

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: Incentive Active Value Long Only Fund

Legal entity identifier: 635400KRIZMC1N3TGN87

Environmental and/or social characteristics

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**

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

Incentive Active Value Long Only Fund invests substantially all of its assets in Incentive Active Value Long Only Master Fund, which is categorised as an Article 8 Fund. Accordingly, for the purposes of SFDR, Incentive Active Value Long Only Fund is similarly categorised as an Article 8 Fund.

For the purposes of this Annex IV, "**Fund**" shall mean Incentive Active Value Long Only Fund through its investment in the Incentive Active Value Long Only Master Fund.

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

This Fund promoted the environmental and social characteristics through the application of its investment strategy and the integration of environmental, social and governance (ESG) factors into the AIFM's fundamental bottom-up research process for all new investment and throughout the whole holding period.

Sustainability is essential to the AIFM's investment and portfolio management processes. The AIFM have therefore integrated ESG factors into the investment process by performing an ESG-analysis of all potential investments, in conjunction with and as part of, the AIFM's financial, thematic, and macro analysis and valuation work. This ensures consideration of all material sustainability matters in advance of investment decisions. The AIFM conduct a risk analysis of ESG- factors, looking at the industry sector, the relevant markets and geographies, as well as governance and strategies, stakeholder management, risk management, performance, and reporting. The analysis covers the ESG risks in the value chain as well, and considers both physical, operational, reputational, political, and technological risks. The sustainability analysis also serves to identify market opportunities and growth potential as well as opportunities for value creation through improved sustainability management and governance. Such extensive, fundamental value-oriented analysis serves as the basis for the Funds investment decisions and engagement throughout the investments' holding period.

Long term profitability is intrinsically linked to the responsible management of a company's impact on the environment and society. Therefore, the AIFM works actively with the portfolio companies to promote good governance on sustainability issues.

The following factors were considered in determining whether the Fund attained the environmental and/or social characteristics it promotes:

- 1) Exclusion list – The AIFM adheres to the Norges Bank exclusion list for the Fund, which comprises a list of companies which are, or have been involved, with severe environmental or social controversies. All companies on this list is entered into control systems which prevent the Fund from making investments in companies on the list at time for investment. The exclusion list is updated on an ongoing basis.
- 2) Investment aligned with AIFM's investment strategy and Sustainability Policy, which includes:
 - investment in companies with high sustainability standards which identify and manage their sustainability risks and impact on the environmental, society, and people in line with the expectations of society.
 - undertaking an assessment of the key sustainability characteristics that are material to the company and industry in which the relevant company operates in using the AIFM's proprietary research and analysis.
 - engaging with the management of the companies in order to mitigate the risks and improve sustainability performance, to encourage them to align their business models, set emission reduction targets and disclose the appropriate information regarding material climate risk and opportunities and other sustainability issues; and

- using proxy voting to drive positive change

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

As part of the investment process, the AIFM uses a range of both quantitative and qualitative sustainability indicators in order to determine the environmental and social impact of each investment within the Fund, as described above.

Sustainability indicators were monitored by the AIFM through internal research and data from external data providers, like ISS and others. This is the first reporting period, when the data was collected and mapped to the Principal Adverse Impacts indicators in the following format:

- 1) Environmental- indicators which are material to the company, specifically GHG emissions, carbon footprint, GHG intensity, waste reduction policies, water policies.

Topic	Adverse sustainability indicator	Metric	Performance	Coverage
Environmental				
Greenhouse gas emissions	PAI 1- GHG Emissions	Scope 1 GHG emissions	34422.83 (t)	100.0%
		Scope 2 GHG emissions	17945.95 (t)	100.0%
		Scope 3 GHG emissions	711755.05 (t)	100.0%
		Total GHG emissions	764123.83 (t)	100.0%
	PAI 2 - Carbon Footprint	Carbon Footprint, Scope 1-3 (emissions per 1M EUR invested)	532.84 (t/M EUR)	100.0%
	PAI 3 - GHG intensity of investee companies	GHG intensity of investee companies	1114.90 (t/M EUR)	100.0%
	PAI 4 - Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	9.10%	100.0%
	PAI 5 - Share of non-renewable consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	40.82%	72.6%
		Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	0.00%	94.4%
	PAI 6 - Energy consumption intensity per high impact climate sector	Energy consumption in GWh per 1M EUR of revenue of investee companies, per high impact climate sector		
	Agriculture, Forestry, and Fishing		0.00	0.0%
	Mining and Quarrying		0.08	8.4%
	Manufacturing		0.25	46.1%
	Electricity, Gas, Steam and Air Conditioning Supply		0.00	0.0%
	Water Supply, Sewerage, Waste management and remediation Activities		0.00	0.0%
	Construction		0.00	0.0%

