

Information Template for Pre-contractual Information for Financial Products under Article 8, Paragraphs 1, 2, and 2bis of Regulation (EU) 2019/2088 and Article 6, First Paragraph of Regulation (EU) 2020/852

Product name: Disruption Fund Master
Legal Entity Identifier : 969500LKU042601OLC80

Environnemental and/or social characteristics

Par **investissement durable**, on entend un investissement dans une activité économique qui contribue à un objectif environnemental ou social, pour autant qu'il ne cause de préjudice important à aucun de ces objectifs et que les sociétés bénéficiaires des investissements appliquent des pratiques de bonne gouvernance.

The **EU Taxonomy** is a classification system established by Regulation (EU) 2020/852, which lists **environmentally sustainable economic activities**. This regulation does not list socially sustainable economic activities. Sustainable investments with an environmental objective are not necessarily aligned with the taxonomy.

Does this financial product have a sustainable investment objective?

Yes

 No

<input type="checkbox"/> It will achieve a minimum of sustainable investments with an environmental objective of: _____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities considered sustainable according to the EU Taxonomy <input type="checkbox"/> in economic activities not considered sustainable according to the EU Taxonomy. <input type="checkbox"/> It will make a minimum sustainable investments with a social objective of: _____%	<input type="checkbox"/> It promotes environmental and social (E/S) characteristics , and although it does not have a sustainable investment objective, it will contain a minimum proportion of _____% of sustainable investments: <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities considered sustainable according to the EU Taxonomy. <input type="checkbox"/> with an environmental objective in economic activities not considered sustainable according to the EU Taxonomy. <input type="checkbox"/> with a social purpose. <input checked="" type="checkbox"/> Promotes E/S characteristics but won't make sustainable investments.
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What environmental and/or social characteristics are promoted by this financial product?

Disruption Fund Master's strategy is to invest in companies that are developing and innovating in new technologies and/or new businesses, when these are finding their commercial applications and undergoing a phase of rapid adoption.

Management seeks to select stocks and issuers combining growth potential, profitability and ESG characteristics likely to increase the endurance and sustainability of its activity.

In particular, this strategy contributes to the following United Nations Sustainable Development Goals:

- *SDG 3 : Good health and well-being*
- *SDG 7 : Clean and affordable energy*
- *SDG 8 : Decent work and economic growth*
- *SDG 9 : Industry, innovation and infrastructure*
- *SDG 12 : Responsible consumption and production*
- *SDG 13 : Measures to combat climate change*

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

Disruption Fund Master systematically integrates sustainability criteria into financial management through a proprietary ESG analysis matrix (the "Matrix").

Examples of the indicators used (non-exhaustive list) are as follows:

- *Environmental indicators: environmental policy, carbon impact and emissions, energy mix, biodiversity policy....*
- *Social indicators: turnover, accidentology, training, workforce diversity, employee shareholding, collective agreements, workplace controversies, etc.*
- *Governance indicators: independence of the board of directors, skills and experience of the management team, checks and balances, diversity, social dialogue, reputation and ethical controversies...*

The Matrix is used to assign a score out of a hundred to each issuer. This rating is determined by an internal methodology whose main principles are as follows:

- *Environmental, social and governance criteria are equally weighted;*
- *The portfolio rating must be higher than the average rating of the reference universe;*
- *Each issuer must exceed a minimum ESG rating;*
- *Application of normative and sector exclusions;*
- *A malus is applied for controversies.*

Sustainability indicators assess the extent to which the environmental or social characteristics promoted by the financial product are achieved.

The main negative impacts correspond to the most significant negative impacts of investment decisions on sustainability factors related to environmental, social and personnel issues, respect for human rights and the fight against corruption and bribery.

- **What are the sustainable investment objectives that the financial product aims to partially achieve, and how does sustainable investment contribute to these objectives?**

Not applicable.

- **To what extent do the sustainable investments that the financial product partially intends to make not cause significant harm to an environmentally or socially sustainable investment objective?**

Not applicable.

The EU taxonomy establishes a "do no harm" principle whereby taxonomy-aligned investments should not cause significant harm to the objectives of the EU taxonomy, and is accompanied by specific EU criteria.

The "do no harm" principle only applies to investments underlying the financial product that take into account EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the European Union's criteria for environmentally sustainable economic activities.

Nor should any other sustainable investment cause significant harm to environmental or social objectives.

----- *How have the indicators for negative impacts been taken into account?*

Not applicable.

----- *To what extent do sustainable investments comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

Not applicable.

