

SFDR website disclosure Pandion Fund (Sub-fund DB Flagship Fund (DBFF))

Summary

The Fund invests in a concentrated portfolio of approximately forty (40) stocks from North America and Europe. In doing so, the Fund promotes ecological or social characteristics, but does not have a sustainable investment objective. Overall, 95% of the invested assets contribute to the achievement of ecological and social characteristics.

More specifically, the Fund promotes the ecological characteristics mitigation of climate change, protection of water resources and pollution control as ecological characteristics. The social characteristics promoted are respect for human rights and animal welfare.

The investment selection decision-making process always considers environmental, social and governance factors of each stock by:

- Exclusions;
- Minimum ESG score of the investments;
- Screening investments against international standards;
- Selecting investments with lower pollution values;
- Selecting investments that can contribute to an environmental or social objective

Before an investment is selected -and after selection at least once every six months- an assessment is made of whether the companies invested in are not involved in the exclusions used by the Fund and whether these companies act in accordance with the above mentioned internationally recognized standards.

In addition, the Fund Manager periodically assesses whether the ESG score of the companies invested in still meets the set thresholds. The Fund Manager continuously monitors the pollution ratings of the companies. Finally, the Fund uses various external data providers to identify and assess violators of global standards and issuers potentially involved in poor governance practices, particularly with respect to sound management structures, labor relations, employee compensation and tax compliance.

Each year, the Fund will report on its sustainability indicators. For this monitoring, the Fund uses data from an external data provider and the annual- and sustainability reports of the companies. Limitations occur when not all data is available for all companies invested in. In addition The Fund does not pursue an active engagement policy.

Samenvatting

Het Fonds belegt in een geconcentreerde portefeuille van ongeveer veertig (40) aandelen uit Noord-Amerika en Europa. Hierbij promoot het Fonds ecologische of sociale kenmerken, maar heeft geen duurzame (ecologisch) beleggingsdoelstelling. In totaal draagt 95% van het belegd vermogen bij aan het behalen van de ecologische en sociale kenmerken.

Meer specifiek promoot het Fonds de ecologische kenmerken beperking van klimaatverandering, de bescherming van watervoorraden en de bestrijding van vervuiling als ecologische kenmerken. De

sociale kenmerken die worden gepromoot zijn de eerbiediging van de mensenrechten en dierenwelzijn.

In het besluitvormingsproces over de selectie van beleggingen wordt altijd rekening gehouden met factoren op het gebied van milieu, maatschappij en governance van ieder aandeel.

De beheerder doet dit op verschillende manieren:

- Toepassen bepaalde uitsluitingen op de beleggingen
- Minimale ESG-score van de beleggingen
- Screening belegging op internationale standaarden
- Beleggingen selecteren met lagere vervuilingswaarden
- Beleggingen selecteren die bijdragen aan een milieu- of maatschappelijke doelstelling

Voordat een belegging wordt gedaan en minimaal een keer per half jaar wordt beoordeeld of de ondernemingen waarin belegd wordt niet betrokken zijn bij de door het Fonds gehanteerde uitsluitingen en of deze ondernemingen in overeenstemming met internationaal erkende normen handelen. Daarnaast beoordeelt de Beheerder periodiek of de ESG-score van de ondernemingen waarin belegt nog minimaal 45 is. De Beheerder monitort doorlopend de vervuilingswaarden van de ondernemingen. Tenslotte gebruikt het Fonds diverse externe gegevensverstrekkers voor het vaststellen en beoordelen van schenders van wereldwijde normen en uitgevende instellingen die mogelijk betrokken zijn bij slechte bestuurspraktijken, in het bijzonder met betrekking tot gezonde managementstructuren, arbeidsverhoudingen, personeelsbeloning en naleving van belastingwetgeving.

Ieder jaar zal het Fonds rapporteren over de duurzaamheidsindicatoren. Om deze monitoring uit te voeren gebruikt het Fonds data van een externe partij en de jaar- en duurzaamheidsverslagen van de ondernemingen. Een beperking daarbij is dat nog niet alle data voor alle ondernemingen beschikbaar is. Het Fonds voert geen actief engagement beleid.

