

SFDR RTS ANNEX 4 – 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

Product name: Sidera Funds SICAV – Christian Equity (the “Sub-Fund”) **Legal entity identifier:** 635400WUUOOVIBTSF238

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.

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● Yes	●●✘ No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <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 <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <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 <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

The Sub-Fund promotes environmental and social principles via a proprietary model developed by the Investment Manager. The environmental and social characteristics promoted by the Sub-Fund consist in favouring investment in issuers whose business activities and/or conduct take an appropriate and responsible approach to ESG.

In its ESG evaluation, the Investment Manager takes into account the following environmental and social characteristics: climate change, resource depletion, waste and pollution, deforestation, worker

conditions, gender policies, respect for Human Rights, health and safety, labor standards, corporate governance practices and control procedures behavior of top management in compliance with laws and professional ethics.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted.

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

The sustainability indicators used to measure the attainment of the characteristics promoted by the Sub-Fund are the following:

- The Investment Manager has developed a proprietary model that, based on data from MSCI ESG Research (UK) (“**MSCI**”), calculates a score as a combination of environmental, social and governance indicators for all financial instruments in the Sub-Fund’s portfolio.
- In addition to the ESG aggregate scores are also available for the three pillars E, S, and G. The ESG score of the calculated individual financial instrument, Sub-Fund, portfolio or index can take values in the range 0-10. The score is translated into a rating between CCC and AAA according to a so-called “Grade Table”, which is updated once a year or following methodological changes by MSCI. The Grade Table adopted by the Investment Manager stipulates that each rating is divided into buckets according to the standards provided for credit ratings (e.g., the A rating is divided into A-, A, and A+).
- The methodology allows the Investment Manager to have the following indicators:
 - Aggregate scores and ratings of each Sub-Fund, portfolio or index based on the three pillars (E/S/G) according to the following weights: 50%E + 25%S + 25%G;
 - Score and rating of each Sub-Fund, portfolio or index for each individual pillar (E/S/G);
 - For funds or portfolios, percentage of assets that has score greater than or equal to the score of the reference asset class.

Based on this score for single instruments, the Sub-Fund score and rating are obtained. The Sub-Fund’s portfolio must have an overall rating higher than or equal to that of the ESG Index (as defined below).

- This methodology is accompanied by close monitoring of the Sub-Fund’s investments and the application of possible restrictions on the purchase of securities of issuers active in sectors considered controversial because they are not in line with environmental, social and governance sustainability issues.

● ***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?***

Not applicable.

● ***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?***

Not applicable.

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

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 EU criteria.

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

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



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

Yes

No



What investment strategy does this financial product follow?

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

The Investment Manager conducts an ESG analysis on the securities issued by these issuers by relying on its propriety model. For that purpose, the Investment Manager selects securities that are part of the MSCI ACWI ESG Leaders Net Return EUR (Bloomberg NE703303) (an “**ESG Index**”). The Sub-Fund is actively managed in reference to this ESG Index with significant degree of freedom.

As part of the investment process, the Investment Manager has full discretion over the composition of the Sub-Fund's portfolio and may take exposure to companies, countries or sectors not included in and/or that have different weightings than the ESG Index. The Investment Manager may set discretionary internal risk thresholds which may reference deviations from the ESG Index. While it is expected that the Sub-Fund's deviation from the ESG Index will be moderate, there are no restrictions on the extent to which the Fund's performance may deviate from the one of the ESG Index.

According to the Investment Manager's ESG Policy, the Sub-Fund aims at meeting certain eligibility criteria such as having an ESG score in line or higher than the one of the ESG Index. The ESG score of the Sub-Fund's portfolio is calculated as a weighted average of the ESG scores assigned to each security held by the Sub-Fund.

Moreover, financial instruments issued by companies or governments deemed not in line with the Investment Manager's ESG Policy cannot be included in the investment portfolio.

The investment policy of the Sub-Fund aims therefore at reaching and maintaining a high degree of sustainability.

