

ANNEX IV

Template 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: European Equity Fund

Legal entity identifier: 213800WYXNEU5CDV6M15

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ ☐ Yes

☒ ☐ ☒ No

☐ 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:** ___%

☐ 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**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Sub-Fund promotes environmental and social characteristics (i.e. maintaining a lower blended environmental intensity than its benchmark) by making investments in companies that meet the standards of the Investment Manager's proprietary sustainability assessments and by excluding investments in certain sectors or business areas.

Given the Investment Manager's focus on these characteristics, the Sub-Fund's blended environmental intensity is lower than the broader market, which is expressed as the Sub-Fund's benchmark. As such, the environmental characteristics promoted by this Sub-Fund have been met.

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

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

	GHG (tonnes/€m)	Waste (tonnes/€m)	Water (m3/€m)
MSCI Europe weighted-average	239.8	4.6	381.9
Portfolio weighted-average	230.0	4.5	311.5
Relative difference	-4%	-3%	-18%
% of Sub-Fund lower than benchmark weighted-average	72.2%	80.3%	80.3%

As at year-end 2022 (31 December 2022), the Sub-Fund had a blended environmental intensity that was 8.6% lower than the broader market.

The blended environmental intensity is a proprietary metric representing an equally-weighted combination of greenhouse gas (GHG) emissions intensity*, landfill waste intensity, and water purchased intensity. The relative blended environmental intensity is an average of the percentage (%) differences in each the three weighted-average environmental intensities (GHG, waste and water) calculated for the Sub-Fund and its benchmark, where the weights represent the size of each holding.

For GHG, waste and water intensities, the percentage of the Sub-Fund invested in companies with an intensity lower than the benchmark’s weighted-average was 72.2%, 80.3% and 80.3% respectively.

*The Investment Manager has used Carbon Direct + First Tier indirect intensity which comprises of Scope 1 & 2 greenhouse gas intensity, plus a company’s first-tier upstream supply chain.

● **...and compared to previous periods? [include for financial products where at least one previous periodic report was provided]**

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?**

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

The EU Taxonomy sets out a “do no 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 did this financial product consider principal adverse impacts on sustainability factors?

As part of the in-depth fundamental analysis on an individual company, the following principal adverse impact indicators are currently considered for the Sub-Fund’s investments:

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.

PAI Indicator	Metric	Year	Value	Commentary
GHG intensity	Scope 1 & 2 GHG intensity of investee companies	2022	110.2	<p>Engie was the largest contributor to the Sub-Fund’s GHG intensity. Considering the sector, this was deemed not to be a material negative impact and in line with expectations.</p> <p>Engie is a company positioned to benefit from Europe’s push to become more energy sufficient through decarbonised sources. It has committed to a SBTi aligned plan to reduce emissions by 2030, while also announcing plans to achieve net zero carbon emissions by 2045. The plan includes rapidly phasing out coal power in Europe by 2025, and globally by 2027, while investing considerably in renewable energy sources, which will account for around 40-45% of growth capital expenditure going forward and should, along with networks, be the key driver of Engie’s future earnings growth. SBTi report significant progress at Engie which has achieved ~65% of planned 2030 emission reductions already (vs. 2017 base year).</p>

* All Carbon Metrics will include Scope 3 Carbon Emissions from 1 January 2023.

In addition, the Sub-Fund has not invested in companies in relation to the following principal adverse impacts:

- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 2022

Largest investments	Sector	% Assets	Country
Novo Nordisk A/s	Health Care	3.6	Denmark
Bp Plc	Energy	3.5	United Kingdom
HSBC Holdings Plc	Financials	3.2	United Kingdom
Qiagen Nv	Health Care	3.1	Netherlands
Roche Holding Ag	Health Care	3.0	Switzerland
Merck Kgaa	Health Care	2.8	Germany
Universal Music Group Nv	Communication Services	2.7	Netherlands
Eni Spa	Energy	2.7	Italy
LVMH Moet Hennessy Louis Vuitton	Consumer Discretionary	2.6	France
Deutsche Telekom Ag	Communication Services	2.4	Germany
Sanofi	Health Care	2.4	France
UBS Group Ag	Financials	2.2	Switzerland
Bank Of Ireland Group Plc	Financials	2.2	Ireland
Reckitt Benckiser Group Plc	Consumer Staples	2.1	United Kingdom
Siemens Ag	Industrials	2.0	Germany