No Sustainable Investment Objective

The DBFF portfolio promotes ecological and social characteristics, as defined in Article 8 SFDR. The Fund does not have a sustainable investment objective or takes into account the EU criteria for environmentally sustainable economic activities.

Environmental or social characteristics of the financial product

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Ecological characteristics

By not investing in companies involved in fossil energy extraction and aviation and by investing in companies with lower pollution values than similar companies (*best in class*), the Fund promotes climate change mitigation, protection of water resources and pollution control as ecological characteristics.

Social characteristics

By not investing in companies involved in weapons, pornography, fur and special leathers and screening companies for acting in accordance with international treaties, the Fund promotes respecting human rights and animal welfare as social characteristics.

Investment strategy

The Fund invests in a concentrated portfolio of approximately forty (40) stocks from North America and Europe.

The stocks are selected from a universe of more than 1,000 companies based on quantitative investment factors such as valuation, low volatility, momentum and quality. In addition, competitiveness and sustainability are assessed. Companies preferably have a sustainable competitive advantage and are in the process of strengthening that position.

Shares are purchased for the long term and the Fund Manager supplements the strategy by periodically Writing Call Options. In doing so, the Fund amasses additional premium resulting in a better risk/reward ratio. The upside potential of the stocks in the portfolio is capped by the written Call options.

The Fund promotes ecological and social characteristics, as defined in Article 8 SFDR.

Good governance

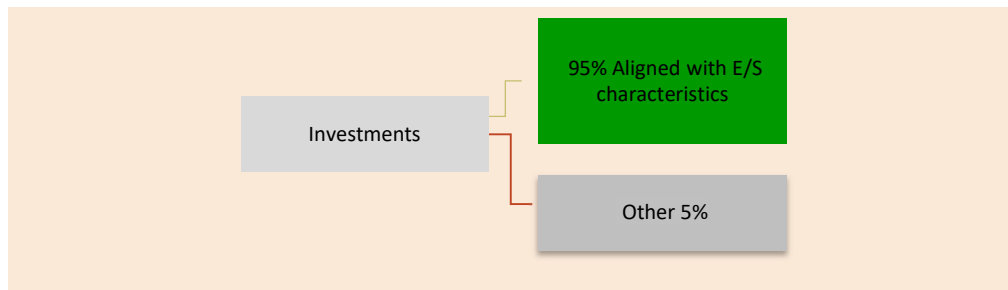
The Fund uses various external data providers to identify and investigate violators of global standards and issuers that may be involved in poor governance practices, particularly with respect to sound management structures, labor relations, employee remuneration and tax compliance.

Companies identified by external data providers as violating or otherwise failing to comply with the principles of the United Nations Global Compact (UNGC), the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are identified and further investigated.

After reviewing this external data, companies that show persistent and serious violations and/or fail to have good governance practices in place, and demonstrate insufficient initiative to remediate these insufficiencies, are excluded from the Fund. The Fund's policy is to review the entire portfolio on a monthly basis. Manager will strive to divest as soon as possible in an orderly manner and in the best interests of the Fund participants in the event of lack of good governance practices.

Proportion of investments

The Fund invests in a concentrated portfolio of approximately 40 primarily European and North American companies that combine strong competitiveness with attractive valuations and above-average ESG scores. The Fund's planned asset allocation aligned with environmental and social characteristics is reflected in the table below. In assessing and selecting investments, companies that take sustainability and corporate responsibility into account in their operations have a preference.



Monitoring of environmental or social characteristics

Before an investment is selected -and after the investment at least once every six months- it is assessed whether the companies invested in are not involved in the exclusions used by the Fund and whether these companies act in accordance with internationally recognized standards. In addition, the Fund Manager periodically assesses whether the ESG score of the companies invested in still meets the set threshold. Finally, the Fund Manager continuously monitors the pollution ratings of the companies.

