

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: **Axiom Short Duration Bond Fund**

Legal entity identifier: **549300ES12I14FSSHT65**

Environmental and/or social characteristics

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 34,0% 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 Compartment promotes the following environmental and social characteristics:

Environmental:

Financial institutions: Factors relating to both the direct and indirect impact of banks activities on the environment are considered. Among the direct ones, the ESG scores include the assessment of their operational eco-efficiency including GHG emissions, energy use and water use and disposal. The assessment of indirect activities is also

included in the ESG scores notably looking at the climate strategy of lending portfolios as well as risk assessment. This information is complemented by an internal methodology called the Axiom Climate Readiness Score which provides a much more robust assessment of banks' climate performance.

The rationale for this additional analysis is driven by Axiom's conviction that the European banking sector plays a key role in the achievement of the Paris Agreement as it finances more than 70% of the EU economy. The energy transition will therefore not happen without banks' action. There is therefore a need to use more robust methodologies that help to understand how banks are steering their portfolios to finance the sector and activities needed for the energy transition to happen.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on operational eco-efficiency, climate strategy, environmental policy and management systems and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including biodiversity and water related risks. Likewise, there are general, and sector specific indicators used to assess all these areas. For example, in the case of operational eco-efficiency, GHG emissions and waste disposal are assessed for all sectors and complemented with energy and water indicators relevant for the sector (e.g., use or consumption). Sector specific indicators include, among others, data center efficiency and renewable energy share for companies in telecommunication services, and emissions of acidifying substances in the oil & gas and chemical sectors.

Social:

Financial institutions: The ESG scores include indicators related to banks' practices in terms of human capital development, talent attraction and retention, financial inclusion, labor practices, human rights, and Occupational Health & Safety. In addition, the controversies database is used to analyze banks' good behavior in their selling practices as it monitors banks' exposure to litigation cases and settlements resulting from poor consumer protection practices.

There is no reference benchmark designated for the environmental and social characteristics promoted by the Compartment.

Non-financial institutions: The ESG scores include factors that are common to all sectors as well as sector specific. Indicators on human capital development, occupational health & safety, talent attraction & retention, corporate citizenship & philanthropy, human rights, labor practice and reporting are assessed for all companies. Depending on the materiality for the sector, other areas are assessed, including stakeholder engagement and social impact on communities.

The fund uses exclusion filters to restrict investments and attain the product's environmental and social characteristics. They are used to exclude companies involved in forbidden activities and extremely low-quality governance, which are covered through Axiom's thematic and sectoral policies and related exclusion list. Activities include, tobacco production, coal power and mining production, conventional and unconventional oil & gas, alcohol, gambling, cannabis, and adult entertainment.

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

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

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	45,6%
	Implied Temperature Rise	2,62°C
Social	Average ratio of female to male board members in investee companies	36,0%
	Number of active social litigation cases	344
Environmental and Social	ESG score	50

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

Sustainability Theme	Indicator	Value
Environmental	Axiom Climate Readiness Score	40,3%
	Implied Temperature Rise	2,69°C
Social	Average ratio of female to male board members in investee companies	32,4%
	Number of active social litigation cases	314
Environmental and Social	ESG score	48

Compared to the previous year, the fund saw an increase in the performance in four indicators out of five, the main driver were the improvements in issuers' performance followed by changes in sector allocation. The increase in the number of active social litigation cases is due to an increase in the number of litigation cases from existing issuers of the fund.

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

The fund supports the sustainable investment objective of climate mitigation. We defined Sustainable Investments in financial institutions as investments in banks and insurance companies that from a climate change standpoint demonstrate significant efforts to mitigate climate change, follow good governance practices and do not significantly harm other environmental and social objectives.

Significant efforts to mitigate climate change are defined through the minimum performance thresholds of our climate methodology, the [Axiom Climate Readiness](#)

[Score](#). These are: i. At least 30% in corporate engagement (Pillar #1); ii. At least 25% in the weighted average of Climate risks and opportunities management (Pillar #2) and Contribution to the low-carbon transition (#3). In addition, banks' corporate lending portfolio temperature today have a high temperature (>3°C) and need to be signatories of the Principles for Responsible Banking.

