

SUSTAINABILITY- RELATED DISCLOSURE

for financial products as referred in article 10, paragraph 1, of Regulation (EU) 2019/2088 and articles 25 through 36 of Regulation (EU) 2020/852

Version 1.0, 30 December 2022

A. Summary

This document describes the ESG information (Environmental, Social and Governance) of the Sustainable Dividends Value Fund (“the Fund”). It provides you with information about this fund in relation to the Sustainable Finance Disclosure Regulation (SFDR). It is not marketing material. The information is required by law to help you understand the sustainability characteristics and/or objectives and risks of this fund.

The objective of the SFDR is to harmonize and make sustainability policy transparent. This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. Based on the sustainability information described in this document, management classifies the Fund as a "light green" fund (according to Article 8 of the SFDR). Sustainability criteria are an integral part of the investment process of the Fund. The data on sustainability comes largely from the companies themselves. Where possible, these are tested externally. There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

C. ‘Environmental or social characteristics of the financial product

The fund has the following E/S characteristics:

1. The fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that Sustainable Dividends believes are detrimental to society and incompatible with sustainable investment strategies.
2. The fund promotes adherence to and conducting business activities in accordance with the United Nations Universal Declaration of Human Rights, the International Labor Organization’s (ILO) labor standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises, by scrutinizing companies that violate these principles.
3. The fund promotes good governance and sustainable corporate practices through proxy voting, which contributes to long-term shareholder value creation. This includes taking an active stance on social and environmental topics through Sustainable Dividends’ proxy voting policy.

4. The fund limits investing in companies with an elevated sustainability risk based on ESG-risk scores.

D. Investment strategy

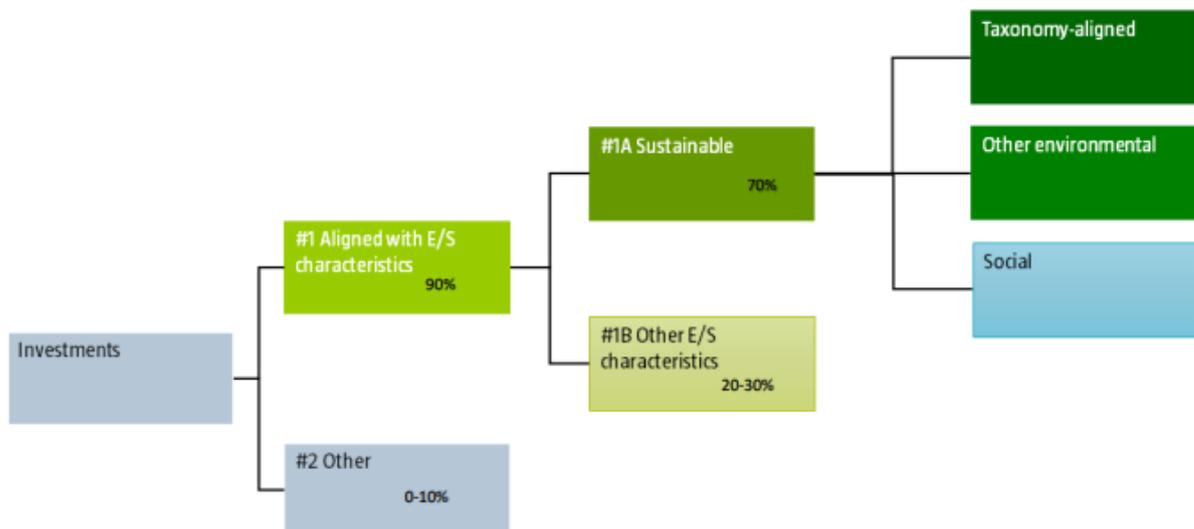
The Fund is an actively managed investment fund that invests with a concentrated portfolio in equities of companies that are domiciled in Europe. The selection of the stocks is based on fundamental analysis. This process focus on quality with a long a long-term view of companies with strong competitive positions, sound financial performance and a focus on sustainability factors. The strategy integrates sustainability indicators on a continuous basis as part of the stock selection process

The process of integrating sustainability indicators is described in more detail in paragraph **G) Methodologies**.