	Wholesale and retail Trade; Repairs of Motor Vehicles and Motorcycles		0.00	0.0%
	Transportation and Storage		0.00	0.0%
	Real Estate Activities		0.03	4.6%
Biodiversity	PAI 7 - Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.00%	100.0%
Water	PAI 8 - Emissions to water	Tons of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.05 (t)	10.2%
Waste	PAI 9 - Hazardous waste and radioactive waste ratio	Tons of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	0.10 (t)	49.4%

- 2) Social: The AIFM's sustainability analysis covers also analysis of human and labour rights. By looking at the geographical footprint of the companies, the AIFM analyse the risks and challenges pertaining to those markets also with regards to human and labour rights. The AIFM expects companies to adhere to local laws and regulations, but where these are lacking or underdeveloped, the AIFM expects companies to have a higher standard of conduct in-line with international law.

Topic Social	Adverse sustainability indicator	Metric	Performance	Coverage
	PAI 10 - Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.00%	100.0%
	PAI 11 - Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	15.5%	96.5%
	PAI 12 - Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	2.51%	10.8%
	PAI 13 - Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	38.46%	100.0%
	PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.00%	100.0%

- 3) The AIFM encourages companies to sign up to the Science Based Targets initiative, which the AIFM believes is a sensible way for corporates to work towards cutting CO2 emissions based on their individual starting points.

% of companies with SBTis commitment and target:

Sustainability indicator	Metric	Performance	Coverage
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Investing in companies with carbon emission reductions initiatives	Companies that have set or formally committed to setting carbon reduction targets approved by the SBTi	65%	100.0%
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The AIFM follows closely with the development in the regulatory requirements for transparency around companies transition plans as part of the new reporting sustainability disclosures standards.

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

N/A – this is the first reporting period.

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

N/A – the Fund did not make any sustainable investments in the reporting period.

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

N/A – the Fund did not make any sustainable investments in the reporting period.

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

N/A

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

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 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.

Human Rights? Details:

N/A - the Fund did not make any sustainable investments in the reporting period.

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 this financial product consider principal adverse impacts on sustainability factors?

The AIFM have integrated consideration of the PAIs in its fundamental, bottom-up investment analysis and process, ensuring its integration throughout the entire investment cycle:

1) Idea Generation

The AIFM begins by gathering and structuring information about the long-term, global trends that influence whole sectors of the economy. The analysis includes socio-economic trends, market and consumer trends, technological developments, global risks, and broader sustainability challenges. An overview of the global context and long-term trends is key to identifying future business opportunities and the potential for future growth as well as risks.

2) Quality Assurance

After generating that foundational understanding, the AIFM conducts a comprehensive analysis of business sustainability fundamentals. The AIFM conducts a risk analysis of environmental, social, and governance (ESG) factors, looking at the industry sector, the relevant markets, and geographies, as well as governance and strategies, stakeholder management, risk management, performance, and reporting. The analysis covers the ESG risks in the value chain as well, and considers both physical, operational, reputational, political, and technological risks. The sustainability analysis also serves to identify market opportunities and growth potential as well as opportunities for value creation through improved sustainability management and governance.

3) Portfolio Construction and Risk Management

The AIFM practices active ownership by way of regular reviews, with a particular focus on the state of governance in each portfolio company. The AIFM monitors and screens on a quarterly basis fund-level Principal Adverse Impact indicators (PAI) and reports through the reference period, using data from ISS Governance.

The AIFM maintains regular contact with the board of directors and top management and challenges them when progress on sustainability targets is slow or when emerging situations call for risk mitigation and/or improved governance.