By investing in bonds of these banks and insurance companies the fund steers its investments towards issuers that have expressed the intention to contribute to climate mitigation, that have taken demonstrable actions and that can be considered leaders in the topic.

A small share of this fund is invested in sovereign debt. We have defined Sustainable Investments in sovereign debt as investments in governments that from a climate change standpoint have set net zero targets that are considered "acceptable" by the [Climate Action Tracker](#).

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?

The Principal Adverse Impact (PAI) indicators were considered in order to understand if the sustainable investments were not doing significant harm to other environmental and social objectives not addressed by our definition of sustainable investments (SI).

During the reporting period, the fund invested in 44 companies considered sustainable investments. We monitor how these investments do not cause significant harm as:

1. PAI 1 (Absolute GHG emissions): these are companies that are not substantially increasing their GHG emissions year on year, in particular those with the highest absolute GHG emissions of their sector. Note that today data on financed emissions is quite poor, and Scope 1 and Scope 2 and Scope 3 upstream represent less than 5% of the total emissions of a financial institution.
2. PAI 3 (GHG intensity): these are not companies with a GHG emissions intensity considered as an extreme value.
3. PAI 4 (Fossil fuel sector companies): these are not companies in the fossil fuel sector.
4. PAI 5 (Share of non-renewable energy consumption and production): these are not companies with a ratio showing an extreme value.
5. PAI 6 (Energy consumption intensity per high impact climate sector): these are companies in sectors not considered as of high impact in terms of energy consumption.
6. PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are not companies in breach of both market standards.

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.

7. PAI 7 (Activities negatively affecting biodiversity-sensitive areas): these are companies that do not negatively affect biodiversity-sensitive areas.
- 8.
9. PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises): these are companies that have set a minimum number of policies that are in line with both market standards.
10. PAI 12 (Unadjusted gender pay gap): these are not companies with an unadjusted gender pay gap with an extreme value.
11. PAI 13 (Board gender diversity): these are not companies with a female representation at board of no less than 20%.
12. PAI 14 (Exposure to controversial weapons): these are not companies with activities associated directly with controversial weapons manufacturers, as well as components and service providers.

Although our data providers increased their coverage in 2024, in particular regarding PAI 7, there are still several companies for which no data for PAI 8 (Emissions to water) and 9 (Hazardous waste and radioactive waste ratio) is available. These indicators are, however, not material for the companies classified as sustainable investments which for the time being only consist of only banks and insurers. We will continue to monitor our providers' coverage and take corrective measures if it does not continue to improve over time.

Note that PAI 2 (carbon footprint) is not listed as this is an indicator that can only be monitored at portfolio level, and which is indirectly controlled through restrictions in PAI 1 and 3.

In terms of the voluntary PAIs, Axiom AI considers two: i. Investments in companies without carbon emission reduction initiatives; and ii. Lack of anti-corruption and anti-bribery policies. In the case of the first PAI, all SI have committed to targets in line with the Paris Agreement objectives and are taking actions to achieve them. In the case of the second, all companies considered Sustainable Investments need to have anti-corruption and anti-bribery policies.

In the case of the sovereign bonds related sustainable investments, PAIs are equally monitored, but no specific restrictions are set as the exclusion policy is already quite severe and these investments are not part of the core strategy (less than 1% of the compartments overall exposure).

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

Yes, none of the SI have been associated with a potential violation of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as per our data provider. More details on its methodology can be found [here](#).



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

During 2024 the Principal Adverse Impacts (PAIs) were mainly monitored for Sustainable Investments, for companies not classified as Sustainable Investments the PAIs were not actively monitored due to lack of resources. Its exposure was therefore minimized indirectly through the thematic and sectoral exclusions policy.

In terms of environmental PAIs, the changes in scope 1 (decrease) and 2 (increase) emissions were primarily driven by changes in portfolio allocation firstly due to a lower exposure to high-carbon intensive corporates during the first three quarters of the year compared to 2023, and secondly, due to a change in the companies profile, indeed the companies that entered to the fund on Q4 had higher scope 2 emissions than those that were divested. Scope 3 emissions saw a significant decline, as the emissions reported from a money market fund responsible for approximately 80% of the GHG emissions in 2023 decreased. This was equally the main factor explaining the decrease in the GHG intensity of the fund. The decrease in Scope 3 drove the decrease of the fund's carbon footprint. Finally, the number of companies in the portfolio without decarbonization initiatives saw a slight decrease.