E. Proportion of investments

The minimum of the sustainable investments as a percentage of the total investments in the fund: 70%.

The Asset allocation table:



F. Monitoring of environmental or social characteristics'

1. Monthly checks are carried out on the positions in the fund. ESG scores are reviewed at least annually by the portfolio management team in the investment cases that inform our portfolio management decisions. If there are relevant ESG updates or input from interaction with companies, investment cases are updated accordingly by the portfolio management team.
2. Engagement results – if applicable – are discussed within the Sustainable Dividends team.
3. The proxy voting policy is reviewed annually, including voting principles in relation to ESG topics.

G. Methodologies

Sustainable Dividends applies the analytical ESG framework as a methodology, which is laid down in an internal procedure. All investments are screened internally and sometimes also externally for the three ESG factors, where possible based on evidence-based data.

1. When investigating the environmental score of companies the fund invests in, the following factors are taken into account:
 - CO2 output, direct and indirect
 - Energy use
 - Recycling
 - Water use
 - Other use of resources
 - Importance of ESG in investments
 - The progress factor
2. When determining the social score of companies:
 - Care for clients
 - Care for employees
 - Education of employees
 - Social projects, charitable giving
 - Free product versions for underprivileged
 - Male and female inclusion
 - Other inclusion and equality
3. When determining the governance score of companies :
 - Management quality
 - Goals: Focus and ambition, intentions
 - Organisation, checks and balances
 - Board quality
 - Transparency and communication
 - Lawsuits
 - Concrete goal setting, measurable
 - Company culture
 - External validation

These three criteria are weighted as follows: the “E” for 50%, the “S” for 25% and finally the “G”)for 25% . Each share in the fund has a sustainability score for both the product (Product Score) and the production process (Process Score). The Process Score consists of the three ESG - scores. In this way, sustainability criteria are inextricably linked to the fund's investment policy.

All these factors are checked at least annually for the companies that fund has invested in. The list of factors is also reviewed annually and can be adjusted whenever management deems other or additional factors will lead to a better understanding of the governance score of companies we invest in.

H. Data sources and processing

The Fund uses the following data sources:

1. Annual and semi-annual reports prepared by the companies in which we invest. Special sustainability reports are used when available.

2. Websites of the companies in which (potential) investments are made.
3. Direct contact with company representatives via email, phone calls, Teams gatherings or personal encounters.
4. The fund's ESG scores are based on internal calculations following the process described in paragraph G.
5. Periodic testing against (public) data from data suppliers such as Sustainalytics or Refinitiv.

i) Limitations to methodologies and data

The main limitation of the methodology or data sources is the not (yet) complete disclosure of sustainability data by the companies themselves, as well as the lack of standardization. As for many other financial market participants, finding adequate information on the main adverse indicators is not easy. Hence, the fund managers also contact the companies directly to obtain the required information. The main focus is on CO2 emissions, water and waste. The level of disclosure within these areas increases every year, something that is monitored separately for each portfolio company.

The process does not preclude the data presented by the companies themselves being in some way incorrect, incomplete or otherwise inadequate. From 2024, this risk will be much less due to the entry into force of the Corporate Sustainability Reporting Directive (CSRD), which obliges (large) companies to report sustainability information in a standardized form.

j) Due diligence

The Fund has incorporated the sustainability aspects of the investment strategy into adequate investment due diligence processes and procedures for the selection and monitoring of investments, taking into account, among other factors, the Fund's risk appetite and risk management policy. Specific details on investment due diligence are described in internal procedures. Score tables that evaluate ESG scores are available in Excel format. If conflicting data points are found or data is missing, we engage with the companies.

k) Engagement policies

The investments of the Fund are subject to the selection process of sustainable dividends ("sustainable", here in the sense of "stable"). An important step in this selection process is contact via the management or Investor Relations team of the companies involved. This contact also raises questions about ESG-related topics that are relevant to the fund's specific (potential) investment. The information obtained is updated in the investment cases that accompany the portfolio management process.

l) Benchmark

The MSCI Europe index (Net Total Return in EUR) has been designated as the reference benchmark of the Fund. This index does not apply a methodology to the environmental or social characteristics promoted by the financial product.

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