A further penalty is then applied based on a flag on the presence or absence of controversies, provided by MSCI:

- A red flag indicates an ongoing very serious ESG controversy involving a company directly through its actions, products, or operations. The instruments to which this flag is associated are assigned for each pillar (E/S/G) a score equal to the minimum between the score provided by MSCI and the upper bound of the BB rating band. The overall ESG score is then recalculated according to the above weights.
- An orange flag indicates an ongoing serious controversy directly involving the company or a very serious controversy that is partially resolved or indirectly attributed to the companies' actions, products or operations. The instruments to which this flag is associated are assigned for each pillar (E/S/G) a score equal to the minimum between the score provided by MSCI and the upper bound of the BBB rating band. The overall ESG score is then recalculated according to the above weights.

Evaluating Sustainability Factors and Sustainability Risks is an integral part of the Sub-Fund's investment process as, in the Investment Manager's view, Sustainability Factors can materially affect a company's financial performance, competitiveness and Sustainability Risk profile.

- ***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 binding criteria utilized to select the investments are the following:

- The overall ESG rating of the portfolio, as calculated based on the proprietary scoring model, must be higher than or equal to the ESG rating of its ESG Index;
- Penalisation of the score of securities based on a flag on the presence or absence of ESG controversies;
- Exclusion of companies that derive any revenues from the weapons industry;
- Exclusion of companies that derive more than 10% of their revenues from the casino and gaming corporate sector;
- Penalisation of the score of securities involved in the Aerospace & the Defence corporate sectors due to their involvement in the weapons industry and military contracting by attributing to these sectors a score equal to the minimum between the score provided by MSCI and the upper bound of the CCC rating band; and
- Application of two blacklists maintained by the Investment Manager which exclude:
 - Government bond issuing countries and corporate sectors that are deemed not eligible for investments. Countries will enter this blacklist upon decision of an ESG Committee ruling, based on the assessment of their respect of social and civil rights or if subject to international sanctions.
 - Companies active in the of non-conventional weapons production (landmines, cluster munitions, chemical weapons and biological weapons).

It is to be noted that despite the score of certain securities will be penalised based on a flag on the presence or absence of ESG controversies or due to their involvement in certain corporate sectors (i.e., Aerospace & Defence), the Sub-Fund may still invest in those securities, if the overall ESG score of the portfolio is in line or higher than the one of the ESG Index to the extent permitted by the Christian Investment Guidelines. The 5% tolerance threshold should apply in case the issuers of these securities do not comply with the Christian Investment Guidelines.

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

Not applicable.

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

To evaluate the governance practices of investee companies, the Investment Manager relies on the governance information obtained from MSCI and appropriately scored. The Investment Manager ensures that the investee companies follow good governance practices by screening the investment universe through the ESG integration in its rating model, which includes the “G” pillar that incorporates corporate governance practices and control procedures behaviour of top management in compliance with laws and professional ethics.

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



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

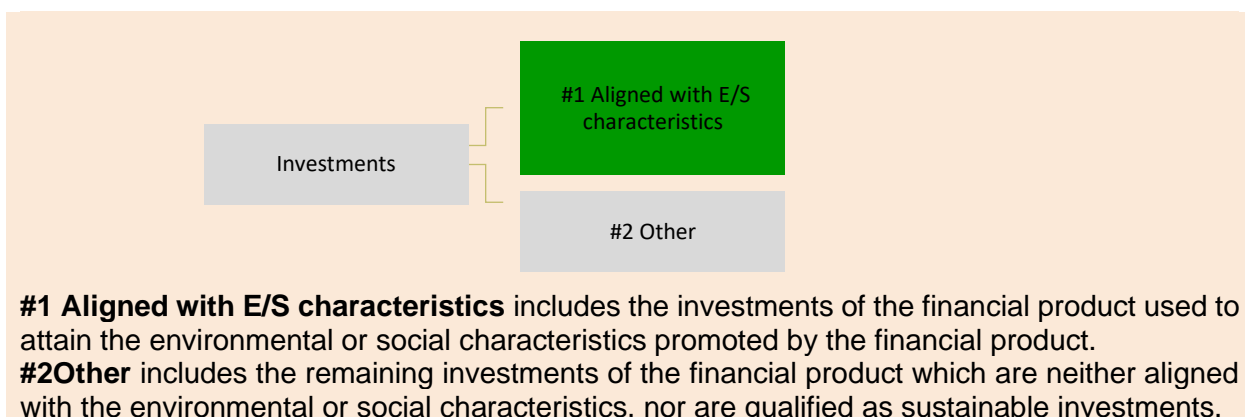
At least 65% of the Sub-Fund's Net Asset Value will be invested in securities which are aligned with the environmental and social characteristics promoted by the Sub-Fund (#1 Aligned with E/S characteristics)