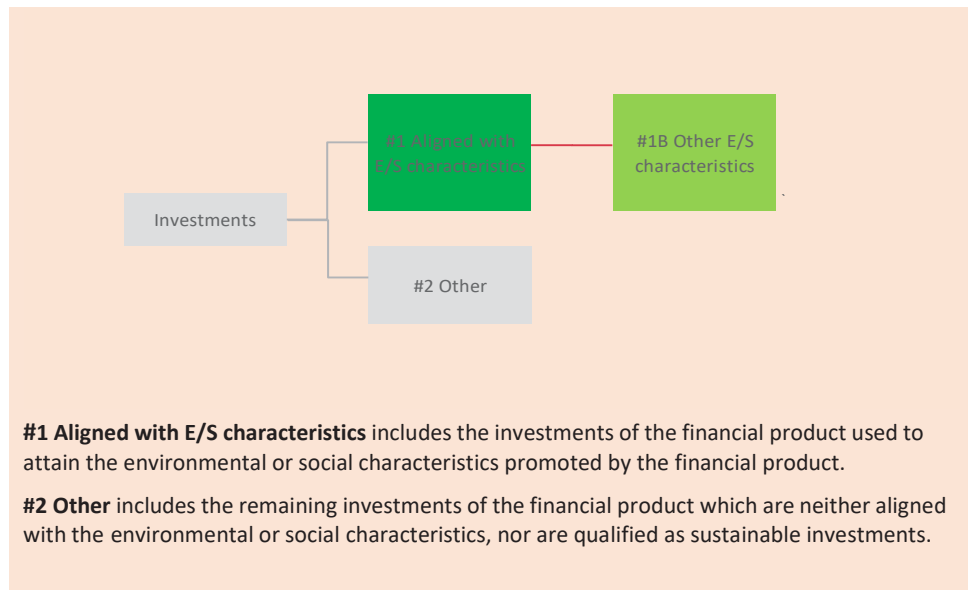


What was the proportion of sustainability-related investments?

● What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

Overall Asset Allocation	% of Total Sub-Fund Value
#1 Investments aligned with the Sub-Fund's promoted environmental or social characteristics	77.6%
#2 Other, i.e. investments neither aligned with environmental or social characteristics, nor qualified as sustainable investments within the meaning of Article 2(17) SFDR	22.4%
#1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments within the meaning of Article 2(17) SFDR	77.6%



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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



- In which economic sectors were the investments made?**
Communication services, consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, utilities.
- To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐ Yes:

☐ in fossil gas ☐ in nuclear energy

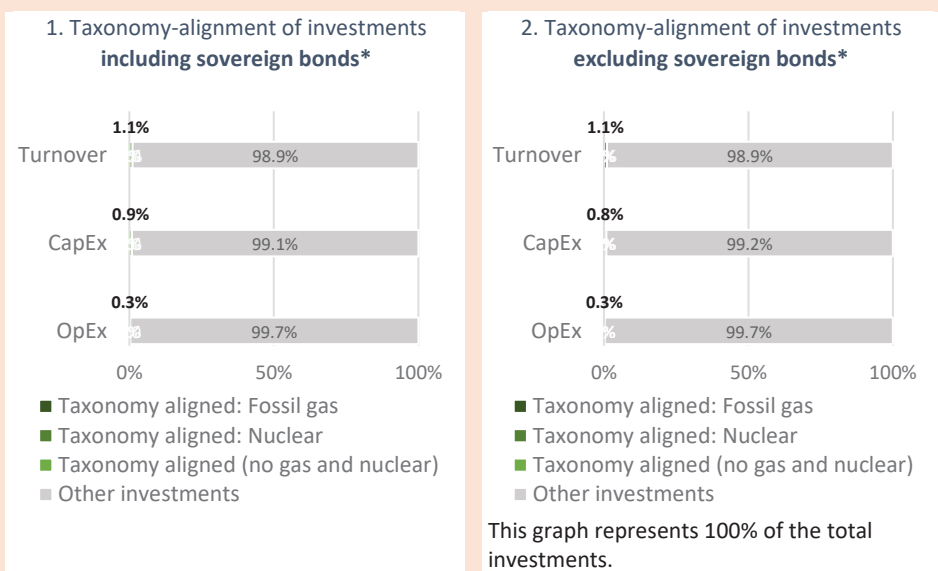
☒ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy 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 Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure (OpEx)** reflects the 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*

Taxonomy-aligned investments contributed to environmental objectives set out in Regulation (EU) 2020/852 as follows:

EU Taxonomy-alignment, weighted by Taxonomy-aligned revenue	% of Total Sub-Fund Value
Climate change mitigation	2%
Climate change adaptation	0%


● **What was the share of investments made in transitional and enabling activities?**

EU Taxonomy alignment, weighted by Taxonomy-aligned revenue	% of Total Sub-Fund Value
Transitional activities	0%
Enabling activities	0.2%

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

N/A

The aforementioned investments have not been subject to an assurance by an auditor or a third party.

 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.



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

The Sub-Fund does not currently commit to invest in any sustainable investments within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation.



What was the share of socially sustainable investments?

N/A



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

‘#2 Other’ includes investments that support the financial objective and other management activities of the Sub-Fund such as:

- equities that are considered not aligned with E/S characteristics;
- and
- cash held for liquidity purposes as an ancillary asset, deposits, and money market instruments

No minimum environmental or social safeguards are applied. Such investments will not usually represent a material proportion of the Sub-Fund’s.



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

All new investments have been selected in line with the Investment Manager’s sustainability framework. Existing investments are monitored against the same framework.

The Investment Manager implements active stewardship and its right as a shareholder to preserve and grow its clients’ assets, including engagement with the companies in which it invests. The extent of engagement activities will vary depending on the materiality of any adverse impacts, ability to exert influence, and the nature and severity of the potential issue.

In addition, where significant adverse impacts are identified or there is potential non-compliance with good governance requirements, the Investment Manager will identify the materiality of these and the potential need for engagement to address these issues. Further information on the Investment Manager’s approach to engagement is available on its website:

<https://ninetyone.com/-/media/documents/sustainability/91-sustainability-and-stewardship-report-2022-en.pdf>

<https://ninetyone.com/-/media/documents/stewardship/91-esg-ownership-policy-and-proxy-guidelines-en.pdf>

During the reporting period (12 months to end of December 2022), the European Equity team was involved with seven company-specific engagements. These engagements covered a range of issues covering sustainability reporting, governance, remuneration, diversity and inclusion, health and safety and carbon emissions.

The Investment Manager has voted all proxies.



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

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

● ***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.