

## Information regarding financial products that promote environmental or social characteristics (Article 8 SFDR)

### ACACIA RENTA DINAMICA

ISIN: ES0157935000

LEI Code: 95980020140005229641

#### a) Summary

This Sub-Fund is a Feeder Fund of ACACIA RENTA DINAMICA, FI, which promotes environmental and social characteristics, including climate change adaptation, pollution prevention and control, sustainable use and protection of resources, and respect for human and labor rights. At least 50% of the product's assets are allocated toward advancing these objectives.

The product does not have a minimum commitment to sustainable investments.

During the investment process, managers apply "Best in Class" criteria for fixed-income investments and ESG Momentum strategies for equities. For investments in other collective investment schemes (CIS), the management company relies on third-party analyses and the sustainability policies of those asset managers.

The impact of adverse sustainability incidents will be monitored through the measurement of indicators outlined in Annex I of the Regulatory Technical Standards (RTS) of Delegated Regulation (EU) 2022/1288. Additionally, the portfolio's coverage ratio for each measured indicator will be tracked.

No benchmark index has been designated for achieving the promoted environmental and social characteristics.

#### b) No Sustainable Investment Objective

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

#### c) Environmental or Social Characteristics of the Financial Product

The Master Fund promotes environmental and social characteristics through the integration of exclusion criteria in its investment process and by aligning its investments with the following United Nations Sustainable Development Goals (SDGs):

- Environmental: adaptation to climate change, pollution prevention and control, and sustainable use and protection of resources. The aim is for investments to be aligned with the objectives of the Paris Agreement on climate change.
- Social: respect for human and labour rights, through the support and protection of universally recognised fundamental human rights, avoiding direct or indirect involvement in breaches thereof.

#### **d) Investment Strategy**

As part of the ESG integration process, different investment strategies are applied depending on the asset class.

In the case of **fixed income**, positive selection criteria, also known as “Best in Class”, are applied.

For **corporate bonds**, four aspects are taken into account:

- Universal treaties of organisations such as the UN, WHO or ILO;
- Activities that do not cause extreme environmental damage or that have remediation measures in place;
- Issuers with good governance practices, in accordance with the UN Global Compact initiative;
- Issuers not linked to a tax haven.

Investments are assessed based on whether they belong to conventional or controversial sectors, with stricter requirements for the latter. Specifically, the bottom 25% of conventional issuers and the bottom 50% of controversial issuers are excluded.

The following factors are considered for **government bonds**:

- Environmental: share of renewable energy and CO2 emissions per GDP and/or the Yale University EPI index;
- Social: level of human development (UN index) and the Freedom House Index;
- Governance: World Bank index;
- Attainment of the UN Development Goals.

Issuers falling within the bottom quartile (25% worst-rated) based on internal rankings derived from these criteria are excluded from the portfolio.

For **equities**, the management company of the Master Fund applies an ESG Momentum strategy. An investment screening methodology is applied which aims to detect, on the basis of an internal system, the improvement over time of issuers' ESG scores. This methodology is supported by assessments from external ESG providers.

In the case of investment in **other UCIs**, the management company of the Master Fund will take information from external providers to identify those UCI management companies with good SRI management processes and methodologies, as well as to monitor their ESG performance. In addition, wherever possible, look-through valuations and monitoring reviews will be conducted in accordance with the principles of the Brunel Asset Management Accord.

The management company of the Master Fund acknowledges that certain sectors remain necessary and therefore supports a gradual transition by investing only in the best-performing and improving entities.

Any controversies that arise are reviewed individually by the Sustainability Committee, as the manager considers such issues to be historical in nature and not significantly influential in the investment process.

The management company of the Master Fund takes into account the good practices of the companies, positively assessing aspects such as: respect for the rights of shareholders (including minority shareholders), the existence of remuneration systems aligned with long-term objectives and compliance with national laws and codes, etc.

In addition, tax practices will be analysed, looking for companies that apply responsible corporate tax policies.

The investment universe will be restricted for companies with dubious practices or that have been excluded from the UN Global Compact initiative. Consequently, only companies committed to respecting human rights and labour standards, preserving the environment and acting transparently in their business activities and operations are included..

#### **e) Investment Allocation**

It is planned for the Master Fund that it will allocate its assets according to the following:

- At least 50% of the assets will be invested in investments aligned with environmental or social characteristics. There is no minimum sustainable investment.
- Acacia Renta Dinamica being a Feeder Fund of the Master Fund will invest at least 85% of its total net assets in the Master Fund. In that case, the Feeder Fund will invest at least 85% of the 50% in investment aligned with environmental or social characteristics.

In view of the investment strategy of this product, which permits investment in options, it is possible that in extreme market situations the minimum percentage of holdings promoting environmental and social characteristics may be lower than 50%.

For direct investments, the percentage aligned with environmental and social characteristics will be determined using an internal methodology based on the criteria previously described. In the case of investments in other collective investment undertakings (CIUs), the declared percentage of environmental and social characteristic alignment for that CIU will be used as a reference.

This financial product intends to allocate its assets according to the distribution outlined in the following table. At least 50% of the portfolio will be invested in assets aligned with environmental or social characteristics. There is no minimum requirement for sustainable investments.

Given the product's investment strategy, which allows for investments in options, it is possible that under extreme market conditions, the minimum percentage allocated to the promotion of environmental and social characteristics may fall below 50%.

