a) Summary

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investments. However, the financial product partially intends to make sustainable investments that will not cause significant harm to any environmental or social objectives.

The following environmental and social characteristics are promoted by the financial product:

- Limit investments in companies that do not adhere to internationally recognised standards related to human rights, labour rights, the environment, and anti-corruption.
- Limit investments in companies involved in controversial weapons (anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons in the case of issuers linked to countries that are not signatories to the Non-Proliferation Treaty (NPT)).
- Limit investments in securities issued by countries subject to European Union (EU) arms embargoes.
- A minimum proportion of sustainable investments.
- A minimum proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark.
- A minimum proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds.

The sustainable investments made by the third party funds that the financial product invests in need to meet a number of requirements, including various criteria related to assessing there is no significant harm to any environmental or social objectives. To ensure this, Quintet reviews how third party funds determine whether a sustainable instrument does not cause significant harm and the specific methods they employ, such as exclusions or setting any thresholds at the issuer or instrument level.

Funds making sustainable investments are required to have policies in place regarding their own research and investment process to ensure that sustainable investments do not cause significant harm. This should be assessed by taking into account indicators for adverse impacts on sustainability factors.

The financial product invests indirectly via third party funds (Active mutual funds, IMFs and ETFs), 15- 35% in equities and 50-85% in interest rate products and cash. Interest rate products include, among others, bonds, money market instruments and structured products based on interest rate products.

The financial product integrates environmental and social criteria into the investment process through an extensive due diligence process on third party funds. This includes reviewing the robustness of the investment process, the people responsible for the strategy, the risk-adjusted return characteristics, the third party fund manager and the sustainability practices of the fund. The due diligence is composed of 5 pillars:

- Intentionality: explicit and intentional links to sustainable investment;
- Portfolio characteristics: sustainable characteristics among invested companies;
- Research: sufficient skills and tools, integrated into methods and processes;
- Active ownership: voting and high-quality dialogue, supported by clear policies; and

- Transparency: frequent reporting on commitment and progress towards sustainable goals.

Where investments are made in companies, these companies need to meet good governance practices, for example in relation to corporate governance, ethical business conduct, responsible accounting and tax practices and employee relations. Quintet expects all third party funds that the financial product invests in to assess whether investee companies indeed follow good governance practices. Quintet validates that third party funds consider good governance practices by assessing their formal good governance policy.

Where a third party fund does not have a formal good governance policy, the third party fund's holdings are assessed by Quintet at the company level to determine whether the companies in which the third party fund invests do in fact follow good governance practices.

After an investment is made in a third party fund, Quintet continues to interact actively with the third party fund managers and collects data on their portfolios on a regular basis to ensure compliance with the financial product’s environmental and social characteristics.

The financial product uses the following sustainability indicators to measure the attainment of each of the environmental and social characteristics promoted by the financial product, which are calculated as a percentage of investments:

- Investee companies that violate the United Nations Global Compact principles.
- Investee companies involved in controversial weapons.
- Investment instruments issued by countries subject to EU arms embargoes.
- Sustainable investments made by the financial product.
- Proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark.
- Proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds.

Quintet uses multiple data sources in relation to the environmental and social characteristics of the financial product. Methodologies and data related to measuring the attainment of each of the environmental or social characteristics in the form of the sustainability indicators can have limitations, such as information not being publicly available or a delay between the occurrence of an issue and that issue being identified. Various quality control and assurance mechanisms are in place to ensure the robustness and accuracy of the data used. It is not possible for Quintet to determine the proportion of estimated data used to calculate the sustainability indicators.

Quintet believes that proxy voting for equity funds and engagement for both equities and corporate bonds are crucial elements to assess and influence the behaviour of investee entities. Since the financial product only invests in funds managed by third party fund managers, these party fund managers are held to the same standards regarding active ownership as Quintet applies when it makes direct investments.

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product.

b) No sustainable investment objective

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

However, the financial product partially intends to make sustainable investments that will not cause significant harm to any environmental or social objectives.

How do the sustainable investments not significantly harm any sustainable investment objectives?

The sustainable investments made by the third party funds that the financial product invests in need to meet a number of requirements, including various criteria related to assessing there is no significant harm to any environmental or social objectives. To ensure this, Quintet reviews how third party funds determine whether a sustainable instrument does not cause significant harm and the specific methods they employ, such as exclusions or setting any thresholds at the issuer or instrument level.

