



Status: August 2024

Sustainability-related disclosures in accordance with Article 10 of Regulation (EU) 2019/2088 (Disclosure Regulation)

The subject of this document is mandatory information on the intended sustainable investment objective of this financial product. It is not advertising material. This information is required by law in order to transparently explain the sustainable investment objective of the financial product.

Name of the product:

Bonafide Global Fish Fund

Company identifier (LEI code):

5299005QBUQVT7SN0M96

This financial product is managed by the management company IFM Independent Fund Management AG.

a) Summary

This financial product is a product in accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

When managing the financial product, the asset manager takes into account environmental (E) and/or social (S) characteristics, among others, and invests in companies that apply good governance practices (G).

This financial product advertises ecological or social characteristics, but does not aim for sustainable investments.

The Bonafide Global Fish Fund invests its assets primarily (at least 51%) in securities and rights of companies worldwide that are active along the **"fish"** (fish & seafood) **value chain**. The principle of "sustainability" is taken into account at portfolio level with the thematic focus on the favourable resource intensity of fish among animal protein sources; at product level, the focus is on land use, water use and greenhouse gas emissions.

The financial product takes into account environmental (E) and/or social (S) characteristics through the application of exclusion and positive criteria and invests in companies that apply good governance practices (G). The financial product pursues a holistic ESG approach in which the sustainable orientation of the financial product is to be ensured by taking various sustainability factors into account.

Furthermore, the financial product utilises both activity-based and norm-based exclusions, which are described in more detail in the investment strategy below.

To achieve the investment objective of the financial product, a multi-stage sustainability process is used in which issuers are selected according to a predefined process.

The financial product will invest at least 51% of its net fund assets in companies that are aligned with the advertised environmental and social characteristics **(#1)**.

The remaining share (<49%) will therefore consist of **#2 Other investments**.

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The Management Company uses relevant data and information from MSCI and/or WaVeritas as well as from internal and public sources to assess the achievement of the advertised environmental and/or social characteristics.

In its investment strategy, the financial product applies ESG criteria from one or more external ESG data providers, which may be incomplete, incorrect, different or unavailable. There is therefore a risk that the management company may incorrectly assess a security or an issuer so that a security is wrongly included in or excluded from the portfolio of the financial product. Due to the advertised environmental and/or social characteristics and the data required for monitoring, the management company does not currently assume that there will be any restrictions with regard to the fulfilment of these characteristics. Nevertheless, a misjudgement in individual cases cannot be ruled out.

The management company has sufficient resources and expertise with regard to sustainability risks.

The management company is convinced that the active exercise of voting rights contributes to the values and behaviour of companies.

No reference value for determining whether this financial product is aligned with the advertised environmental and/or social characteristics has been determined.

b) No sustainable investment objective

This financial product advertises ecological or social features, but does not aim to make sustainable investments.

c) Environmental or social characteristics of the financial product

The financial product takes into account environmental (E) and/or social (S) characteristics through the application of exclusion and positive criteria and invests in companies that apply good governance practices (G). The financial product pursues a holistic ESG approach in which the sustainable orientation of the financial product is to be ensured by taking various sustainability factors into account.

Furthermore, the financial product utilises both activity-based and norm-based exclusions, which are described in more detail in the investment strategy below.

d) Investment strategy

In managing the financial product, the asset manager takes into account environmental (E) and/or social (S) characteristics, among others, and invests in companies that apply good governance practices (G). The financial product does not make environmentally sustainable investments within the meaning of Art. 2 (17) SFDR in environmentally sustainable economic activities.

The principle of "sustainability" is taken into account at portfolio level with the thematic focus on the favourable resource intensity of fish among animal protein sources; at product level, the focus is on land use, water use and greenhouse gas emissions.



The financial product takes into account the most important indicators of adverse impacts on sustainability factors "**Principal Adverse Impact**" (PAI) indicators in its investment policy.

To achieve the investment objective of the financial product, the asset manager applies a multi-stage sustainability process consisting of clearly defined and measurable exclusion and positive criteria. This sustainability process involves going through four stages with regard to its ESG performance and its contribution to the UN SDGs. Starting with the thematic focus on the fish & seafood sector, through the use of essential exclusion criteria and ESG ratings, to the follow-up treatment of the invested companies by means of commitments and the associated exercise of voting rights (active ownership).

