

ANNEX IV

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

Product name: MAGALLANES VALUE INVESTORS UCITS - EUROPEAN EQUITY

Legal entity identifier: 222100Z0VBNN3MAC6G14

Environmental and/or social characteristics

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.

Did this financial product have a sustainable investment objective?

Yes

It made **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 made **sustainable investments with a social objective**:_%

No

It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a 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 promoted E/S characteristics, but **did not make any sustainable investments**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental (adaptation to climate change, pollution, prevention and control, as well as sustainable use and protection of resources) and social characteristics (reduction of reputational risk, prevention of workplace accidents, human talent attraction and retention) promoted by this product are progressing satisfactorily.

Regarding exclusions, we have specific sector restrictions: we would never invest in adult entertainment/pornography, weapons of mass destruction, anti-personnel landmines, gambling or casinos, as we understand such activities contribute nothing to the progress of society, rather the opposite. On top of this, we may also have company-per-company exclusions.

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

● **How did the sustainability indicators perform?**

ENVIRONMENTAL CHARACTERISTICS	METRIC	MEASUREMENT	2022	Source
Climate change adaption	Carbon footprint	tons CO2e/ EUR M invested	2.449,81	Clarity
Pollution prevention and control	Share of non-renewable energy consumption and non-renewable	percentage	77,03%	Clarity
Sustainable use and protection of resources	Emissions of air pollutants	tons of air pollutants/ EUR M invested	3,83	Clarity
	Emissions to water	tons of emissions/EUR M invested	0,0054	Clarity
	Hazardous waste ratio	tons of hazardous waste / EUR M invested	3,07	Clarity
SOCIAL CHARACTERISTICS	METRIC	MEASUREMENT	2022	Source
Reputational risk reduction	Lack of processes and compliance mechanisms to monitor compliance	percentage	2,00%	Clarity
Prevention of accidents at work and attracting and retaining human talent	Rate of accidents	accidents / million hours worked	3,25	Clarity
	Number of days lost to injuries, accidents, fatalities or illness	working days lost / year	44.838,86	Clarity

● **...and compared to previous periods?**

Not applicable

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

How were the indicators for adverse impacts on sustainability factors taken into account?

Not applicable

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.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable

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 Union criteria.

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

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



How did this financial product consider principal adverse impacts on sustainability factors?

Not applicable



What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion** of investments of the financial product during the reference period which is: Year end 2022

Largest investments	Sector	% Assets	Country
Commerzbank AG	Finance	4.63%	Germany
Renault SA	Consumer	4.28%	France
Covestro AG	Process	4.10%	Germany
Heidelbergcement AG	Non-Energy	4.03%	Germany
Arcelormittal SA	Non-Energy	3.94%	Luxembourg
Unicredit S.P.A.	Finance	3.79%	Italy
Aker Bp ASA	Energy Minerals	3.56%	Norway
Ing Groep NV	Finance	3.55%	Netherlands
Antofagasta Plc	Non-Energy	3.32%	United Kingdom
Noble Corporation Plc Class A	Industrial	3.26%	United Kingdom
Faurecia Societe Europeenne	Producer	2.88%	France
Oci NV	Process	2.80%	Netherlands
Skf Ab Class B	Producer	2.75%	Sweden
Scorpio Tankers Inc.	Transportation	2.71%	Marshall Island
Mytilineos S.A.	Utilities	2.69%	Greece



What was the proportion of sustainability-related investments?

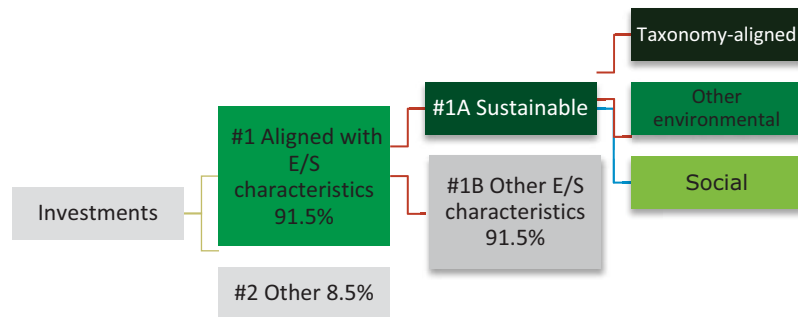
91.5% of the product portfolio would be within the group of investments adjusted to environmental or social characteristics.

This is calculated over the total net assets (total investments and cash).

● *What was the asset allocation?*

Asset allocation

describes the share of investments in specific assets.



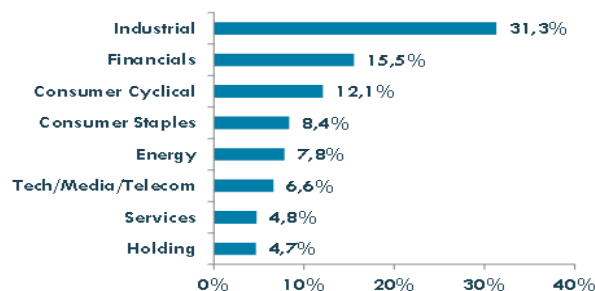
#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

● *In which economic sectors were the investments made?*



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



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

Not applicable

Does the financial product invested in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes

In fossil gas

In nuclear energy

No

¹ Fossil gas and/or 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.