Does this financial product take into account the main negative impacts on sustainability factors ?

Yes

No

What investment strategy does this financial product follow?

Disruption Fund Master is managed with an active allocation policy in international equity markets, aiming to achieve a net performance after management fees superior to its benchmark index, MSCI World Total Net Return EUR, over the recommended investment period (greater than 5 years).

Disruption Fund Master invests in technological innovation. Specifically, the manager identifies economic sectors experiencing technological and/or structural disruptions that fundamentally alter the economic landscape of a sector. Investments are made in companies that initiate and contribute to these disruptions through innovation, creating new markets

across various sectors. The manager seeks rapidly growing companies with visionary leadership, while considering sustainability risks and Environmental, Social, and Governance (ESG) characteristics in the selection process.

Particular attention is given to mass adoptions, significant network effects, and organic growth. In general, technological disruptions often give rise to new economic models and/or new social behaviors. These disruptions are often in a potential stage, awaiting a catalyst, and may sometimes have unforeseen economic, social, or environmental consequences. Some disruptions can destabilize an industry without necessarily creating financial wealth for their initiator.

In this context, the fund employs a conviction-based and rigorous management approach, following these selection stages:

- 1. The first stage aims to identify economic sectors and sub-sectors experiencing technological and/or structural disruptions.*
- 2. In the second stage, the management team studies these disruptions and assesses the value creation ("wealth creation") of new economic models and/or new social behaviors, as well as the sustainability and resilience of the sectorial opportunity.*
- 3. In the third stage, within the selected sectors, the manager identifies companies participating in and benefiting from these disruptions, considering them as leaders based on the management company's assessment.*
- 4. In the fourth stage, a stringent extra-financial screening based on ESG criteria is applied to narrow down the investment universe.*

This research leverages the expertise of the Management Company, particularly in the industries in which it invests in Venture Capital, such as information technology, life sciences, consumer goods, and renewable energy.

The selected companies undergo in-depth financial and extra-financial analysis of accounting and extra-financial disclosures, public presentations, and include meetings with company executives. This rigorous process ensures investment quality.

● ***What are the constraining elements of the investment strategy used to select investments to achieve each of the environmental or social characteristics promoted by this financial product?***

The ESG rating is binding. In the event that:

- The portfolio's rating falls below the average of the reference universe, the portfolio composition will be adjusted to meet the minimum requirement.*
- A company's ESG rating drops below the minimum required by the Management Company, the position in the issuer will be sold in the best interest of the investors.*

The proportion of issuers rated ESG in the Fund's equity portfolio will be consistently above 90%. Extra-financial ratings may change over time, both upwards and downwards. The minimum rating is reviewed at least every 12 months and may lead to investment or divestment decisions.

- **What is the minimum commitment rate to reduce the scope of investments considered before applying this investment strategy?**

Application of the selection process leads to a 20% reduction in the ESG investable universe of the Master Fund.

- **What is the policy for assessing the good governance practices of investee companies?**

Good governance practices relate to sound management structures, employee relations, staff remuneration and compliance with tax obligations.

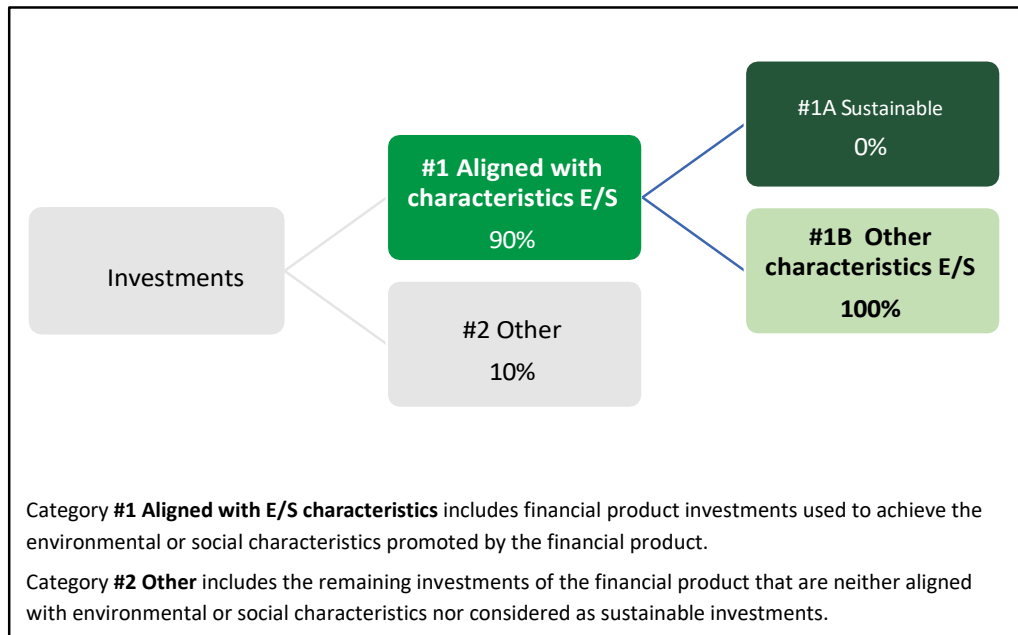
Good governance practices are taken into account in the Matrix, which evaluates indicators such as the independence of the board of directors, the skills and experience of the management team, the existence of checks and balances, diversity, social dialogue, reputation and ethical controversies...