Funds making sustainable investments are required to have policies in place regarding their own research and investment process to ensure that sustainable investments do not cause significant harm. This should be assessed by taking into account indicators for adverse impacts on sustainability factors. The way they are taken into account can differ, as the SFDR does not prescribe a specific methodology and there is no single market approach for this. Therefore, across the third party funds that the financial product invests in, different approaches are applied, which include, where possible and feasible, quantitative and/or qualitative assessments of the indicators listed in table 1 of Annex I of the Delegated Regulation 2022/1288. In addition, the way indicators are considered can depend on various factors, such as whether the specific indicator is relevant for the investment and the availability of (reliable) data. Furthermore, sustainable investments made in investee companies should be aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

c) Environmental or social characteristics of the financial product

The following environmental and social characteristics are promoted by the financial product:

- Limit investments in companies that do not adhere to internationally recognised standards related to human rights, labour rights, the environment, and anti-corruption.
- Limit investments in companies involved in controversial weapons (anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium, white phosphorus, and nuclear weapons in the case of issuers linked to countries that are not signatories to the Non-Proliferation Treaty (NPT)).
- Limit investments in securities issued by countries subject to European Union (EU) arms embargoes.
- A minimum proportion of sustainable investments.
- A minimum proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark.
- A minimum proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds.

d) *Investment strategy*

The financial product invests indirectly via third party funds (Active mutual funds, IMFs and ETFs), in equities and in interest rate products and cash. Interest rate products include, among others, bonds, money market instruments and structured products based on interest rate products.

This asset allocation should be considered as an average. The proportion allocated to equities may vary from 15 to 35% of the net assets of the financial product and the proportion allocated to interest rate products and cash from 50 to 85% of the net assets of the financial product.

In addition, the financial product may invest up to 100% of its net assets in units of UCIs of all classifications and in structured products giving exposure to other asset classes such as currencies and/or commodities.

The assets of the financial product are invested without restriction of economic sector or geographical origin.

The financial product integrates environmental and social criteria into the investment process through an extensive due diligence process on third party funds. This includes reviewing the robustness of the investment process, the people responsible for the strategy, the risk-adjusted return characteristics, the third party fund manager and the sustainability practices of the fund. The due diligence is composed of 5 pillars:

- Intentionality: explicit and intentional links to sustainable investment;
- Portfolio characteristics: sustainable characteristics among invested companies;
- Research: sufficient skills and tools, integrated into methods and processes;
- Active ownership: voting and high-quality dialogue, supported by clear policies; and
- Transparency: frequent reporting on commitment and progress towards sustainable goals.

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

Where investments are made in companies, these companies need to meet good governance practices, for example in relation to corporate governance, ethical business conduct, responsible accounting and tax practices and employee relations. Quintet expects all third party funds that the financial product invests in to assess whether investee companies indeed follow good governance practices. Quintet validates that third party funds consider good governance practices by assessing their formal good governance policy.

Where a third party fund does not have a formal good governance policy, the third party fund's holdings are assessed by Quintet at the company level to determine whether the companies in which the third party fund invests do in fact follow good governance practices.

e) *Proportion of investments*

What is the minimum proportion of investment aligned with the Environmental and Social characteristics that the financial product promotes?

At least 85% of the investments are aligned with the environmental and social characteristics of the financial product.

What is the minimum proportion of Sustainable Investments?

The minimum proportion of sustainable investments of the financial product is 75%. While the financial product partially intends to make sustainable investments, it does not specifically strive to make EU Taxonomy aligned investments. As such, the minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.

The financial product partially intends to make sustainable investments with an environmental objective that are not aligned with the EU Taxonomy, as well as sustainable investments with a social objective. The financial product does not commit to any specific individual or combination of sustainable investment objectives. Therefore, there is no committed minimum share of sustainable investments with an environmental objective not aligned with the EU Taxonomy or with a social objective.

What are other investments and what is their purpose?

Any remaining investments that are not aligned with the environmental and social characteristics of the financial product are investments for diversification and hedging purposes (including ETCs and ETFs), and cash held as ancillary liquidity. There are no minimum environmental or social safeguards for these investments.

