

Sustainability-related disclosures regarding Convergence Lux – Bonhôte Impact Fund Legal entity identifier: 549300MR4SK36BWEMN08

The sub-fund Convergence Lux – Bonhôte Impact Fund (“Bonhôte Impact” or the “financial product”) is a collective investment fund referred to in Art. 8 (1) of EU Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector (the “SFDR”) as a financial product which promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics.

In accordance with the SFDR, Bonhôte publishes hereinafter information describing characteristics of Bonhôte Impact from a sustainability point of view.

A. Summary

Bonhôte Impact promotes environmental and/or social characteristics by investing in UCITS/UCI and open-ended ETFs that exhibit superior ESG profiles based on a third-party provider rating methodology while excluding investments into certain economic activities and/or sectors. The UCITS/UCI and open-ended ETFs, in which the Sub-Fund invests have different environmental and social characteristics. Accordingly, such UCITS/UCI and open-ended ETFs may support numerous environmental or social causes.

The investment manager uses an ESG Methodology, which follows a reverse engineering proprietary methodology to implicitly reconstitute investable "best in class" universe from key ESG experts.

This methodology uses a multi-scan of several independent and recognized ESG sources in order to provide an ESG rating of the contemplated investments.

Based on the criteria used for the ESG methodology, funds can be ranked in a rating system. Target funds must rank B- or higher on the ESG rating methodology while the aggregated weighted average score of the Sub-Fund shall be B+ or higher.

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

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D. Investment strategy

a. What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?

Bonhôte Impact mainly invests in UCITS and/or other UCI, including open-ended ETFs which may, in particular implement the following strategies:



- ESG Equities;
- Corporate Bonds;
- Green Bonds
- ESG Bonds; and
- Impact Bonds.

In order to deploy the investment strategy of the Sub-Fund, the Investment Manager uses an extra financial methodology provided by Conser – ESG verifier S.A. (hereinafter named “Conser”), previously named Conser Invest S.A, a Swiss-based independent consulting company using its ESG Consensus® methodology (the “ESG Methodology”) which follows a reverse engineering proprietary methodology to implicitly reconstitute investable “best in class” universe from key ESG experts.

In particular, Conser uses publicly available data such as indices and ETFs to reconstruct the ESG investment universe of rating agencies and investment managers. Opinions of major rating agencies such as MSCI or Sustainalytics are obtained by reconstructing their ESG “best in class” universe through reverse engineering of public Index funds and ETF tracking diversified indices based on ESG data from those providers. The upper 50% of the sample is mathematically considered as “best-in-class.”

The following KPIs are used to measure the impact of the investments on the different factors that are evaluated:

- Cleantech and Water exposure
- Green and Sustainable Bonds exposure
- Fossil Fuel exposure
- Coal exposure
- High Impact funds

Therefore, the ESG Methodology is using a multi-scan of several independent and recognized ESG sources in order to provide an ESG rating of the contemplated investments.

To build the ESG Consensus and collect data on impacts, controversies, and specific climate data, Conser relies on several public and private sources such as:

1. Investment universe of rating agencies

Investment universe of major rating agencies are reconstructed by reverse engineering.

2. Investment decisions of active asset managers

The list of underlying assets of self-declared “sustainable” portfolios is extracted from Refinitiv Lipper database.

3. Specific CO₂ and Climate data

Specific data are acquired from expert data providers (Refinitiv/Asset4, CSR Hub and S&P Global Sustainable) to detail analysis of environmental or social performance of underlying assets.

4. Exclusion lists and public rankings

Exclusion lists of more than 50 international major large investors or NGOs are included in the Consensus [such as ASIR (Swiss association for responsible investments), Pensionkasse Stadt Zurich and Norges bank investment Fund].

The rating system has 10 grades from D to A+ (D, C- ; C ; C+ ; B- ; B ; B+ ; A- ; A ; A+). Investments rated below B- or those not rated as they are not meeting the ESG Methodology fundamental criteria are excluded from the portfolio. The ESG Methodology allows all target funds to be measured following the same set of criteria and exclusions.



