

**Template pre-contractual 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**

**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.

**Product name:** VIA Smart-Equity Europe

**Legal entity identifier:**  
22210007LCVJR1CF4B73

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ____% <div style="margin-left: 40px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy                 </div> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ____%	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <div style="margin-left: 40px;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  <input type="checkbox"/> with a social objective                 </div> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



### What environmental and/or social characteristics are promoted by this financial product?

VIA Smart-Equity Europe (the “Fund”) promotes, among other characteristics, environmental or social characteristics. The Fund’s management process embeds normative sectorial exclusions. Issuers with more than 10% of their turnover in areas such as thermal coal (mining, extraction, storage, production of electricity, etc.), unconventional oil and gas (oil sands, shale energy, arctic oil & gas), whaling, tobacco products, small arms, predatory lending and adult entertainment are systematically removed from the investment universe. With regards to controversial weapons, an issuer is deemed active from the first euro of turnover generated in that area and will systematically be removed from the investment universe. In addition, issuers in the worst 10% of the universe in terms of ESG ratings are excluded. Last, a bonus/penalty system is implemented so that better ESG ratings are selected, everything else equal.

- In addition, the investment management process bears the double objective of (1) achieving a better average ESG rating for the portfolio than for the Fund’s investment universe, which is defined more precisely in section “What investment strategy does this

financial product follow?”, and (2) ensuring an ESG rating coverage of at least 90% either of the net assets invested or in terms of the number of issuers selected in the portfolio (or 75% for small and mid capitalisations).

- No benchmark has been designated to achieve the E & S characteristics promoted by the Fund.

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

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

The main sustainability indicators used are those based on which the investment restriction list is based, namely thermal coal, tobacco products, unconventional oil and gas, whaling, small arms, predatory lending, adult entertainment and controversial weapons, as further described in section “What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?”..

On a non-binding basis, the Fund also aims to achieve a significantly lower GHG footprint/intensity relative to its investment universe, which is defined more precisely in section “What investment strategy does this financial product follow?” and to promote issuers which consider human rights, freedom of association, diversity and parity as priority objectives.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Although the Fund does not intend to make any sustainable investments on a binding basis, it does promote environmental and social characteristics. As such, the Fund’s investment process strictly prohibits any investment in a controversial issuer in the sense of thermal coal, tobacco products, unconventional oil & gas, whaling, small arms, predatory lending, adult entertainment, and controversial weapons.

Controversial issuers as defined in the previous paragraph are currently identified using Sustainalytics, a global provider of extra-financial data and research. The controversial issuer investment restriction list applying to the Fund is reviewed quarterly, i.e. in March, June, September and December of each year.

The Fund will currently not commit to target a minimum proportion of sustainable investments with an environmental objective aligned with the EU Taxonomy (Regulation (EU) 2020/852).

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

This is considered to not be applicable to the Fund as it does not pursue an environmental or social sustainable investment objective.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Not applicable.

**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.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes

☒ No



**What investment strategy does this financial product follow?**

The Fund's investment philosophy is based on long-established convictions that have proven efficient for many "star" investors (Benjamin Graham, Warren Buffet, Peter Lynch, etc.) for almost a century: companies that create value for their shareholders should see their stocks grow in value over time. In other words, over the long term, equity markets follow real value creation, while over the short term, fluctuations may be seen as random.

In Benjamin Graham words, "*in the short term, the market is like a voting machine* (tallying up which firms are popular and unpopular), *but in the long run, the market is a weighing machine* (assessing realized value creation for shareholders)".

The Fund's stock selection methodology is thus targeting maximum long-term value creation for shareholders while minimizing idiosyncratic risks based on companies' fundamentals or price behavior, mostly regardless of their market cap or sectors.

From this perspective, stocks in the Fund's investment universe are ranked according to three key investment rules that maximize value creation : profitability, prospects and valuation.