What is the ratio of direct exposures and non-direct exposures?

The financial product only makes non-direct exposures, except for cash (which may be both direct and indirect exposures).

f) 'Monitoring of environmental or social characteristics';

How are the sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the financial product monitored?

The financial product uses the following sustainability indicators to measure the attainment of each of the environmental and social characteristics promoted by the financial product, which are calculated as a percentage of investments:

- Investee companies that violate the United Nations Global Compact principles.
- Investee companies involved in controversial weapons.
- Investment instruments issued by countries subject to EU arms embargoes.
- Sustainable investments made by the financial product.
- Proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark.
- Proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds.

After an investment is made in a third party fund, Quintet continues to interact actively with the third party fund managers and collects data on their portfolios on a regular basis to ensure compliance with the financial product's environmental and social characteristics.

As Quintet cannot impose any exclusion criteria to third-party managers and the exclusion criteria applied by them can differ from those of Quintet, a principle-based approach is applied and preference is given, where possible and feasible, to third party funds that have exclusion policies in at least the same areas as those listed above.

With regard to the sustainable investments made by the financial product: Through the due diligence and selection process, Quintet ensures that the sustainable investments made by third party funds are aligned with Quintet's own sustainable investment framework. The sustainable investment disclosures of third party funds are used in order to determine the percentage of sustainable investments which third party funds are invested in. These percentages are checked on a regular basis to ensure that the committed minimum proportion sustainable investments of the financial product is adhered to.

Finally, to ensure the minimum levels are continuously met, regular checks are conducted on the proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark, and on the proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds.

g) Methodologies for environmental or social characteristics

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

The sustainability indicators that are used to measure the attainment of each of the environmental and social characteristics promoted by the financial product are based on the following methodologies:

- Adherence to the United Nations Global Compact (UNGC) principles is measured by using research provided by Sustainalytics, a specialised global ESG data provider, to assess whether companies adhere to the UNGC principles. Companies which do adhere to the UNGC principles are then linked to the investment instruments of the third party funds that the financial product has invested in. Following this, the value of the exposures to the investment instruments are added up and divided by the total value of the portfolio, in order to calculate the percentage of the total portfolio in adherence of the UNGC principles.
- Involvement of investee companies in controversial weapons is measured by using research provided by Sustainalytics. Companies that are considered to be involved in controversial weapons based on the criteria of Quintet's Responsible Investment policy are identified and then linked to the investment instruments of the third party funds that the financial product invested in. Following this, the value of the exposures to the investment instruments are added up and divided by the total portfolio in order to calculate the percentage of holdings that have controversial weapons involvement.
- Sovereigns subject to EU arms embargos is measured by using research provided by Sustainalytics. This research identifies the central governments that are subject to the EU arms embargoes. These sovereign issuers are then then linked to the investment instruments of the third party funds that the financial product invested in. Following this, the value of the exposures to the investment instruments are added up and divided by

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the total value of the portfolio, in order to calculate the percentage of the total portfolio that are subject to EU arms embargoes.

- The sustainable investments percentage is measured by using the disclosures of the third-party funds that the financial product invested in. These percentages are then multiplied by the value of the exposures to the third party funds of the financial product and added up, in order to calculate the percentage of the total portfolio that are sustainable investments.
- The proportion of the equity allocation invested in third party funds which have a EU climate Transition Benchmark or EU Paris-aligned benchmark is measured by taking the value of the exposures to the third party funds that have such benchmarks, and divide that by the total value of the equity allocation of the financial product.
- The proportion of the fixed income allocation invested in third party funds which invest in Green, Social or Sustainable (GSS) bonds is measured by taking the value of the exposures to funds that invest in GSS bonds, and divide that by the total value of the fixed income allocation of the financial product.

h) Data sources and processing

What data are used?

Quintet uses multiple data sources in relation to the environmental and social characteristics of the financial product. These sources are described below.

For Quintet's investment decision-making and reporting related to investee entities invested in through third-party funds, Quintet consumes data from Sustainalytics on their environmental and social characteristics, specifically, research related to UN Global Compact adherence, involvement in controversial weapons and countries that are subject to EU arms embargoes. Quintet has chosen Sustainalytics as a primary ESG data provider following an extensive market review and due diligence process. Sustainalytics has been selected because of their expertise, independence, universe scope, quality of data, and their strong research process.