In the case of the social PAIs, PAI 11 improved, driven by a reduced presence of issuers with a poor number of UNGC related policies and a lower weighting for those still in the portfolio. PAI 12 decreased slightly, mainly due to changes in asset allocation issu, and stable performance from other companies. Finally, PAI 13 saw a slight increase due to an overall increase in the indicator from issuers.

Adverse Sustainability Impact	Adverse Sustainability Factor	Metric	Value 2024	Value 2023
Mandatory Indicators				
Environmental	1. GHG emissions	Scope 1 GHG emissions (tonnes CO2e/m EUR)	2 319	2 471
		Scope 2 GHG emissions (tonnes CO2e/m EUR)	1 024	767
		Scope 3 GHG emissions (tonnes CO2e/m EUR)	19 101	86 089
		Total GHG emissions (tonnes CO2e/m EUR)	23 669	89 327
	2. Carbon footprint	Carbon footprint (tonnes CO2e/m EUR)	57	204
	3. GHG intensity of investee companies	GHG intensity (tonnes CO2e/m EUR)	135	222

Social	11. Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines	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 principles or OECD Guidelines for Multinational Enterprises	20%	22%
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	16	15
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members (0 to 1)	33%	32%
Voluntary Indicators				
Environmental	4. 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 (Yes 1 No 0)	22%	23%



What were the top investments of this financial product?

Large Investments

CNP Assurances
 OTP Bank Nyrt
 AXA
 Standard Chartered PLC
 Nordea Bank Abp
 Sogecap
 Athora Holding Ltd.
 Banque Internationale A Luxembourg
 Unicredit Societa' Per Azioni
 Swedbank AB
 Saxo Bank A/S
 Commerzbank AG
 ELM BV

Sector	% Assets	Country
Insurance	3,0%	FR
Banks	2,2%	HU
Insurance	1,8%	FR
Banks	1,7%	GB
Banks	1,4%	FI
Insurance	1,4%	FR
Insurance	1,4%	BM
Banks	1,4%	LU
Banks	1,3%	IT
Banks	1,3%	SE
Diversified Finan Serv	1,2%	DK
Banks	1,2%	DE
Insurance	1,1%	NL

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/2024 – 12/2024

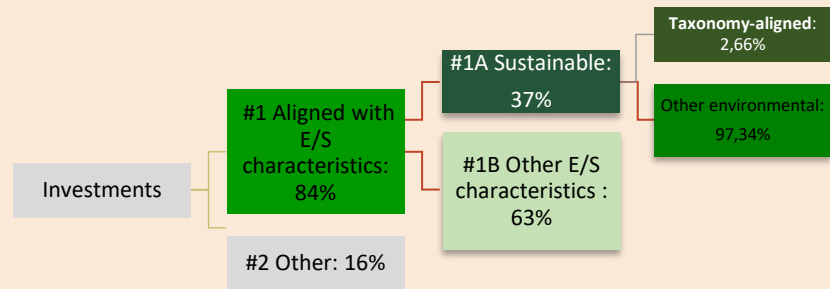
OSB Group PLC	Diversified Finan Serv	1,1%	GB
Raiffeisen Bank International AG	Banks	1,1%	AT
Oldenburgische Landesbank AG	Banks	1,1%	DE
Grenke Finance PLC	Diversified Finan Serv	1,1%	IE
Landesbank Hessen-Thuringen Girozentrale	Banks	1,0%	DE
Raiffeisenbank Austria d.d. Zagreb	Banks	1,0%	HR
Marex Group PLC	Diversified Finan Serv	1,0%	GB
Intesa Sanpaolo Vita SpA	Insurance	1,0%	IT
Deutsche Bank AG	Banks	0,9%	DE
Banca Ifis SpA	Diversified Finan Serv	0,9%	IT
UBS Group AG	Banks	0,9%	CH
Credit Agricole Assurance	Insurance	0,9%	FR
Bayerische Landesbank	Banks	0,8%	DE
Powszechna Kasa Oszczednosci Bank Polski SA	Banks	0,8%	PL
Münchener Hypothekenbank eG	Banks	0,8%	DE
Banco Santander SA	Banks	0,8%	ES
Ethias SA	Insurance	0,8%	BE
Athora Italia SpA	Insurance	0,8%	IT
IKB Deutsche Industriebank AG	Banks	0,8%	DE
Unicaja Banco SA	Banks	0,8%	ES
Volksbank Wien AG	Banks	0,8%	AT
Scor SE	Insurance	0,7%	FR
MACIF	Insurance	0,7%	FR
Banque Federative du Credit Mutuel	Banks	0,7%	FR
Athora Netherlands NV	Insurance	0,7%	NL
Bayer AG	Pharmaceuticals	0,7%	DE
Bank Of Valletta PLC	Banks	0,6%	MT
Banco Comercial Portugues SA	Banks	0,6%	PT
Fidelidade - Companhia De Seguros SA	Insurance	0,6%	PT
AS LHV Group	Banks	0,6%	EE
P & V Assurances - P & V Verzekeringen	Insurance	0,6%	BE
Procredit Holding AG & Co.KGaA	Diversified Finan Serv	0,6%	DE
Wuestenrot & Wuerttembergische AG	Insurance	0,6%	DE
Hannover Rueck SE	Insurance	0,6%	DE
Close Brothers Group PLC	Diversified Finan Serv	0,6%	GB
BAWAG Group AG	Banks	0,6%	AT
NN Group NV	Insurance	0,6%	NL
SRLEV NV	Insurance	0,6%	NL

