
DISCLOSURES PURSUANT TO ARTICLE 10 OF REGULATION 2019/2088 ON SUSTAINABILITY- RELATED DISCLOSURE IN THE FINANCIAL SERVICES SECTOR (SFDR)

APPLICABLE TO THE SUB-FUND PCFS – L.V. CONTINUUM &
CO. LIMITED GLOBAL FIXED INCOME OPPORTUNITIES FUND

A) SUMMARY

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

PCFS - L.V. Continuum & Co. Limited Global Fixed Income Opportunities Fund (the “Sub-Fund”) promotes environmental and/or social characteristics, confidently selecting issuers that more accurately reflect a positive global ESG outlook. To this end, investment decisions are made according to extra-financial criteria of the companies, which must meet LV Continuum & Co. Limited (the “Investment Manager”) ESG methodology requirements, which follows a “best-in-class” approach leveraging on MSCI ESG ratings system.

The minimum proportion of the investment of the financial product used to attain the environmental and social characteristics promoted by the financial product is 75%.

The remaining proportion is used to enhance the general yield profile of the financial product.

The Fund has established an ESG Investment Policy in order to monitor the environmental or social characteristics promoted by its investments. The compliance with these characteristics is performed at two levels. Firstly, by the Investment Management team, who is analysing investment opportunities as part of their ESG Investment Policy and Investment constraints, ensuring the eligibility on an ex-ante basis of the investments. Secondly, by the permanent Risk Management function of the Management Company, who independently controls and analyses the compliance of the investments on an ex-post basis. Any breach is escalated to the Management Company, the Auditor, the Depositary Bank and the Regulator as per the legal local requirements in place.

The Sub-Fund Investment policy is to select ESG best-in-class performers through ESG ratings. The analysts then evaluate an array of external research from a pre-determined list of reputable sources that have been carefully verified by our analysts.

The Risk Management function is collecting independently the data from external sources to perform their independent controls.

Data quality used is controlled on an ongoing basis. The Investment Team carries out rigorous due diligences and screening on the selected ESG data providers, including coverage controls. The data quality is controlled through a comparison from different sources when needed. The ongoing due diligence monitoring performed on ESG data providers allows to ensure that the data are consistent and reliable. Data format and completeness is also controlled in order to ensure it is not altered during the process. Any anomaly is escalated.

There might be a need to rely on estimates or proxy data provided by third parties in case of unavailability of data. The proportion of estimated data may vary from time to time. The use of such estimates complies with regulatory guidelines.

Several limitations to the methodologies described in the present letter might (co-)exist. Examples of it are data limitation and interpretation of such data.

However, the limitations presented above do not substantially affect the environmental or social characteristics as the Investment Manager is mitigating the risk through the use of various data providers, diligence in the selection process and strong ESG Investment Policy in place.

The due diligence performed on the investments of the Sub-Fund is carried out at the level of the Investment Management as the first line of defense, and by the control of the Risk Management team as the second line of defense. The Risk Management function is fully independent from the Investment Management team.

Eligibility of the investments is controlled to ensure compliance with the Law, with the Investment Policy as per the issuing documents, with any internal limit set at the level of the Sub-Fund as well with the sustainability risk criteria defined by the Sub-Fund.

The Sub-Fund is committed alongside the companies in which it invests at different levels. The Investment Manager assesses good governance practices of investee companies through : Accounting practices, Board, Business Ethics, Ownership and control, Pay and Tax Transparency.

No specific index has been designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes.

B) «NO SUSTAINABLE INVESTMENT OBJECTIVE»

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

C) «ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT»

PCFS - L.V. Continuum & Co. Limited Global Fixed Income Opportunities Fund (the “Sub-Fund”) promotes environmental and/or social characteristics, confidently selecting issuers that more accurately reflect a positive global ESG outlook. To this end, investment decisions are made according to extra-financial criteria of the companies, which must meet LV Continuum & Co. Limited (the “Investment Manager”) ESG methodology requirements, which follows a “best-in-class” approach leveraging on MSCI ESG ratings system.

Investments’ ESG characteristics are measured through MSCI ESG Ratings. MSCI rating are linked to environmental, social and governance criterion, integrating the three ESG pillars.

The environmental pillar focuses on climate change, the identification of environmental opportunities, natural capital and pollution and waste, analyzing issues that may be linked to, among others, carbon emissions, development of clean technologies, water stress, biodiversity and land use, raw material sourcing, toxic emissions and waste.

The social pillar includes the analysis of issues linked to, among others, human capital, product liability social opportunities and stakeholder opposition in order to ensure adequate human capital development, product safety and quality and controversial sourcing and community relations.

The governance pillar includes analysis of investments corporate behaviour (business ethics and tax transparency) and corporate governance (ownership and control, board, pay and accounting).

