

ANNEX IV

‘ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Azora European Climate Solutions (Azora ECS)

Legal entity identifier: 959800GKWKE5GBM7SR55L

Sustainable investment objective

Did this financial product have a sustainable investment objective?



Yes



No

It made **sustainable investments with an environmental objective: 100%**

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: %**

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**

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent was the sustainable investment objective of this financial product met?



The Fund aims to make sustainable investments through the acquisition of temporary Equity Quotas in the capital of companies that allow it to contribute to the following objectives:

- a) Mitigation of climate change
- b) Adaptation to climate change

c) Prevention and control of pollution

These are part of the environmental objectives defined in Regulation (EU) 2020/852 concerning the establishment of a framework to facilitate sustainable investments.

Accordingly, the Fund will invest in lower middle market companies (generally defined as companies with annual normalised EBITDA below €10 million) linked to the decarbonisation of real assets and aligned with one of the following categories defined by the management team: (i) urban solutions and (ii) energy solutions.

The Fund will promote the decarbonisation of real assets in the European economy by investing in companies with proven business models that use scalable technologies to provide a sustainable solution to problems caused by climate change (for example, but not limited to, the transformation of waste into energy or the use of sustainable materials in construction) and promote improvements in the energy efficiency of real assets through solutions and services that integrate controls and sensors to assist with the monitoring of energy consumption (for example, but not limited to, home automation technologies that facilitate the reduction of energy consumption in residential, commercial and industrial buildings, as well as the use of sustainable farming practices to improve the efficiency of agricultural resources).

The Management Company adheres to the United Nations Principles for Responsible Investment (UN PRI). Through its investments, the Fund also seeks to promote the Sustainable Development Goals (SDGs), by estimating the potential impact on the following SDGs:

The Fund seeks to prioritise:

o UN#7: AFFORDABLE AND CLEAN ENERGY

The Fund will encourage the use of clean energy by investing in and supporting innovative business models that accelerate the transition from a fossil fuel-based economy to one based on clean and affordable energy to mitigate the impact of climate change.

o UN#11: SUSTAINABLE CITIES AND COMMUNITIES

According to the European Commission, urban areas will hold over 80% of the global population by 2050, and the rate of urbanisation in Europe will increase to 84%. Additionally, the built-up areas account for over 40% of energy consumption and over 36% of greenhouse gas emissions. This leads to the consideration that the sustainable development of cities and communities cannot be attained without transforming the way urban spaces are built and managed. The Fund thus aims to leverage the Management Company's expertise in property management to support urban solutions that promote the decarbonisation of buildings and cities in general. This involves creating sustainable ecosystems with sustainable mobility systems based on circular economy principles, sustainable construction materials and the promotion of resilient emissions controls and decarbonisation.

o UN#13: CLIMATE ACTION

The Fund will invest in companies that provide solutions to strengthen the resilience and the adaptive capacity of the climate risks posed by real assets. This includes supporting profitable businesses that promote solutions to meet the effective demand for climate change mitigation and adaptation plans in Europe, especially those related to real assets.

No benchmark has been designated for the Fund in accordance with Article 9.2 of the SFDR.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments to evaluate the degree of achievement of the environmental or social objectives of this financial product.

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

As of the date of this report, the financial product has not made any investments since its inception and therefore there are no sustainability indicators.

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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, there are no sustainability indicators nor any previous data for comparison.

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.

● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments. *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*
Details:

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



What were the top investments of this financial product?

Largest investments	Sector	% Assets	Country
N/A	N/A	N/A	N/A

Asset allocation describes the share of investments in specific assets.

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments



What was the proportion of sustainability-related investments?

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

- **What was the asset allocation?**

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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

Yes:

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 no significant harm to 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.

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.

In fossil gas In nuclear energy

No

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.

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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



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

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



What was the share of socially sustainable investments?

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.




What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.



What actions have been taken to attain the sustainable investment objective during the reference period?

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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



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

N/A – Azora ECS is not explicitly benchmarked against broad market indexes or other reference benchmarks.

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

N/A – Azora ECS is not explicitly benchmarked against broad market indexes or other reference benchmarks.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Nothing to report. As of the date of this report, the financial product has not made any investments since its inception and, therefore, does not have any portfolio investments.

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

N/A – Azora ECS is not explicitly benchmarked against broad market indexes or other reference benchmarks.

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

N/A – Azora ECS is not explicitly benchmarked against broad market indexes or other reference benchmarks.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.