Note: The top holdings presented were calculated taking the average of the monthly share of investments in each company, they do not considered investments in Equity Index Futures, CDS Index Liquid Tranche, CDS Index, Bonds Futures.



What was the proportion of sustainability-related investments?

What was the asset allocation?



Asset allocation describes the share of investments in specific assets.

#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.

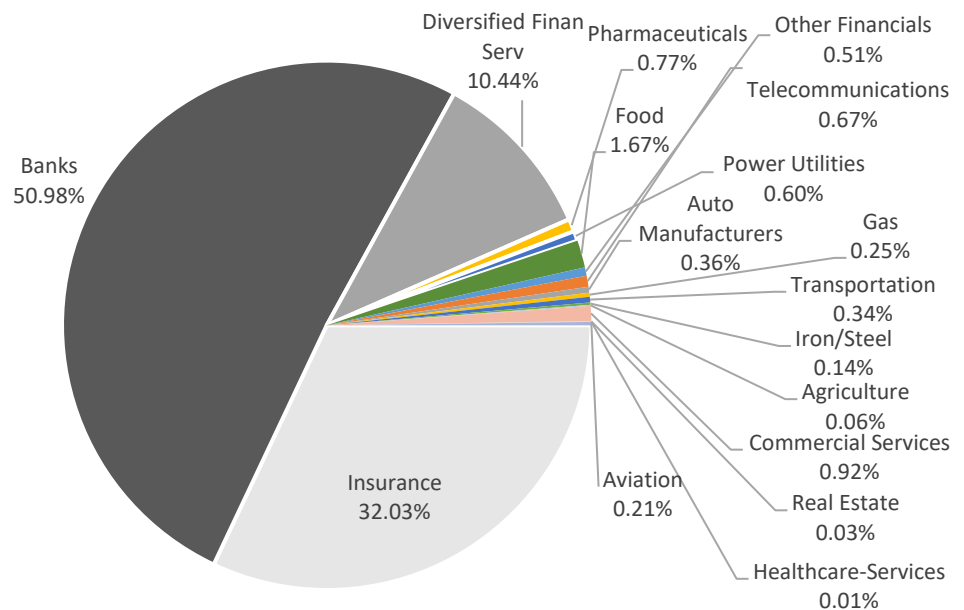
#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Note the taxonomy-alignment figure is an average of capex and revenue alignment.

In which economic sectors were the investments made?



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.

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.