A bonus/penalty system is added to this ranking so that best performers in terms of ESG ratings are favoured whereas worst performers are penalized.

The Fund's investment universe is composed of around six hundred of the most liquid European (excluding Eastern Europe) listed and/or domiciled companies.

The Fund's strategy in relation to the promoted environmental or social characteristics is integral part of the ESG assessment methodology, which is continuously monitored via the Fund's investment guidelines.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The strict implementation of the investment restriction list as described in this document is the first binding element (in addition to controversial weapons, several sectorial investment restrictions have been adopted: Thermal Coal, Oil Sands, Arctic Oil and Gas Exploration, Shale Energy, Small Arms, Predatory Lending, Whaling, Adult Entertainment and Tobacco Products). A second element consists in the

removal of the worst 10% issuers in terms of their ESG ratings from the Fund's investment universe. Lastly, a bonus/penalty mechanism is applied so that best performing issuers in terms of ESG are favoured in the overall ranking and get more chances to be selected for inclusion in the portfolio. The full information is available directly in the ESG policy, section ESG policy available in the Steward policy section on <https://www.via-am.com/en/esg>.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The applied ESG investment strategy does not pursue a committed minimum reduction of the scope of the investments. Nevertheless, the scope of the investments is reduced by the removal of issuers considered as controversial in the sense of the Fund's investment restriction list (see previous questions for more details on how the list is defined). It is though impossible to quantify the portion of the Fund's investment universe being excluded after this first step as the list is reviewed on a dynamic basis. Then, the worst 10% issuers in terms of their ESG ratings are removed from the Fund's remaining investment universe. The full information is available directly in the ESG policy, section ESG policy available in the Steward policy section on <https://www.via-am.com/en/esg>.

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

The Fund's stock selection process targets maximum long-term value creation for shareholders. As described previously, value creation depends on current profitability, future profitability (i.e. prospects) and valuation. These three dimensions are assessed using fundamental data. However, as traditional accounting is not meant for the benefit of investors, VIA AM systematically normalizes companies' financial statements into economic ones, looking for the "accounting truth". As an example, the profitability of economic assets over the economic life of these assets is an objective way of measuring issuers' performance from a governance standpoint. The voting and engagement policies applying to the Fund are additional tools to assess and promote good governance practices of the investee companies.

**What is the asset allocation planned for this financial product?**

Companies in the Fund's investment universe – after the application of the Fund's investment restriction list and the removal of the worst 10% issuers in terms of their ESG ratings – are ranked according to their value creation potential for the shareholder. A bonus/penalty system based on issuers' ESG ratings is then applied to the ranking so that best performing companies in extra-financial terms rise up the ranking and get more chances to be selected for inclusion in the portfolio. Issuers eventually selected are invested on a nearly equally-weighted basis. In other terms, ESG ratings are considered in the stock selection process, not in the portfolio construction or allocation. The Fund is fully invested in equities (with a small cash buffer to manage inflows and outflows).

