



SUSTAINABILITY-RELATED DISCLOSURES

UBAM – Bell US Equity

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SUSTAINABILITY-RELATED DISCLOSURE

UBAM – BELL US EQUITY – ARTICLE 8

Summary

This Sub-Fund invests primarily in US equities that represent the Investment Manager's philosophy of Quality at a Reasonable Price to build a high-quality portfolio, without paying an excessive valuation premium.

It promotes environmental and social characteristics but does not have as its objective sustainable investment.

The Investment Manager defines Quality as companies with an optimal mix of six key factors: high quality management, consistent profitability, strong franchises, financial strength, favourable business drivers and strong environmental, social & governance (ESG) characteristics.

The environmental and social characteristics promoted by the Sub-Fund are measured relative to its reference index (S&P 500) and include:

- Better ESG practices, as measured by the portfolio's higher ESG Quality Score
- Lower weighted average carbon intensity
- Respect of sound business practices as defined by the Ten principles of the UN Global Compact

The index is a standard reference representing the Sub-Fund's universe but is not aligned with the environmental characteristics promoted by this Sub-Fund.

The Investment Manager takes into consideration and seeks to minimize the following potential principal adverse impacts of its investments: 1) GHG Intensity of Investee Companies, 2) Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and 3) Exposure to Controversial Weapons.

The ESG approach is embedded in the investment process of this Sub-Fund as the Investment Manager believes that integrating ESG factors will deliver superior long term returns to investors. ESG considerations can be important drivers or risks associated with an investment and its ability to maintain or improve the Quality of their business and ultimately their returns. The Investment Manager believes that as a steward of investors' capital, active ownership and engagement is paramount to the success of investments and is in the best interests of the Sub-Fund's shareholders.

This Sub-Fund intends to have a minimum of 90% of its assets aligned with the environmental and social characteristics promoted.

The binding criteria used to attain each of the environmental and/or social characteristics promoted by the Sub-Fund are integrated in control systems, to ensure pre- and post-trade

checks. Compliance is monitored by the Risk department on an ongoing basis.

The Investment Manager may use data reported directly by issuers or sourced from third-party data providers such as MSCI ESG Research or Sustainalytics. The service and data quality provided by third-party ESG data providers are reviewed regularly.

Depending on the metric considered, some data may be estimated by data providers. Although the Investment Manager applies a thorough selection process of third-party providers, their processes and proprietary ESG methodology may be flawed. As a result, there is a risk of incorrectly assessing an issuer, resulting in an inappropriate capture of ESG risks and potential incorrect inclusion or exclusion in the product. This is expected to have limited impact on the overall environmental and/or social characteristics promoted by the product.

The investment due diligence process ensures that the investment decisions comply with the objectives and the investment strategy of the Sub-Fund. The consideration of sustainability-related risks is integrated into the investment decision-making process to ensure better-informed investment decisions as well as awareness of the risk exposure. The first level of due diligence is conducted by the Investment Manager, while the second level is conducted by the Risk department.

The Investment Manager engages with investee companies directly and, in some cases, collaboratively with other investors.

The Investment Manager exercises its voting rights, in line with the voting policy which follows sustainability principles.

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

No sustainable investment objective

This Sub-Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

This Sub-Fund is managed so that the ESG quality score, as measured by MSCI ESG Research, will remain superior to that of the reference index (S&P 500) at all times.

In addition this Sub-Fund promotes environmental characteristics through a lower carbon footprint paying

attention to issuers' greenhouse gas (GHG) emissions and climate strategy.

The sustainability indicator used for carbon footprint measurement is the weighted average carbon intensity, in tons of CO₂ equivalent per million of USD revenues. The Sub-Fund will maintain its weighted average carbon intensity at least 25% below that of its reference index.

This Sub-Fund promotes social characteristics by supporting the ten principles of the United Nations Global Compact.

The sustainability indicator used to assess social characteristic is the share of companies in breach to United Nations Global Compact (UNGC).

The benchmark is a standard reference representing the Sub-Fund's universe but is not aligned with the environmental and social characteristics promoted by this Sub-Fund.