The management company integrates these considerations into its actions vis-à-vis companies and its votes in favor of greater transparency, for example by supporting shareholder resolutions.

What is the planned asset allocation for this financial product?

The Master Fund itself invests at least 90% of its assets in assets that have been designated as "eligible" in accordance with the binding elements of its investment strategy.

Asset allocation describes the proportion of investments in specific assets.



Activities aligned with the taxonomy are expressed as a percentage :

- of sales to reflect the share of revenues from the green activities of investee companies;

- of capital expenditure (CapEx) to show the green investments made by investee companies, for a transition to a green economy for example;

- of operating expenses (OpEx) to reflect the green operational activities of investee companies.

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

The Fund may trade in forward financial instruments traded on French and foreign regulated or organized markets, via index futures or options, or through over-the-counter forward currency transactions involving the currencies of OECD member countries (or those participating in the European Economic Area). Financial derivatives are used on a discretionary basis to hedge all or part of the portfolio's exposure to equity or currency markets, and/or to gain exposure to equity markets up to 100% of net assets.

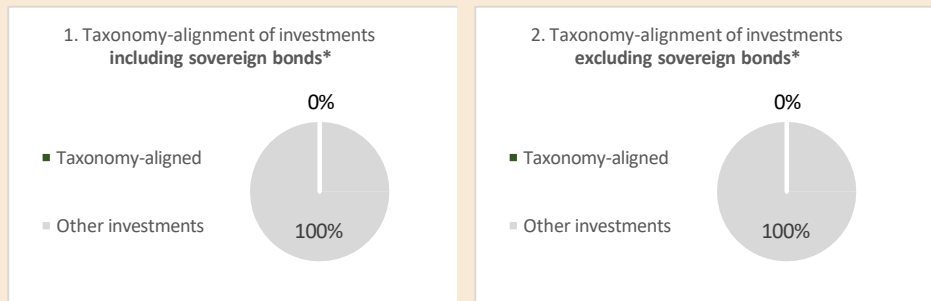
The use of derivatives does not contribute to achieving the Fund's environmental and/or social characteristics.



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

The Fund may invest in environmentally sustainable economic activities. However, the Fund's investments do not take into account the EU criteria for environmentally sustainable economic activities. The Fund is committed to a 0% alignment with the EU Taxonomy.

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



* For the purposes of these charts, "sovereign bonds" include all sovereign exposures.

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

Transitional activities are those for which low-carbon alternatives are not yet available and, among other things, whose greenhouse gas emission levels correspond to the best achievable performance.


● **What is the minimum share of investment in transitional and enabling activities?**

Not applicable.



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

Not applicable.



The symbol represents sustainable investments with an environmental that do not meet the criteria for environmentally sustainable economic activities under the EU taxonomy.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included in category "#2 Others", what is their purpose and are there any minimum environmental or social guarantees?

Investments included in category "#2 Others" represent up to 15% of investments and are cash and financial derivatives traded on regulated markets to hedge the equity or currency risk of the investment in the Master Fund.

These assets offer no environmental or social guarantees.



Has a specific index been designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes?

Not applicable

- *How is the benchmark index permanently aligned with each of the environmental or social characteristics promoted by the financial product?*

Not applicable

- *How is the alignment of the investment strategy with the index methodology guaranteed at all times?*

Not applicable

- *How does the designated index differ from a relevant broad-market index?*

Not applicable

- *Where can I find the method used to calculate the designated index?*

Not applicable

Benchmarks are indices used to measure whether a financial product achieves the environmental or social characteristics it promotes.



Where can I find more product-specific information online?

Further product information is available on the website:

<https://www.quadrillecapital.com/esg>