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: 01.01.2024 – 31.12.2024

Average for the calendar year 2024 (daily average 01.01.2024 to 31.12.2024)

Largest investments	Sector	% Assets	Country
TIETOEVRY OYJ	Information Technology	9.3	FINLAND
SECURITAS AB-B SHS	Industrials	8.87	SWEDEN
ESSITY AKTIEBOLAG-B	Consumer Staples	8.21	SWEDEN
ISS A/S	Industrials	7.57	DENMARK
SMITH & NEPHEW PLC	Health Care	7.06	GREAT BRITAIN
GETINGE AB-B SHS	Health Care	6.42	SWEDEN
DOMETIC GROUP AB	Consumer Discretionary	6.24	SWEDEN
BRITVIC PLC	Consumer Staples	6.1	GREAT BRITAIN
DS SMITH PLC	Materials	5.94	GREAT BRITAIN
AKER ASA-A SHARES	Industrials	5.48	NORWAY
LEROY SEAFOOD GROUP	Consumer Staples	4.93	NORWAY
NOBLE CORP PLC	Energy	4.69	USA
AROUNDTOWN SA	Real Estate	4.33	LUXEMBOURG
VAR ENERGI ASA	Energy	2.81	NORWAY
ATTENDO AB	Health Care	2.7	SWEDEN



What was the proportion of sustainability-related investments?

What was the asset allocation?

The AIFM has implemented the ESG approach in relation to all new potential investments, which entails that 100% of the new investments will be aligned with the promotion of environmental and social characteristics. The approach, as outlined above, include an ESG due diligence and analysis of all potential investments. Existing investments are continuously screened and rated internally using the AIFM’s proprietary research and framework.

Average for the calendar year 2024 (daily average 01.01.2024 to 31/12/2024):

- The proportion of investment aligned with the environmental and social characteristics promoted by the Fund was 96.3% during the reference period.

A company was considered aligned with the environmental and social characteristics of the Fund if the company was not on the exclusion list and if the AIFM was able to obtain their own analysis.

- Cash in the Fund was 3.7%

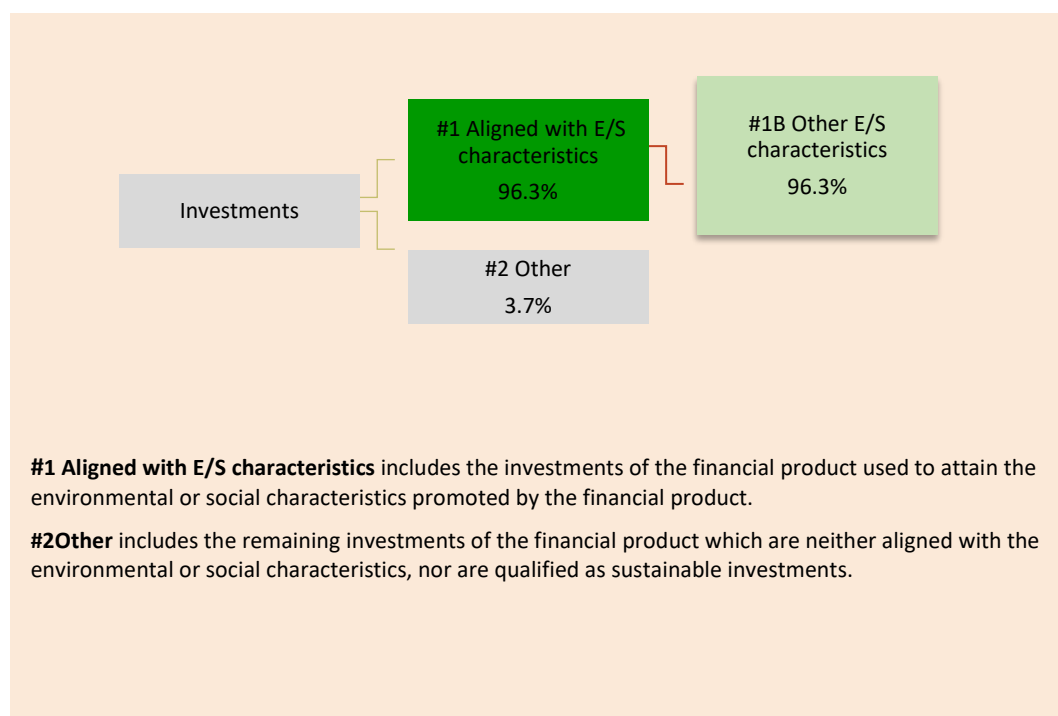
However, the Fund did not commit to make a minimum proportion of sustainable investments as defines in the SFDR Article 2(17), and/or environmentally sustainable investments in economic activities that comply with the criteria in Article 3 in regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the Taxonomy regulation).

Asset allocation describes the share of investments in specific assets.