Investment strategy

This Sub-Fund invests primarily in US equities that represent the Investment Manager's philosophy of Quality at a Reasonable Price to build a high-quality portfolio, without paying an excessive valuation premium. The Investment Manager defines Quality as companies with an optimal mix of six key factors: high quality management, consistent profitability, strong franchises, financial strength, favourable business drivers and strong environmental, social and governance (ESG) characteristics.

The ESG approach is embedded in the investment process as the Investment Manager believes that integrating ESG factors will deliver superior long term returns to investors. ESG considerations can be important drivers or risks associated with an investment and its ability to maintain or improve the Quality of their business and ultimately their returns. The Investment Manager believes that as a steward of investors' capital, active ownership and engagement is paramount to the success of investments and is in the best interests of the Sub-Fund's shareholders.

This Sub-Fund has the following binding elements: the investment universe will screen out all companies that fail our international norms-based screen, including all companies that fail the UN Global Compact compliance and all companies that are on global sanction lists, all tobacco producers, all companies with ties to nuclear weapons, and all companies with ties to controversial weapons. Other exclusions related to material involvement in thermal coal extraction, coal-powered electricity generation and unconventional oil and gas also apply, in line with UBP' exclusion criteria for Article 8 financial products as defined with its Responsible Investment policy.

This Sub Fund's investment universe has a minimum of 90% coverage in terms of ESG analysis.

The Investment Manager assesses the governance practices of every company in their strategies through its own proprietary ESG materiality assessment. Additionally, it monitors various governance metrics such as 'women as a percentage of directors' or 'board independence' among

others.. Analysis of these factors also contributes to the Investment Manager's engagements and proxy voting.

Proportion of investments

This Sub-Fund intends to have a minimum of 90% of its assets aligned with the environmental and social characteristics promoted.

On an ancillary basis, this Sub-Fund may include investments not aligned with the environmental and social characteristics promoted, such as cash, derivatives and positions without ESG coverage. These are not expected to have a material impact on the environmental and social characteristics of this Sub-Fund.

There are no minimum environmental or social safeguards on the investments not aligned with the environmental and social characteristics of this Sub-Fund.

Monitoring of environmental or social characteristics

The selection criteria used to attain each of the environmental and/or social characteristics promoted by the financial product have been implemented in our control systems. The Risk department (second level of control, fully independent) is in charge of the controls and of the coding of the defined elements within our control systems.

Pre-trade alerts are automatically generated if a trade is initiated for an asset that is not authorised due to the binding elements of the financial product (e.g. exclusion rules).

Post-trade alerts are generated for excesses, and portfolio managers are notified the day after the breach.

In case of excess, rules are in place to ensure a return to compliance at the earliest possible moment and in the best interest of shareholders.

Methodologies

ESG Quality Score

MSCI ESG Research's "Overall ESG Quality Score" assesses the resilience of a portfolio's aggregate holdings to long term ESG risks. It is calculated as the weighted average ESG score of the underlying holdings' ESG scores, adjusted for rating momentum and the share of laggard issuers in the portfolio.

The Overall ESG Quality Score ranges from 0-10, with 0 and 10 being the respective lowest and highest possible fund scores.

WACI

To assess the carbon emission intensity of the fund the Investment Manager uses the Weighted Average Carbon Intensity (WACI) scope 1 and 2, expressed in tons CO₂e/USD million sales.

The carbon emission data is provided by an external provider and is classified per the Greenhouse Gas Protocol (GGP). This external provider collects the carbon emission data from all of the companies within their universe on a yearly basis. The data is sourced directly from company reports, such as annual reports or sustainability reports, CDP or government databases. If the data is not disclosed the external provider uses its internal methodology to estimate Scope 1, Scope 2 emissions.

Compliance with UN GC

Compliance with the UN GC is assessed by an external provider which provides consistent ongoing assessments of publicly traded companies' and fixed income issuers' involvement in controversies that may constitute a breach of selected global norms and conventions, including the United Nations Global Compact Principles (UNGC).

Data sources and processing

- (a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product

The Investment Manager may use data from different sources, including information reported directly by issuers or third-party data providers such as MSCI ESG Research and Sustainalytics.