The Sub-Fund is allowed to invest a maximum of 35% of the Net Asset Value in investments that are not aligned with the E/S characteristics promoted and that may include investments in liquid assets held mainly for cash management purposes, investments in securities held mainly for efficient portfolio management purposes, and/or for which there is insufficient data to be considered an ESG-related investment (#2 Other).

The Sub-Fund intends to increase the allocation to “#1 Aligned with E/S characteristics” should the investible universe evolve to allow a higher level of investment.

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

Derivatives used for investment purposes are subject to compliance with the above-described ESG analysis. In case of index derivatives, a look through is applied.

The Sub-Fund may also hold derivatives for hedging purposes. In this case, net short positions on single name derivatives or net short positions on index derivatives are excluded from the ESG analysis.



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

The Sub-Fund promotes environmental and social characteristics but does not currently commit to making any sustainable investments within the meaning of the SFDR or the Taxonomy Regulation. As a consequence, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation and the proportion of the Sub-Fund's assets invested in such environmentally sustainable economic activities is 0%.

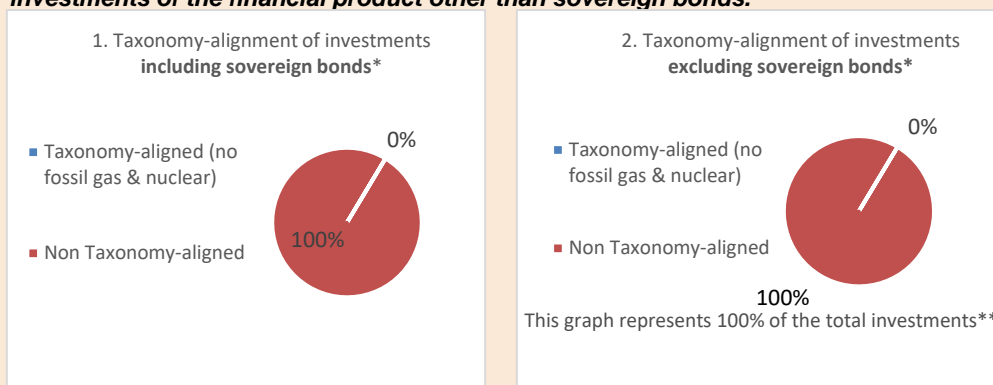
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁸?**

Yes:

In fossil gas In nuclear energy

No

The two graphs below show in blue 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.

** The proportion of total investments shown in this graph is purely indicative and may vary.

- **What is the minimum share of investments in transitional and enabling activities?**

As the Sub-Fund does not commit to invest any "sustainable investment" within the meaning of the Taxonomy Regulation, the minimum share of investments in transitional and enabling activities within the meaning of the Taxonomy Regulation is therefore also set at 0%.



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

¹⁸ 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 objective – 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.



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

The Sub-Fund promotes environmental and social characteristics, but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



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?

#2 “Other” Investments may include:

- investments in liquid assets (cash and cash equivalents, time and term deposits) held for the purposes of servicing the day-to-day requirements of the Sub-Fund,
- currency derivatives, repurchase agreements, interest rates Swaps, government bonds with IR Duration lower than 1 year held for the purposes of efficient portfolio management,
- third party funds without a benchmark or not clearly identifiable with a market index/benchmark
- alternative investment funds

#2 “Other” investments do not follow any minimum environmental or social safeguards.



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?

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

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.siderafunds.com/en/sustainability.html>