Methodologies for environmental or social characteristics

The Fund Manager uses the following sustainability indicators to measure whether the Fund meets its environmental and social characteristics:

- Share of investments in companies involved in fossil energy extraction;
- Share of investments in companies involved in aviation;
- Share of investments in companies involved in weapons;
- Share of investments in companies involved in pornography;
- Share of investments in companies involved in fur and special leathers;
- Minimum ESG score individual shares
- Average weighted ESG rating relative to Index/Benchmark
- Number of issuers involved in material violations of the following internationally recognized standards:
 - o OECD Guidelines for Multinational Enterprises;
 - o UN Principles on Business; and
 - o Human Rights and UN Global Compact.
- Average weighted carbon intensity relative to the benchmark
- Average weighted water intensity relative to the benchmark
- Average weighted energy intensity relative to the benchmark
- Average weighted waste intensity relative to the benchmark

Data sources and processing

An external data provider and annual-and corporate sustainability reports are used as data sources. For CO2 emissions and energy consumption, more than 85% of the data is available. For water use and waste production, data availability is between 60 and 80%. In most cases, missing information not material in a business model, for example water use or waste production at an insurer. If we foresee that missing sustainability data is material, the stock is excluded for investment.

The overall ESG score is validated by cross-checks on the public website of Sustainalytics and S&P Global. Furthermore, Interactive Brokers' system assesses the impact of the various companies in the portfolio.

The data is processed in various spreadsheets and stored in our own system consisting of a database for reporting and comparison purposes.

Limitations to methodologies and data

The main limitation of the data sources used is that certain data is not (yet) provided by the companies. However, important data is reported by the vast majority of these companies. This allows the Fund to adequately assess whether promoted ecological and social characteristics are being achieved.

Due diligence

Selection process

The investment selection decision-making process always considers environmental, social and governance factors for each stock by applying:

- Exclusions;
- Minimum ESG score of the investments;
- Screening investments against international standards;
- Selecting investments with lower pollution values;
- Selecting investments that can contribute to an environmental or social objective;

Exclusions

The Fund maintains the following exclusions, companies involved in:

- Extraction of fossil energy
- Weapons
- Pornography
- Furs and special leathers
- Aviation

Before an investment is included in the portfolio, it is assessed whether the company is not involved in the above sectors.

In addition to the above, at least bi-annually it is assessed whether a company meets the conditions below:

Minimum ESG score

All investments are required to have a minimum ESG score of 45. The ESG score stands for "Environmental, Social and Governance". This score reflects environmental, social and good and governance requirements. The score can vary between 0 and 100. Before including an investment in the portfolio, the Fund Manager assesses the ESG score of the investments based on information from an external data provider. The Fund Manager periodically monitors the score of the companies included in the portfolio. If the ESG score of a company falls below 45, the position is closed as soon as possible.

Screening international standards

When selecting investments, the Fund takes into account requirements on good governance by assessing, before an investment is made, the extent to which companies act in accordance with relevant legislation and internationally recognized standards, including:

- The OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business; and
- Human Rights and UN Global Compact.

To this end, the Fund Manager reviews the SFDR report of its external data provider in which negative publications/controversies per company are listed. Each controversy will be investigated individually, and follow-up measures will be taken if necessary. It is an ongoing process performed at least bi-annually and as such it forms part of the Fund managers monitoring program of Pandion Fund (DBFF).

Lower pollution values (best in class)

The Fund aims for lower pollution values than those of the benchmark (iShares MSCI World index ETF) in terms of:

- CO2 emissions
- Water use
- Energy use
- Waste generation

These values for these parameters are obtained from an external data provider and, if necessary, supplemented with data from the (sustainable) annual report of the companies concerned. This is monitored on an ongoing basis.

Engagement policies

The Fund does not pursue active engagement.

Designated reference benchmark

n/a

More information <https://www.alphabasedcapital.com/#/funds>