D) «INVESTMENT STRATEGY»

The objective of the financial product is to maximize the return on the investment on the international debt markets. The core strategy of this financial product is to invest in a diversified portfolio of debt securities. There is no intention to invest directly neither in equities nor in other asset classes than in the international debt markets. However, the sub-fund may invest in all asset classes and categories of UCITS or other UCIs in certain circumstances and within certain limits.

They promote, among other characteristics, environmental and/or social characteristics, provided that the companies in which the investments are made follow good governance practices.

The financial product has a defined investment process to select ESG best-in-class performers through ESG ratings. The fixed income analysts combine material sustainability data with sector insights, as well as an in-depth understanding of a company’s strategy, to develop a forward-looking view of the potential impact of sustainability on that company’s future financial performance. This insight articulates the basis for unified investment recommendations, which combine both sustainability and financial analysis.

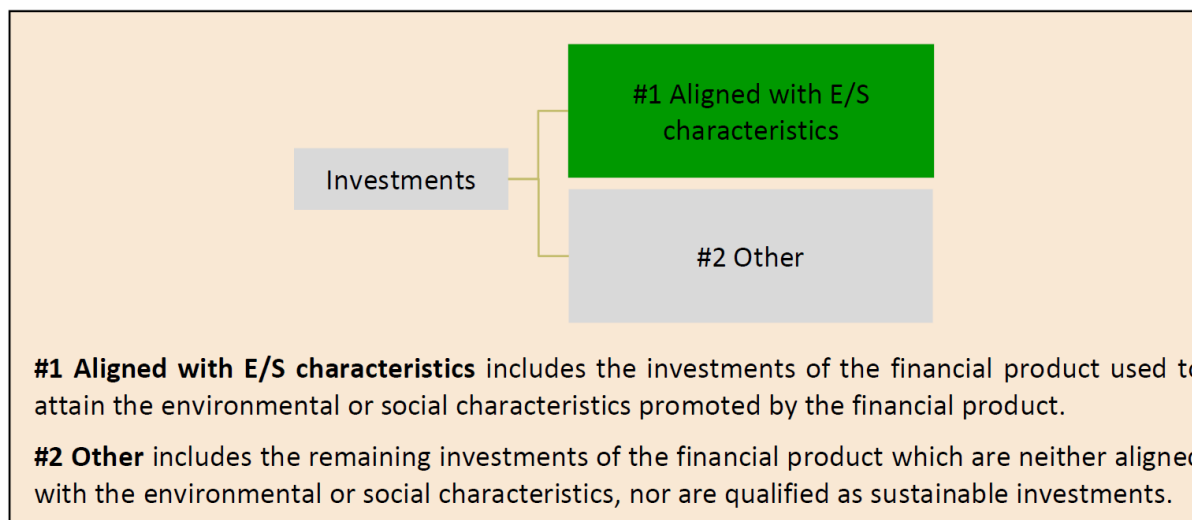
L.V. Continuum & Co. Limited assesses good governance practices through analysing an array of external research from a pre-determined list of reputable sources that have been carefully verified by our analysts. This list includes sources such as MSCI, this amalgamation of internal and external research is further discussed at monthly meetings and updated as and when new information is deemed material by our internal panel.

This multi layered approach allows the analyst team to provide the most complete picture concerning sectors, companies and country specifics for the portfolio management team to make informed decisions.

The Sub-Fund’s exclusion criterion eliminates the issuers rated below “BBB” by MSCI, which is based on a best-in-class ESG ratings system. This screening process leverages the superior MSCI ratings doctrine to allow to select issuers that more accurately reflect a global ESG outlook. MSCI ESG ratings include elements from the Environmental, Social and Governance pillars with several sub-themes:

- E: Climate Change, Environmental Opportunities, Natural Capital, Pollution & Waste;
- S: Human Capital, Product Liability, Social Opportunities, Stakeholder Opposition; and
- G: Corporate Behavior, Corporate Governance.

E) «PROPORTION OF INVESTMENTS»



The minimum proportion of the investment of the financial product used to attain the environmental and social characteristics promoted by the financial product is 75%.

The remaining proportion is used to enhance the general yield profile of the financial product.

The Sub-Fund may use futures or options (interest rates, currencies, etc.) traded on regulated or OTC markets in order to generate exposure or hedge the portfolio. The interest rate derivatives markets may only be used to generate leverage amounting to a maximum of 100% of the Sub-Fund's net assets. Please note the use of derivatives is not linked to the attainment of our environmental or social characteristics.

F) «MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS»

The Fund has established an ESG Investment Policy in order to monitor the environmental or social characteristics promoted by its investments.