I. Activity-based negative audit (primarily relevant for investments outside the fish & seafood focus):

Companies that generate significant revenues from the controversial business areas of tobacco¹, conventional² or controversial² weapons, coal¹ and coal-based power generation¹ are excluded from a global equity universe.

The remaining companies are subjected to a differentiated review, e.g. compliance with human rights, corruption, corporate governance, environmental management, etc.

The above exclusions only apply to direct investments.

II. Positive criteria:

Furthermore, an ESG rating is assigned to the assets of the financial product in order to fulfil environmental and social characteristics. The ESG rating shows the exposure of each company to the most important ESG factors. It is based on a detailed breakdown of business activities, main products and segments, locations, assets and revenues as well as other relevant metrics such as outsourcing of production, etc. Sustainability at portfolio level therefore plays a decisive role. No minimum score (minimum rating) is required at portfolio level. However, the portfolio manager endeavours to constantly improve the portfolio rating compared to previous portfolio ratings. The minimum rating must therefore not deteriorate compared to historical portfolio ratings.

The principle of "sustainability" is taken into account at portfolio level with the thematic focus on the favourable resource intensity of **fish** among animal protein sources; at product level, the focus is on land use, water use and greenhouse gas emissions.

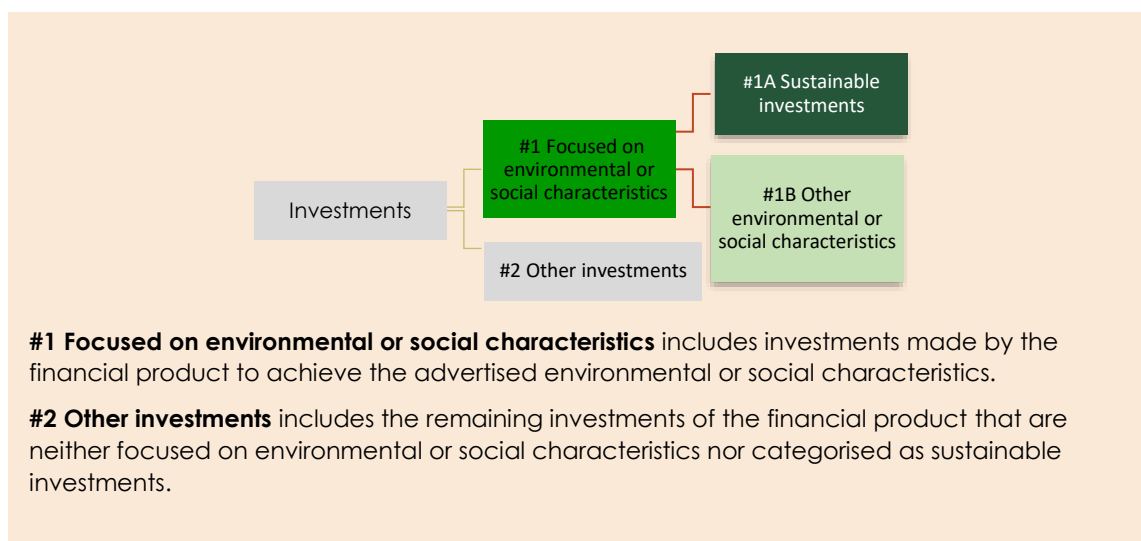
Further information on how the ESG and sustainability methodology works, how it is integrated into the investment process, the selection criteria and the ESG and sustainability guidelines can be found on the [IFM Independent Fund Management AG sustainability-related disclosure](#) website.

¹ Exclusion if sales >5% of total sales from production

² Exclusion, no sales tolerance from production



e) Breakdown of investments



The financial product will invest at least 51% of its net fund assets in companies that are aligned with the advertised environmental and social characteristics **(#1)**.

The remaining share (<49%) therefore consists of **#2 Other investments**:

1. Cash and cash equivalents for liquidity purposes
2. Derivative financial instruments that are part of the investment strategy and are used for hedging purposes
3. Investments for diversification purposes or investments for which data is missing and do not follow minimum E&S protection requirements

Due to the nature of the installations under points 1, 2 and 3, no minimum environmental or social protection requirements are specified.

f) Monitoring of environmental or social characteristics

The following sustainability indicators are used to measure the achievement of the environmental and/or social characteristics:

- Number of direct investments with violations of the exclusion criteria;
- Sustainability rating at portfolio level based on the ratings of one or more external ESG rating agencies;
- In the case of investments in equity and bond funds, these must be categorised either as a product in accordance with Article 8 or Article 9 of Regulation (EU) 2019/2088.