For direct investments, the percentage aligned with environmental and social characteristics will be determined using an internal methodology based on the criteria previously described. In the case of investments in other CIS, the declared percentage of environmental and social characteristic alignment for that CIS will be used as a reference.

#### **f) Monitoring of environmental or social characteristics**

The attainment of environmental and/or social characteristics is measured by monitoring:

- Percentage of assets held in stocks that, according to the criteria set out in the ESG policy, are considered as leading and promising stocks.
- Average ESG ranking of the fixed income portfolio.
- Percentage of assets held in funds which themselves promote environmental and/or social characteristics (article 8 of the SFDR) and which have a sustainable investment objective (article 9 of the SFDR).
- Percentage of assets that does not have information available for performing the ESG analysis.
- Percentage of the portfolio meeting the exclusion criteria described above.
- Environmental indicators: carbon footprint of the portfolio, share of nonrenewable energy production and consumption.

- Social indicators: violations and lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

The information for these indicators will be obtained from data from external ESG providers.

### **g) Methodology**

This Sub-Fund is a Feeder Fund that invests at least 85% of its total net assets in ACACIA RENTA DINAMICA, FI, (the “Master Fund”).

ACACIA INVERSIÓN SGIIC, S.A. is a signatory to the UN Principles for Responsible Investment (PRI). To achieve ESG integration, ESG analysis is included in the financial analysis in order to obtain a more complete and comprehensive view of the risks and opportunities of potential investments in relation to their sustainability.

The Sustainability Committee, which is part of the Investment Committee, is responsible for this integration and carries out this task by using quantitative and qualitative criteria and indicators.

To perform the ESG analysis, the management company of the Master Fund relies primarily on studies by specialised external providers, but also combines it with its own analysis. During this process, tools such as ESG risk scoring and assessment by rating companies, indicators provided by reputable analysts and specialised external providers, as well as internally developed methodologies are used. During the ESG integration process, different investment strategies are applied depending on the asset class.

Additionally, the analysis of existing controversy cases involving companies is incorporated into the investment process; however, these cases are considered historical and are not necessarily expected to determine the future performance of the companies.

Furthermore, the average ESG rating of the portfolio is monitored based on information from an external ESG data provider and an in-house methodology. This ESG rating is calculated at the asset level and is obtained by weighting each of the three ESG pillars (environmental, social, and governance) according to the company's sector of activity.

If no ESG rating from the external provider is available for a given asset, an approximation will be used based on an internal model drawing on information about the issuer or the issuer's sector of activity and geographic area. For public fixed

income issuances, an ESG rating has been developed using information obtained from World Bank data across the different ESG pillars.

In addition, the level of commitment of the companies in which investments are made to the United Nations Sustainable Development Goals (SDGs) will be monitored.

#### **h) Data sources and processing**

Sustainability information analyses will be based primarily on data from ESG rating agencies, information published by the issuers of the assets in which the product invests, and third-party analyses.

Data quality will be assessed by monitoring the coverage provided by the data provider. Where data for the instruments to be analyzed are not available, the information supplied by the provider will be supplemented with issuer-, sector-, or country-level proxies, in accordance with the internal methodology. Deviations between the data provided and data from other providers will also be analyzed.

At present, ESG data provider coverage is not perfect; therefore, it is expected that in the initial reporting periods, ESG rankings will be estimated using proxies.

Information on data providers used for sustainability analysis by Acacia Inversión SGIIC:

- Sustainalytics: accessed via the Morningstar Direct platform, used to carry out the sustainability analysis of equities (ESG Momentum).
- MSCI ESG, S&P 500 ESG, Sustainalytics, and Bloomberg ESG: accessed through the Bloomberg terminal and used to perform the sustainability analysis of fixed income (Best in Class).
- Clarity: available via Allfunds Bank, used to conduct the sustainability analysis of third-party funds and ETFs. In addition, through an agreement with Serfiex, which relies on Clarity, reporting and a global analysis of funds are carried out, complementing the analysis performed by Acacia Inversión itself.
- Public data providers: the Yale EPI, UN index, Freedom House Index, World Bank index, among others, all used for the analysis of public fixed income.
- Robeco has provided access to its Country Sustainability Ranking and its ratings related to the Sustainable Development Goals (SDGs).

#### **i) Limitations of methods and data**

In cases where ESG rankings are not available from external data providers or public sources, they may be estimated using an internal methodology. This estimation is

carried out at the issuer or sector level for direct investments, and through a “look-through” transparency approach for indirect investments, when feasible and when the weight of these investments is significant.

This procedure ensures high data coverage for the assets in the fund, and therefore these limitations are not considered to pose a significant risk to the promotion of the environmental and/or social characteristics of the financial product.

#### **j) Due diligence**

During the investment decision-making process, a due diligence procedure is applied in which data from various information sources are collected on potential investments for the portfolio, analyzing both their ESG ranking and sustainability practices.

Investments, whether made directly or indirectly, must comply with the selection criteria established in the pre-contractual information of the financial product, with the aim of promoting the environmental and social characteristics of the product.

#### **k) Engagement policies**

The management company of the Master Fund does not currently have an engagement policy.

#### **l) Designated reference index**

The Master Fund has not established a reference benchmark to determine whether it attains the environmental or social characteristics it promotes.