The compliance with these characteristics is twofold :

- The Investment Management team which analyses the investment opportunities in the light of the ESG Investment Policy in place and make investment decisions on that basis ensuring the eligibility on an ex-ante basis of the instruments. Portfolio managers apply their respective investment processes and select issuers from their ESG-eligible universe according to the investment policy of the Sub-Fund. The Investment Management team is responsible for the selection of invested companies as part of their sustainability analysis and criteria.
- The permanent Risk Management function of the Management Company which independently control the compliance of the investments on an ex-post basis. The Risk Management function represents the second line of defense.

In case of breach detection, the Risk Management function contacts the Investment Management team in due course as per the procedure in place and ask for a correction or explanation. Any proven breach is escalated to the Management Company, the Auditor, the Depositary Bank and the Regulator as per the legal requirements in place.

ESG Sustainability indicators, if any, defined in the prospectus of Article 8 SFDR funds are monitored on an ongoing basis by Risk Management function.

G) «METHODOLOGIES»

The Sub-Fund Investment policy is to select ESG best-in-class performers through ESG ratings. The analysts then evaluate an array of external research from a pre-determined list of reputable sources that have been carefully verified by our analysts. This list includes sources such as MSCI, this amalgamation of internal and external research is further discussed at monthly meetings and updated as and when new information is deemed material by the internal panel.

H) «DATA SOURCES AND PROCESSING»

The analysts evaluate an array of external research from a pre-determined list of reputable sources that have been carefully verified by our analysts. This list includes sources such as MSCI, this amalgamation of internal and external research is further discussed at monthly meetings and updated as and when new information is deemed material by the internal panel.

The Risk Management function is collecting independently the data from external sources to perform their independent controls.

The Investment Team carries out rigorous due diligences and screening on the selected ESG data providers, including coverage controls. The data quality is controlled through a comparison from different sources when needed. The ongoing due diligence monitoring performed on ESG data providers allows to ensure that the data are consistent and reliable.

The process to integrate external data into the investment management systems is monitored to ensure that data format and completeness is not altered during the process. Any anomaly is escalated.

The Sub-Fund uses ESG data providers to collect as much published company data as possible. The requested data might not be always available and we sometimes have to rely on estimates or proxy data provided by third parties. This proportion may vary from time to time. It is ensured at any time that the use of such estimates complies with regulatory guidelines and that external data providers provide with the necessary documentation and transparency on their methodologies when applicable.

I) «LIMITATIONS TO METHODOLOGIES AND DATA»

Several limitations might (co-)exist :

Data Limitation :

ESG data availability and consistency is a real challenge on the market.

Even if disclosure standards and coverage are constantly improving, there might be a need to use estimates at some point in time if certain data is not available for all issuers in the Sub-Fund. The coverage ratio therefore has to be monitored when interpreting ESG indicators.

Interpretation :

As of today, there is no clear harmonized guidelines to calculate ESG scores and provide aggregated disclosures. It means that the market has to rely on provider's methodology which might significantly differ from one to another, making hard to make comparison of figures on the market.

The limitations presented above do not substantially affect the environmental or social characteristics as the Investment Manager is mitigating the risk through the use of various data providers, diligence in the selection process and strong ESG Investment Policy in place.

J) «DUE DILIGENCE»

The due diligence performed on the investments of the Sub-Fund is carried out at the level of the Investment Management as the first line of defense, and by the control of the Risk Management team as the second line of defense. The Risk Management function is fully independent from the Investment Management team.

Eligibility of the investments is controlled to ensure compliance with the Law, with the Investment Policy as per the issuing documents, with any internal limit set at the level of the Sub-Fund as well with the sustainability risk criteria defined by the Sub-Fund.

Please refer to the section f) «Monitoring of environmental or social characteristics» for more information.

K) «ENGAGEMENT POLICIES»

The Sub-Fund is committed alongside the companies in which it invests at different levels. The Investment Manager assesses good governance practices of investee companies through : Accounting practices, Board, Business Ethics, Ownership and control, Pay and Tax Transparency.

L) « DESIGNATED REFERENCE BENCHMARK »

ESG ratings allow the Investment Manager to integrate within investment decisions ESG criteria, leveraging on MSCI ESG ratings. MSCI rating methodology is designed to measure a company's resilience to long-term, industry material ESG risks.

The ESG indicators expressed through MSCI ESG ratings are monitored throughout the lifecycle of the financial product at security level, focused to select ESG Leaders Investments are analysed to ensure that it is leading its industry in managing the most significant ESG risks and opportunities. In certain cases, investments with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers. In those cases where investments are lagging its industry based on its high exposure and failure to manage significant ESG risks, an ad-hoc review is performed and take action if necessary.

At Sub-Fund level, ESG performance is measured through MSCI ESG Quality Score.

Aucun indice spécifique n'a été désigné comme indice de référence pour déterminer si ce produit financier est aligné sur les caractéristiques environnementales et/ou sociales qu'il promet.

No specific index has been designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics it promotes.