- (b) The measures taken to ensure data quality

The Investment Manager reviews regularly the service provided by third-party ESG data providers and engages with them when needed to address potential issues, get a better understanding of the methodologies used or increase data coverage. This is under the joint responsibility of the Responsible Investment team and the Market data team.

Data providers are requested to provide audited reviews of their processes on an ad-hoc basis.

- (c) how data are processed

The Investment Manager relies on the information they collect from the issuers they analyse (including due diligence reports, management meetings, annual and sustainability reports), as well as from brokers and rating agencies supplemented by external ESG service providers.

Where possible, data feeds are required from data providers and are automatically integrated within our portfolio management system. Where necessary, additional ad-hoc data may also be used.

- (d) the proportion of data that are estimated

Due to the varying levels of issuers' disclosures, influenced by regional, sectoral, and size differences, and the current gaps in content and completeness, the Investment Manager relies, in part, on data from external third-party providers that may include estimated figures.

The extent of data estimation significantly depends on the specific indicator and the direct disclosures available from issuers. For example, while Scope 1 and Scope 2 emissions

are now more broadly disclosed by companies, Scope 3 emissions may not be, or may only be disclosed partially. As a result, Scope 3 emissions data primarily rely on estimates. In response, the Investment Manager carefully evaluates the estimation methodologies employed.

Over time, as greater data disclosure regulations are implemented, the proportion of estimated data is expected to decrease, enhancing the accuracy and reliability of our ESG assessments.

Limitations to methodologies and data

The Investment Manager acknowledges that there may be some limitations in both third-party and internal methodologies and data. Despite employing a rigorous selection process for third-party ESG data providers, focusing on their credibility, methodology, and data accuracy, their approaches may inherently carry potential flaws. Similarly, our internal methodologies, while carefully developed, involve subjective judgments and could potentially be prone to errors.

These limitations could occasionally lead to incorrect assessments of an issuer's ESG performance, possibly affecting the accurate inclusion or exclusion of securities within the strategy. Specifically, issues such as data inaccuracy, incompleteness, or outdated information could pose challenges to capturing ESG risks accurately.

To mitigate these concerns, the Investment Manager regularly conducts data verification, methodology reviews and may engage with stakeholders (both issuers and data providers) for feedback.

As a result, these potential limitations are expected to have limited impact on the overall environmental and/or social characteristics promoted by the product.

Due diligence

The investment due diligence process ensures that the investment decisions comply with the objectives and the investment strategy of the Sub-Fund. The consideration of sustainability-related risks is integrated into the investment decision-making process to ensure better-informed investment decisions as well as awareness of the risk exposure.

The exclusion policy acts as a first screening in the due diligence process and for funds with sustainable investment objectives, the indicators of the principles of adverse impact are used to ensure that the sustainable investments "do not significantly harm" any environmental or social objectives. The first level of due diligence is conducted by the Investment Manager. The second level of due diligence is conducted by the Risk department, which ensures on-going monitoring.

Engagement policies

Engagement with investee companies may occur. It can be conducted collaboratively as well as, on an ad-hoc basis, directly by the investment team.

Respect of International norms

The Investment Manager has teamed up with an external engagement partner to engage collaboratively in case a company held in its funds is identified as violating international norms, including the UN Global Compact.

Upon identifying potential violation(s) by invested companies of international norms, the external partner places the company under observation. It then:

- Performs due diligence on company's current ESG practices
- Defines engagement objectives and decides on next steps
- Implements an engagement strategy with a clear process and defined timeline
- Provides updates on performance and next steps in real time on a continuous basis

As a reminder, according to the investment manager's Responsible Investment Policy, no investment in an issuer violating the UN Global Compact is allowed for SFDR art. 8 financial products.

Climate Change

The Investment manager participates in collaborative engagement to promote climate disclosures and ambitious climate strategies, notably via the CDP.

Direct engagement

The Investment Manager engages with investee companies directly and, in some cases, collaboratively with other investors. When deemed necessary, it also undertakes escalation strategies to achieve a satisfactory outcome. The result of these engagements are active investment/divestment decisions.

Proxy Voting

The Investment Manager exercises its voting rights, in line with the Management Company's voting policy which follows sustainability principles.

More details on our voting policy and voting activity are available [here](#).

Designated reference benchmark

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

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