The following factors are evaluated by the ESG Methodology, in order to guarantee an effective selection of investments which maintain, on an ongoing basis, environmental and/or social characteristics that the Sub-Fund intends to promote:

- ESG rating consensus
- Sensitive sectors
- Breach to international norms
- Positive climate impact
- Fossil fuels
- CO2 emission

b. 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 elements of the investment strategy are as follows:

Target funds must rank B- or higher on the ESG rating methodology while the aggregated weighted average score of Bonhôte Impact shall be B+ or higher. Bonhôte Impact is currently rated A+ and has never been rated below A-.

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

Bonhôte Impact invests in target funds. Good governance practice of target investments is always assessed as part of the ESG Methodology and it feeds into the ESG rating. By targeting only funds that have an ESG rating of B we ensure good governance since no fund with poor governance would achieve this scoring.

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

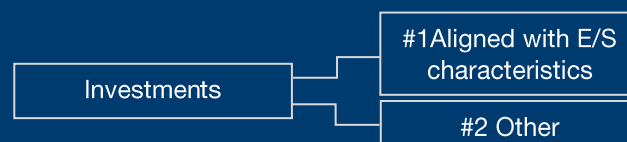
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E. Proportion of investments

a. What is the planned asset allocation for this financial product?

Bonhôte Impact is expected to invest at least 80% of its NAV in targeted funds that qualify as aligned with E/S characteristics (#1).

Bonhôte Impact is allowed to invest up to 20% of its NAV in cash, cash equivalents, and/or hedging instruments (#2 Other). Please also refer to question below regarding “What investments are included under #2 Other, what is their purpose and are there any minimum environmental or social safeguards?”.

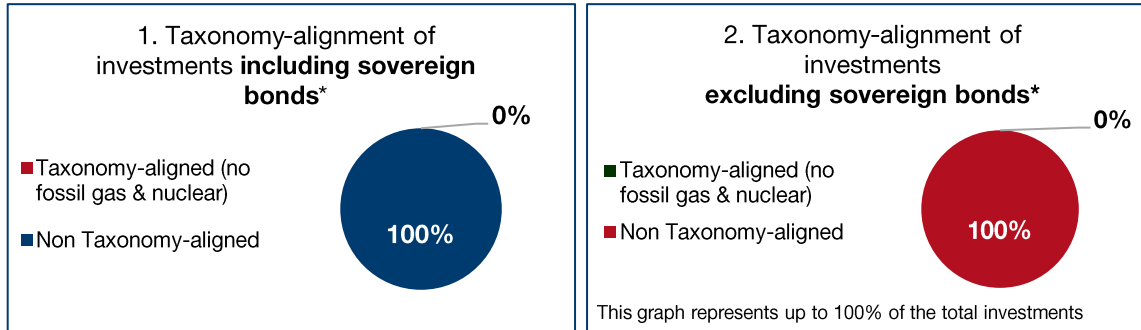


#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#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.



- b. **What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)**



Bonhôte Impact does not commit to investing in any sustainable investments within the meaning of the EU Taxonomy, nor does it take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation. Its portfolio alignment with such Taxonomy Regulation is not calculated.

- c. **What investments are included under “#2 Other” (see above answer to question a.) any minimum environmental or social safeguards?**

“#2 Other” includes liquid assets for which no minimum environmental or social safeguards have been set.

F. **Monitoring of environmental or social characteristics**

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

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted as per the ESG Methodology are:

- the exposure to target funds rated B- and above based on the ESG Consensus® methodology, as per the extra-financial -matters; and
- the exposure to investments having exposure to or tying with sensitive sectors and / or in breach of international norms.

- b. **How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

Conser monitors all underlying assets for all the funds including Bonhôte Impact and analyzes the following elements:

- ESG rating for Bonhôte Impact and all the relevant funds (all underlying assets are reviewed)
- percentage exposed to sensitive sectors
- percentage exposed to violations of international standards
- percentage exposed to fossil fuel (including in transition)
- positive impact (% invested in clean tech, water, green bonds and/or sustainable bonds)
- exposure to CO2

The reference indicators for all above-mentioned dimensions are reviewed by Conser on a monthly basis.