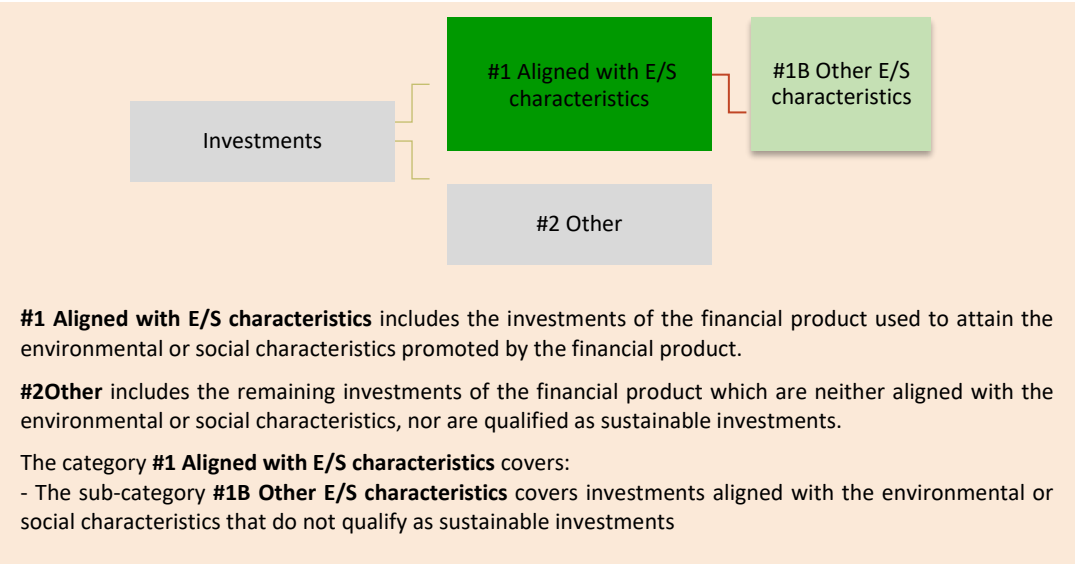
**Good governance**  
practices include sound management structures, employee relations, remuneration of staff and tax compliance.



**Asset allocation**  
describes the share of investments in specific assets.

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.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

This is considered not to be applicable to this Fund.



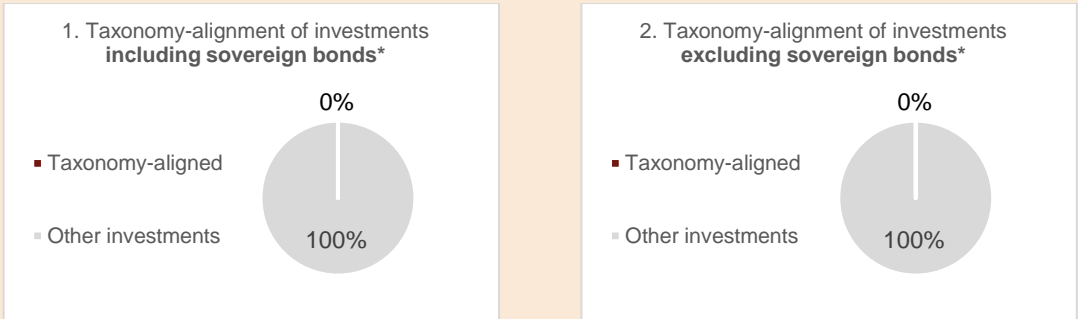
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The Fund currently bears no objective in terms of alignment with the EU Taxonomy.

**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.

*The two graphs below show in green the minimum percentage of investments that are 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 is the minimum share of investments in transitional and enabling activities?**

As the Fund bears no objective relating to alignment with the EU Taxonomy, it is not constrained in terms of exposure to transitional and enabling activities. The minimum share of investments in transitional and enabling activities is thus 0%.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



**What is the minimum share of socially sustainable investments?**

Not applicable.



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

This Fund bears no strict constraint in terms of socially or environmentally sustainable investments. As a consequence, every investee company falls into the “#2 Other” category on an ex ante basis. Still, these companies are selected from the Fund’s investment universe, which is constrained (1) by the application of the Fund’s investment restriction list as detailed in the first sections of this document and (2) by the removal of the worst 10% issuers in terms of their ESG ratings.

This Fund does not consider any minimum environmental or social safeguards on these remaining investments.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

There is no specific index designated as a reference benchmark to determine whether this Fund is aligned with the environmental and/or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

This is considered not to be applicable to this Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

This is considered not to be applicable to this Fund.

- ***How does the designated index differ from a relevant broad market index?***

This is considered not to be applicable to this Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

This is considered not to be applicable to this Fund.

**Where can I find more product specific information online?**

More product-specific information can be found on the website: <https://www.via-am.com/en/esg>.