Furthermore, for the sustainable investment percentages the sustainable investment disclosures made by the third party funds are used. The third party funds make use of a wide range of sources and external data providers.

How is the data quality ensured and the data processed?

Given that Quintet uses external ESG data providers, the quality assurance and quality control of the data primarily embedded in the external providers' operations. Sustainalytics has various quality assurance checks, which are done automatically, as well as various manual checks done annually, such as year-on-year subindustry data comparison checks. Their quality assurance and control processes apply to their full infrastructure: from data collection via a variety of research platforms, to data storage within multiple research, product, and aggregation databases, as well as end-of-gate checks before data reaches Quintet.

Furthermore, the third party funds are required to do rigorous due diligence and regular reviews of their data sources and providers to ensure their robustness and quality.

What is the proportion of estimated data?

For this specific data it is not possible for Quintet to determine the proportion of estimated data used to calculate the sustainability indicators. This relates to the fact that the research conducted by the data providers as well as the disclosures of the third-party fund managers, leverages a combination of information reported by issuers, multiple public sources, and their proprietary analytical frameworks.

i) Limitations to methodologies and data

What are the limitations to the methodologies and data used to measure the attainment of the environmental or social characteristics promoted by the financial product?

Methodologies and data related to measuring the attainment of each of the environmental or social characteristics in the form of the sustainability indicators mentioned above can have limitations.

As issuers are not likely to self-declare, for example, that they are operating in violation of international norms or that they are involved in controversial weapons, ESG data providers need to review a range of sources and conduct their own analysis. The primary limitation is that certain company-specific information may have not (yet) reached the public domain and is therefore not considered by ESG data providers. In addition, once information has become public, it can take some time before all relevant evidence has been analysed and evaluated. Consequently, there may be a delay between the occurrence of an issue and that issue being identified by Sustainalytics, incorporated in their research, and subsequently reflected in the sustainability indicators of this financial product. The same applies to the disclosures made by third party fund managers, who in their turn also rely on their external ESG data providers.

How do these limitations not affect how the environmental or social characteristics promoted by the financial product are met?

Given the strong and systematic research process underpinning the data, Quintet believes that despite the abovementioned limitations the data used to measure the environmental and social characteristics of the financial product are sufficiently reliable to provide a meaningful representation of the attainment of the environmental and social characteristics that the financial product promotes.

j) Due diligence

The sustainability due diligence process on third party funds is conducted by the Quintet Fund Solutions team, working closely together with Quintet's ESG & Sustainable Investing team. All funds selected have to demonstrate sufficient responsible practices. This includes understanding environmental, social and governance (ESG) factors as well as a willingness to engage with the companies they invest in. Sustainable funds must fulfil not only investment risk-adjusted return criteria but also a more rigorous assessment of sustainability.

The due diligence process is composed of the five following pillars:

- Intentionality: explicit and intentional links to sustainable investment;
- Portfolio characteristics: sustainable characteristics among invested companies;
- Research: sufficient skills and tools, integrated into methods and processes;
- Active ownership: voting and high-quality dialogue, supported by clear policies; and
- Transparency: frequent reporting on commitment and progress towards sustainable goals.

Through the due diligence and selection process, Quintet ensures that the sustainable investments made by third party funds are aligned with Quintet's own sustainable investment framework. The sustainable investment disclosures of third party funds are used in order to determine the percentage of sustainable investments which third party funds are invested in. These percentages are checked on a regular basis to ensure that the committed minimum proportion sustainable investments of the financial product is adhered to.

More details on the due diligence process of the financial product can be found here.

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k) Engagement policies

Quintet believes that proxy voting for equity funds and engagement for both equities and corporate bonds are crucial elements to assess and influence the behaviour of investee entities. Since the financial product only invests in funds managed by third party fund managers, these party fund managers are held to the same standards regarding active ownership as Quintet applies when it makes direct investments. Engagement takes place with these party fund managers to ensure that, where possible and feasible, they pursue engagement and voting activities.

l) Designated reference benchmark

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product

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Change log

Version	**Publication date**	**Item**	**Details**
1.0	17/03/2025	Initial version	

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