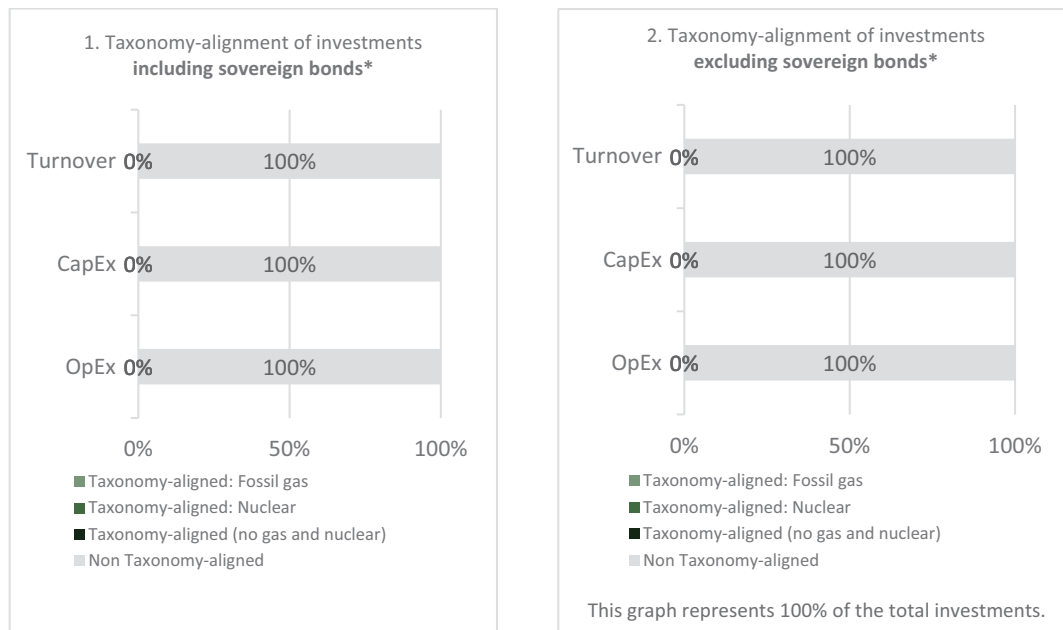
Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.

- **capital expenditure (CapEx)** shows the green investments made by investee companies, relevant for a transition to a green economy.

- **operational expenditure (OpEx)** reflects the green operational activities of investee companies.

The two graphs below show in green the percentage of investments that were 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.

● **What was the share of investments made in transitional and enabling activities?**

Not applicable

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

Not applicable



What was the share of socially sustainable investments?

Not applicable



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The investment strategy for the period has complied with the binding elements for the selection and holding of the companies in the sub-fund portfolio.

100% of the companies in the fund have an ESG scoring lower than 7 out of 10, as per the internal methodology specified in the fund's prospectus. These investments represent the 91.5% of the total Asset under Management. The 8.5% included in "others" is the cash held by the fund for the day-to-day operations. No minimum environmental and social safeguards were taken into account.

Therefore, there are no investments with an internal score equal to or higher than 7 that included in "others".



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

As an example of our ongoing monitoring, in 2022 we held 321 meetings with companies and analysts. In these meetings, we gained a comprehensive understanding of the different companies, sectors, markets and trends. We raise our issues with the various management teams, ranging from accounting to environmental and social issues. In these meetings with companies we have revealed the "art.8" category of the fund and some of the following questions might be asked: progress in emission reductions and measures put in place, decarbonisation strategy, social, strike or community issues, management interest alignment system... If some of the answers are not in line with what we consider appropriate, we apply a penalty in our internal ESG rating for each of the companies. For example, one of our companies has an unfair variable remuneration system, given that it takes advantage of the cyclicity of the business to over-distribute at the high points of the cycle, and we have verbally informed the company of this on several occasions.

The environmental and social aspects covered vary from meeting to meeting, company to company and sector to sector. This is the result of the materiality and idiosyncrasies of each company/industry as well as the ESG news and/or developments that each company undertakes.

We have exercised our voting rights in practically 100% of the companies in which, as shareholder, we hold voting rights during the year.

In order to improve our environmental and social monitoring of the companies in the portfolio, we use the Clarity AI tool, providing us with powerful analysis and a clear reading of the sustainability impact of our companies.

Our engagement policy is publicly disclosed on our website (<https://magallanesvalue.com/wp-content/uploads/POLITICA-DE-IMPLICACION.pdf>), and the corresponding implementation via the Voting Report is updated every year in the website too (<https://magallanesvalue.com/wp-content/uploads/INFORME-ANUAL-EJERCICIO-DERECOS-DE-VOTO-2022.pdf>).



How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the ESG characteristics promoted by this sub-fund.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How does the reference benchmark differ from a broad market index?***

Not applicable

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable

- ***How did this financial product perform compared with the broad market index?***

Not applicable