

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2 bis, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: EV Micro Companies Growth Fund

Legal entity identifier: 724500H1TCJ5123Q6S02

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



Yes



No

☐ It will make a minimum of **sustainable investments with an environmental objective:** ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



What environmental and/or social characteristics are promoted by this financial product?

The fund promotes both ecological and social characteristics. Ecological characteristics are promoted, because part of the investments is done in companies that contribute to SDG 7 (Affordable and clean energy), SDG 9 (Industry, innovation and infrastructure), SDG 12 (Responsible consumption and production), SDG 11 (Sustainable cities and communities) and SDG 13 (Climate action). In addition, the fund excludes companies active in the coal industry. More specifically, the following ecological features are promoted: climate mitigation, the sustainable use and protection of water and marine resources and the transition to a circular economy.

Social characteristics are promoted through part of investments made in companies that contribute to SDG 8 (Decent work and economic growth).

In addition, the fund excludes companies active in the following industries: tobacco, cluster bombs, landmines, nuclear weapons and depleted uranium. More specifically, the following social characteristics are promoted: human rights, labor rights, good financial health and safe working environments are promoted

No reference benchmark has been designated for the fund for comparing the ecological and/or social characteristics that are promoted

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

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

- Percentage of investments that fit within the four megatrends: Connected World & Industry 4.0, Smart Mobility, Energy Transition & Climate and Health & Welfare.
- Percentage of stocks that are part of SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 11 (Sustainable cities and communities), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).
- Percentage of investments in companies active in the product and/or sale of tobacco.
- Percentage of investments in companies active in the coal industry.
- Percentage of investments in companies active in the production and/or sale of cluster bombs, landmines, nuclear weapons and depleted uranium.
- Percentage of investments in companies that grossly violate human rights and/or systematically and significantly violate workers' rights.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A – This question is not applicable as the fund does not commit to making sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A – This question is not applicable as the fund does not commit to making sustainable investments.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

N/A – This question is not applicable as the fund does not commit to making sustainable investments.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A – This question is not applicable as the fund does not commit to making sustainable investments

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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



No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In the first half of 2024, the fund manager conducted a study into the publication of data regarding PAIs by the companies in the portfolio. This evaluation shows that these companies expect to publish complete PAI statements in 2025 and 2026 for the financial years 2024 and 2025 respectively. Once these data are sufficiently concrete, EVCM will start taking into account the unfavorable effects on sustainability factors. The fund manager will also continue to engage with the relevant companies to obtain the missing information.

What investment strategy does this financial product follow?



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund is a long-only fund that invests in shares of small listed companies (with a market capitalization of less than € 500 million), so-called "micro caps". The focus is on Dutch, Belgian and German companies. The fund manager will preferably invest in companies that offer attractive long-term growth potential (at least five years) and will explicitly look at so-called megatrends. These are trends that have a major impact on society in such a long term and are visible in developments in technology, demographics and ecology. According to the fund manager, these long-term trends are less sensitive to the influence of the economic cycle. The fund manager has selected four megatrends: Connected world & Industry 4.0, Smart Mobility, Energy transition & Climate and Health & Well-being. These megatrends are closely related to the SDGs selected by the fund:

The fund only invests in companies that demonstrably contribute to one or more of the selected UN SDGs, namely:

SDG 7: Affordable and clean energy

SDG 8: Decent work and economic growth

SDG 9: Industry, innovation and infrastructure

SDG 11: Sustainable cities and communities

SDG 12: Responsible consumption and production

SDG 13: Climate action

The fund manager also has as a starting point not to invest in companies that are active in business activities that are harmful to people and/or the environment and/or controversial. This includes companies that are active in the production and/or sale of tobacco, coal, cluster bombs, landmines, nuclear weapons and/or depleted uranium (in Appendix 1 you will find the exclusion list). In addition, the manager does not invest in companies that have been shown to grossly violate human rights and/or systematically and significantly violate workers' rights.

An ESG analysis is included in the fund manager's investment process. Each investment in the fund is tested to see whether it fits within the megatrends and demonstrably contributes to selected SDGs. The fund manager also takes sustainability risks into account in its investment decisions.

The sustainability risks are evaluated every half year. In addition, the investments are assessed in the weekly meeting of the investment committee. If an investment no longer fits within the megatrends or no longer contributes to the selected SDGs, the relevant investment will be liquidated. The fund manager's exclusion list is evaluated annually in the board meeting.

● ***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 fund uses the following binding elements:

- The investment fits within one of the four megatrends: Connected world & Industry 4.0, Smart Mobility, Energy transition & Climate and Health & Well-being;
- The investment must contribute to one of the following SDGs: Affordable and clean energy (SDG 7), Decent work and economic growth (SDG 8) Industry,

innovation and infrastructure (SDG 9), Sustainable cities and communities (SDG 11), Responsible consumption and production (SDG 12), Climate action (SDG13);

- Exclusion of companies active in the production and/or sale of:
 - Tobacco
 - Coal
 - Cluster Bombs,
 - Land mines,
 - Nuclear weapons
 - Depleted uranium
- Exclusion of companies that grossly violate human rights and/or systematically and significantly violate workers' rights.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A – Prior to the application of the investment strategy, the fund does not promise a minimum percentage to reduce the investment scope.