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

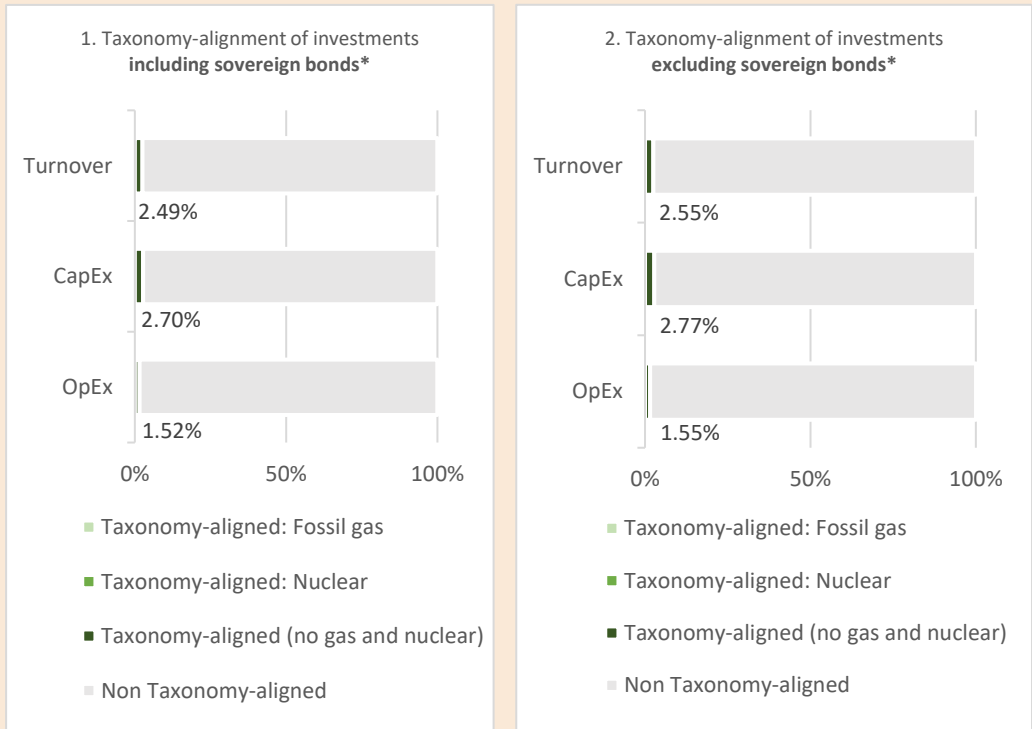
- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹ ?

☐ Yes:

☐ In fossil gas
 ☐ In nuclear gas

☒ No

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

For the year 2024 the management company’s data provider did not provide information regarding the share of taxonomy aligned activities in fossil gas and nuclear of financial institutions, thus in this reporting period the split is not provided.

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 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

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

The management company set a minimum share in transitional and enabling activities of 0%. As of the end of 2024 this share stood at 0,78% for transitional CapEx, 0,96% for transitional revenue, 0,27% for enabling CapEx and 0,18% for enabling revenue data.

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

There are no previous reference periods.



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

97,34% on average. Axiom AI has only defined sustainable investments for financial sectors companies. This is a sector that historically has invested in all the real economy and not just a segment of it. However, their power to transform the economy into a green/sustainable one is much more important than that of any company in the real economy. That is the reason why Axiom AI does not define sustainable investments as per the EU taxonomy definition.



What was the share of socially sustainable investments?

The product made no investment in socially sustainable investments.



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

Investments included under “#2 Other” are in companies or in instruments for which ESG ratings are not available or for which all the environmental and social indicators cannot be assessed due to lack of data. Minimum environmental and social safeguards are however cover through the application of the sectoral and thematic policies.



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

The monitoring of the environmental and social characteristics of the product is ensured in different forms. The pre-trade and post-trade system controls for breaches regarding our exclusion list. In addition, the portfolio manager can review the fund’s performance under the different sustainability indicators (e.g., ITR, ACRS, ESG score) in a daily basis.

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.



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

No ESG reference benchmark is used, the benchmarks (ICE BofAML Euro Financial Index (40%), ICE BofAML Euro Corporate Index (40%) and ICE BofAML Contingent Capital Index (20%)) are not indices which integrate environmental and social considerations.

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

Not applicable.

- ***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?***

Not applicable.

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

Not applicable.

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

Not applicable.

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