G. Methodologies

a. What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

The combination of quantitative and qualitative ESG sources makes it possible to build an ESG assessment representative of all major sustainable market's participants.

Conser's ESG Consensus® is based on collective intelligence. It is built by aggregating information from 3 main sources of ESG intelligence:

- ESG rating agencies
- Active ESG Managers
- Large ESG investors

	ESG rating agencies	Active ESG Managers	Large ESG investors
Sources	<p>Raw ESG data points from agencies (ranking from 0% to 100%)</p> <p>Universe Best in Class (info extracted from public ETF)</p>	<p>Wisdom: best asset managers demonstrating a proprietary methodology and/or derived from multisource</p> <p>Market pulse: based on the large universe of sustainable funds (>900) with the creation of specific segments (by region/sector/cap size)</p>	<p>Public ranking (name & shame) NGO's / Media / Academic</p> <p>Large institutional investors (public exclusion lists, best in class ranking, etc)</p>
How	Classification Above or Below	Reverse engineering	On going monitoring
Added value	<p>Valuable information from differing methodologies</p> <ul style="list-style-type: none"> ▪ Multiple expert views ▪ Backward looking 	<p>Best convictions from hands-on investors</p> <ul style="list-style-type: none"> ▪ Wisdom of AM + market pulse ▪ Forward looking 	<p>Public perception on companies' sustainability profile</p> <ul style="list-style-type: none"> ▪ Reality check ▪ Present

H. Data sources and processing

a. What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

To build the ESG Consensus and collect data on impacts, controversies, sensitive sectors, and specific climate data, Conser relies on several public and private sources such as:

1. Investment universe of rating agencies

Investment universe of major rating agencies are reconstructed by reverse engineering.

2. Investment decisions of active asset managers

The list of underlying assets of self-declared "sustainable" portfolios is extracted from Refinitiv Lipper database.

3. Specific CO2 and Climate data

Specific data are acquired from expert data providers (Refinitiv/Asset4, CSR Hub and S&P Global Sustainable) to detail analysis of environmental or social performance of underlying assets.

4. Exclusion lists, sensitive sectors and public rankings

Exclusion lists of more than 50 international major large investors or NGOs are included in the Consensus (such as ASIR, Pensionkasse Stadt Zurich and Norge bank investment Fund). The sensitive sectors are analyzed in relation to the turnover.

Part of the CO2 emissions are estimated by S&P, the rest are all reported.



I. Limitations to methodologies and data

a. What are the limitations to the methodologies and data sources? (including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

Conser's methodology currently does not provide individual scoring for E, S and G dimensions. The final score is an aggregation of multiple ESG data sources.

The ESG Consensus ® Methodology does not provide fundamental analysis at underlying assets level.

Limited information on scope 3* since there is at the moment no formal methodology to be applied.

** The company's greenhouse gas emissions are classified into three scopes as defined by the GHG Protocol Corporate Standard.*

- *Scope 1 covers greenhouse gas emissions that occur directly at the level of the company (e.g. emissions related to gas heating in an office or factory).*
- *Scope 2 covers greenhouse gas emissions related to the energy consumption (i.e. emissions from the consumption of purchased electricity, steam, heat and cooling which do not emit directly in the workplace but at the time of its production).*
- *Scope 3 covers all other greenhouse gas emissions which are the vast majority of emissions related to a company's activity (e.g. sourcing, transport, use of products or services, recyclability, etc.). This scope is the hardest to monitor.*

J. Due diligence

a. What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Conser carries out the following due diligence procedures on a monthly basis:

- Qualification of the asset managers in the different clusters of the ESG Consensus®
- Monitoring of public exclusion lists included in the ESG Consensus®
- Verification of the composition of the diverse portfolios (change in weighting and composition)
- Exposure of all the underlying assets to controversies, sensitive sectors, etc.

In 2022, the methodology has been reviewed by a Big 4 for its robustness. Conser's ESG Consensus® database includes best practices in terms of safety controls.

K. Engagement policies

a. Is engagement part of the environmental or social investment strategy?

No.

b. If so, what are the engagement policies? (including any management procedures applicable to sustainability-related controversies in investee companies)

n/a.

L. Reference benchmark

a. Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

No.