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

In order to evaluate the good governance practices of the companies, the fund manager reviews matters such as the management structure, bribery and corruption policies and general guidelines of the company to protect its personnel. The social and employee aspects, as included in the PAI's, are also assessed.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

The planned asset allocation of the fund, aligned with environmental, social and other characteristics, is shown in the table below. The fund does not commit to investing in sustainable investments. Although the fund promotes E/S features, it does not currently invest actively in sustainable investments. All its investments therefore fall under category 1 “aligned to E/S characteristics”

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

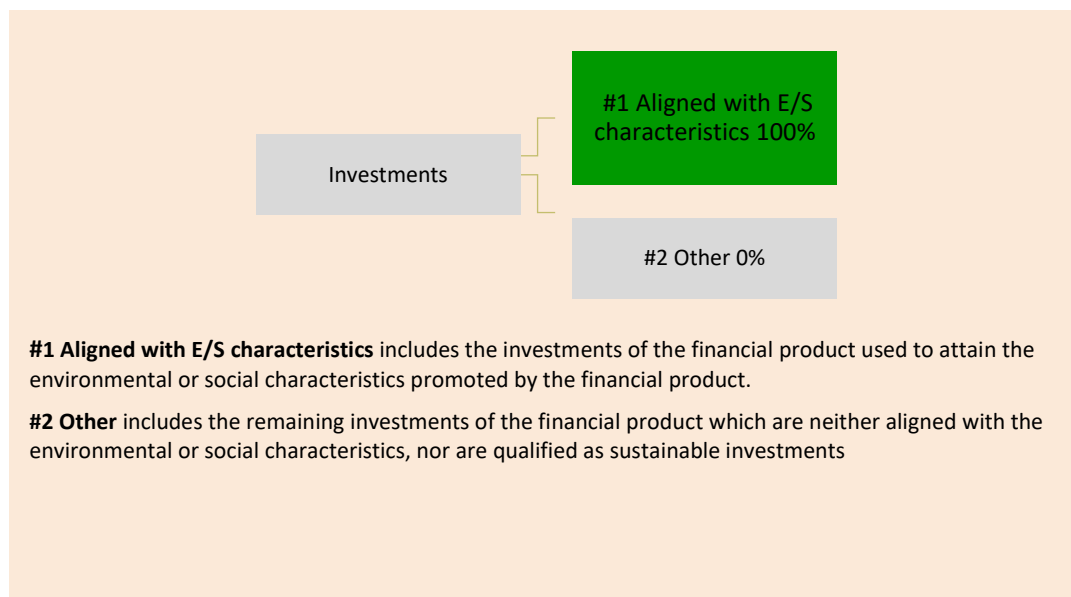
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A - The fund does not invest in derivatives.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

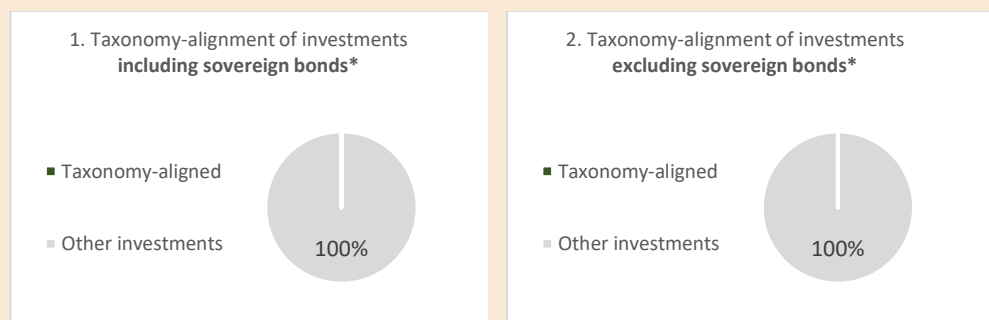
0%

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

✗ No

¹ Fossil gas and/or

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*




* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

The graphs are not applicable because the fund does not aim to make sustainable investments.

nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?**
Not applicable.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

N/A – This question is not applicable as the fund does not commit to making sustainable investments.



What is the minimum share of socially sustainable investments?

N/A – This question is not applicable as the fund does not commit to making sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Every investment made by the fund is screened for items on our exclusion list and has been examined by the fund manager to see if it helps the fund promote E/S characteristics. Therefore, no investments are classified under “other”.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.evaluationcapital.com/en/docs/ev-micro-companies-growth-fund/>

Appendix 1: Exclusion list EV Micro Companies Growth Fund

The fund manager's will not make investments in companies that are active in the following areas.

1. Production and or sales of tobacco
2. Production or sales of controversial weapons: being cluster bombs, land mine or nuclear and biological weapons
3. Production or sale of coal
4. Pornography or prostitution
5. Companies that grossly violate human rights and/or systematically and significantly violate workers' rights. This includes forced labor or child labor. Forced labor is any work of service that is not performed voluntarily and that is enforced on an individual under threat of punishment or fine as defined by ILO conventions. Child labor means that individuals are not allowed to be employees when they are still 14 years old, as defined by the ILO Fundamental Human Rights Conventions.
6. Companies with products or activities that are illegal in relevant countries under applicable laws and regulations or under international conventions and agreements.