagement with investee companies.

Sovereign Indicators

- **GHG Emissions – Sovereign:** the Investment Manager monitors the GHG emissions for sovereign investments (defined in terms of tonnes of CO₂e per EUR million of the country's GDP) but has not set a quantitative threshold for the time being.
- **Number and Share of Countries subject to social violations:** in 2022, the Fund was subject to no ESG exclusion list focused specifically on sovereigns. In Q1 2022, the Fund held investments in 3 countries subject to social violations: Belarus, Russia and Ukraine. The position on Belarus was exited in Q2, but the Fund has kept the outstanding positions in Ukraine and Russia for the remainder of the year as a result of trading restrictions imposed following Russia's invasion of Ukraine.



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

N/A

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

N/A

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

N/A

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

N/A

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

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

⁴⁶ Significant ownership data are sourced from data provider Sustainalytics. Significant ownership is typically defined as an ownership stake of 10% or above.