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



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

Average for the calendar year 2024 (daily average 01.01.2024 to 31.12.2024)

Sectors	%
Consumer Discretionary	6.2
Consumer Staples	19.2
Energy	7.5
Financials	3.4
Health Care	17.2
Industrials	22.0
Information Technology	9.3
Materials	7.2
Real Estate	4.3
Cash	3.7



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

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.

investments made by investee companies, e.g. for a transition to a green economy.

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

The Fund does not commit to invest any proportion of its assets in environmentally sustainable economic activities aligned with the EU Taxonomy. Accordingly, the level of EU Taxonomy aligned investments were zero per cent (0%).

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

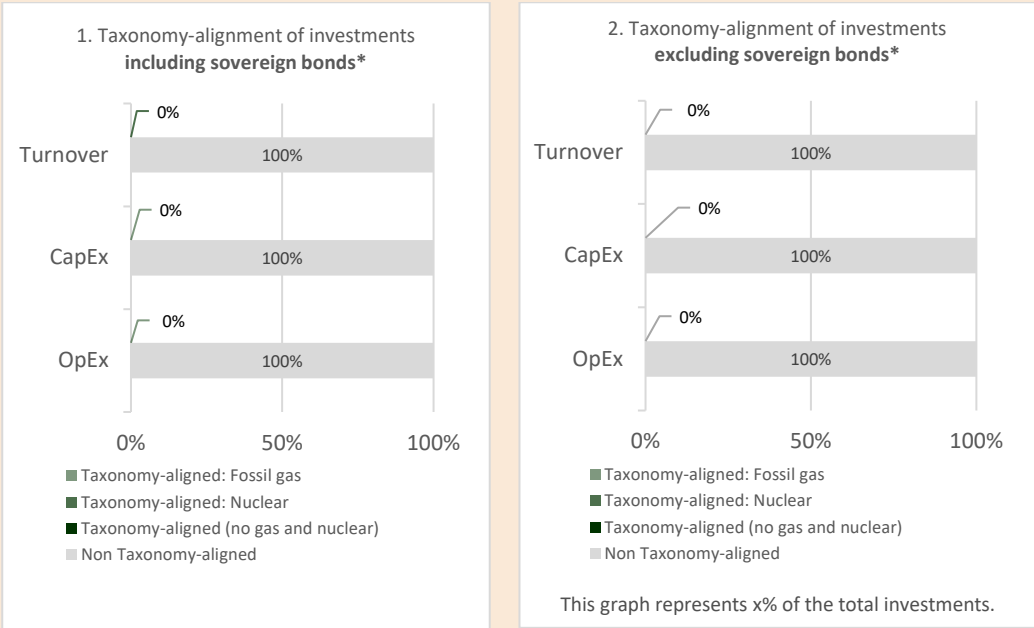
☐ Yes:

☐ In fossil gas
☐ In nuclear energy

☒ No

The 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.*

N/A – the Fund did not commit to holding Taxonomy-aligned investments.



* 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?**

N/A – the Fund did not commit to holding Taxonomy-aligned investments.

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.

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

N/A – the Fund did not commit to holding Taxonomy-aligned investments.



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

N/A – the Fund did not commit to holding sustainable investments with an environmental objective not aligned with the EU-Taxonomy.



What was the share of socially sustainable investments?

N/A – the Fund did not commit to holding socially sustainable investments.



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

The investments included under “Other” section were cash or other holdings, which have been retained for liquidity, hedging and/or cash management purposes. No minimum environmental or social safeguards were in place in relation to such holdings.



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

The AIFM monitors investee companies’ alignment with its Sustainability Policy as well as monitoring their broader ESG profiles through the AIFM ‘s fundamental analysis of the investee companies, third party research and data providers. The AIFM also assess company’s corporate disclosures, including their financial and sustainability reports.

The AIFM engages with all the investee companies regarding ESG matters considered material to that specific company. Engagement is a fundamental part of the investment process. The AIFM intends to engage with the management teams, board members and other stakeholders of its underlying portfolio companies when it believes that such engagement can positively influence any processes aimed at enhancing the value of an investment. The AIFM votes at General Meetings and make sure its voting aligns with Sustainability Policy. The AIFM part-take in nomination committees in the Nordic region whenever there is the opportunity and through this work ensure that the board of directors is optimally composed and constructed.



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

N/A – the Fund did not designate a reference benchmark the purpose of attaining the environmental or social characteristics promoted.

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?*
N/A
- *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?*
N/A
- *How did this financial product perform compared with the reference benchmark?*
N/A
- *How did this financial product perform compared with the broad market index?*
N/A