The mandatory elements of the investment strategy are the systematic exclusion of certain companies on the basis of the exclusion policy described above, the review and assessment of controversies and possible involvement in unethical business practices (standards-based negative screening) and the ESG analysis, which shows the exposure of each company to the most important ESG factors (positive criteria).

The asset managers have an independent internal risk management system that uses suitable technical systems to monitor the specific requirements arising from the ESG investment process (ex-ante review).



The investment universe is regularly reviewed for compliance with these criteria and updated accordingly. Compliance with the applicable investment universe is checked daily.

Monitoring compliance with the sustainable objectives and the sustainable investment processes used to achieve them is ensured by the daily review of all transactions (ex-post review) and holdings of the financial product by Investment Compliance.

g) Methods

The material sustainability risks are analysed by the asset manager and thus expand the traditional fundamental analysis to include financially relevant sustainability risks. Sustainability risks are analysed on the basis of publicly available information from issuers (e.g. annual and sustainability reports) or internal research and using data and ESG ratings from research and rating agencies.

Further information on how the ESG and sustainability methodology works, how it is integrated into the investment process, the selection criteria and the ESG and sustainability guidelines can be found on the [IFM Independent Fund Management AG sustainability-related disclosure](#) website.

h) Data sources and processing

The Management Company uses relevant data and information from MSCI and/or WaVeritas as well as from internal and public sources to assess the achievement of the advertised environmental and/or social characteristics.

The data quality is checked at the time of onboarding the respective data provider (e.g. checking the methodology). Furthermore, additional data sources are used for plausibility checks if necessary. This may be the case, for example, if the data situation is uncertain or if different information is available.

The data provided by the rating agencies is incorporated into the management company's internal monitoring system and is updated on an ongoing basis. This enables independent monitoring of the ESG investment process.

Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed as part of the ESG and sustainability methodology. No estimates are made by the management company or the asset manager.

i) Limitations with regard to methods and data

In its investment strategy, the financial product applies ESG criteria from one or more external ESG data providers, which may be incomplete, incorrect, different or unavailable. There is therefore a risk that the management company may incorrectly assess a security or an issuer so that a security is wrongly included in or excluded from the portfolio of the financial product. This may be the case due to the following problems, among others:

- Geographical coverage (less comprehensive coverage may be available for emerging markets;
- Sectoral coverage (data coverage can vary greatly depending on the sector);
- Company size (less ESG data may be available for smaller companies);



- Data availability in general (If data is not readily available and accessible, this can lead to gaps in the ESG assessment;
- Data quality (different non-harmonised reporting standards, different measurement methods).

Due to the advertised environmental and/or social characteristics and the data required for monitoring, the management company does not currently assume that there will be any restrictions with regard to the fulfilment of these characteristics. Before an investment is made, the securities are checked for fulfilment of the advertised environmental and/or social characteristics. If the data basis is uncertain, a plausibility check as described above is carried out where necessary in order to counteract the problem in the best possible way. Nevertheless, a misjudgement in individual cases cannot be ruled out.

j) Duty of care

The management company has sufficient resources and expertise with regard to sustainability risks. Suitable monitoring and control structures are in place in our Investment Compliance department, which is independent of the asset manager of the financial product. The management company also has an independent internal audit department.

k) Participation policy

The management company is convinced that by actively exercising its voting rights it is making a contribution to the values and behaviour of companies. Through its commitments, the management company encourages companies to adopt best-practice corporate governance standards. When exercising voting rights, the management company takes into account the internal directive on voting rights policy. In organising its engagement with companies, the management company works closely with a proxy voting provider and combines its analysis with the investment policy of the financial product.

The voting rights policy is available at:

<https://www.ifm.li/files/attachments/Stimmrechtspolitik.pdf?t=061221181423>

l) Determined reference value

No reference value for determining whether this financial product is aligned with the advertised environmental and/or social characteristics has been determined.