

Etica Bilanciato

(Class I)

Marketing communication



Fund classified as Article 9 product in accordance with Regulation (EU) 2019/2088 as product targeting sustainable investments.

A balanced fund that seeks to capture equity market opportunities whilst benefiting from exposure to bond markets. The fund is recommended for those seeking medium- to long-term capital growth with medium- to high-risk level, whilst complying with **environmental, social and governance (ESG) criteria**.

Class I is reserved for Professional Investors.

Strengths



Diversification:

the fund invests in equity markets globally, looking for the **best opportunities at thematic, geographic and sector level and in bonds** of predominantly euro-area regulated markets.



ESG analysis:

as a result of our **proprietary methodology** of ESG analysis, **ESG EticaApproach®** (registered trademark of Etica Sgr S.p.A.), the fund is characterised by a rigorous selection of countries and companies that are focused on environmental protection, respect for human rights and good corporate governance.



Control of financial and non-financial risks:

through the proprietary risk metric, the ESG Risk, Etica Sgr supplements the calculation of financial risk with the measurement of risk from environmental, social and governance (ESG) factors that can have an impact on performance.



Return opportunities:

the fund aims to create return opportunities for the medium- to long-term perspective, **by targeting the real economy and rewarding companies and countries that demonstrate sustainability** from a financial and ESG perspective.



Simplicity:

the fund has no entry, exit, switch and performance fees¹ and uses derivatives only to hedge portfolio risks.

Investment Policy

- For the **equity component**, the fund invests in securities with varying degrees of capitalisation predominantly in **Developed markets**, pursuing **abroad diversification of investments across economic sectors**. For the **bond component**, the fund invests in securities of sovereign issuers and supranational and international organizations and, to a residual extent (maximum 10%), in corporate bonds predominantly in the **regulated markets of the euro area**².
- Equity investment: up to 70%.
- The fund is characterised by an **active management style**, which integrates issuer sustainability analysis with economic and financial analysis to identify and anticipate possible future trends. The management team combines the “top down” approach used for asset allocation with the “bottom up” approach for stock selection. Overweights/underweights compared to the benchmark are possible.
- All financial instruments are selected based on an **accurate analysis of issuers’ ESG (Environmental, Social and Governance) responsibility**. The fund does not invest in controversial sectors and countries (such as oil, weapons, nuclear energy, gambling, or countries that use the death penalty or do not respect civil rights) and issuers with **higher ESG scores** are then selected during the “positive selection” phase.
- The fund’s objective is an annual average value of ESG Risk, calculated on the 12 month-end figures of the securities portfolio, not exceeding 80% of the theoretical maximum risk³.

¹ For information on the costs regime, please refer to the KIID and section C of Part I of the fund prospectus that are available from the distributors and on the website www.eticasgr.com.

² The fund offers no guarantee of return and do not ensure repayment of invested capital.

³ For information please refer to the fund prospectus.



etica FUNDS
Responsible Investments

Fund

Details

Assogestioni category	Balanced
NAV calculation	Daily
Domicile	Italy
Benchmark	60% MSCI World ESG Universal Net Total Return (in Euro) 35% JP Morgan EMU 5% ICE BofA Euro Treasury Bill Index
Start date	02 February 2012
ISIN	IT0004735186
Allocation of income	Accumulation

Synthetic risk indicator



The synthetic risk indicator classifies the Fund on a scale from of 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous 5 years. For further information on the synthetic risk indicator, please refer to the KIID and Prospectus available from placing agents and on the Company's website www.eticasgr.com.

Costs

Management fee (annual)	0.90%
Entry, exit, switch and performance fees	None
Flat fees	None
Voluntary contribution to the microfinance and crowdfunding fund	0.10%

Subscription

Lump sum (IP)	
Minimum initial investment amount in the Sistema Etica	500,000 €
Minimum subsequent investment amount	None

Accumulation plans (ACP)

For the subscription of Accumulation Plans (ACP), see the provisions of the Fund Management Regulations of the Sistema Etica (Part C-Section I Para. I.3) published on www.eticasgr.com



About us

Etica Sgr is the only Italian asset management company today that proposes only sustainable and responsible mutual funds. Etica considers the principal adverse impacts of its investment decisions on sustainability factors. The Principal Adverse Sustainability Impacts Statement and the Sustainable and Responsible Investment Policy are available here: eticasgr.com/en/responsible-investment.

ESG Selection

Issuers are selected through a **process that includes the ESG analysis and the financial analysis**. Both stocks and bonds included in the portfolio of funds of Etica are subject to a double screening: the application of negative exclusion criteria with regard to certain sectors or market activity for companies and countries for government securities and the application of positive evaluation criteria based on sustainability issues.

ESG Risk

The ESG Risk is a proprietary methodology that calculates risk from environmental, social and governance factors to quantify its impact on a mutual fund's stock returns.

For further information: eticasgr.com/esg-risk

Engagement

We encourage the companies in which the funds invest to engage in sustainable and responsible behaviour in the medium to long term through **dialogue** with management and the **exercise of voting rights**. Each year we report on the key results of our activity in the **Engagement Report**.

Our impact

Our idea of responsible investment combines the aim of achieving **potential positive financial performance** with that of generating **positive environmental and societal effects**.

Through the **Impact Report** we present the ESG results of the equity investments of our funds in relation to the reference market (MSCI World Net Total Return in Euro). By measuring the **carbon footprint**, we report the carbon footprint of the equity investments of our funds as required by the Montréal Carbon Pledge of the UN PRI.

Contribution to microfinance and crowdfunding

At the time of subscription, the funds of Etica Sgr provide for the possibility of allocating 0.1% of the invested capital to a fund that guarantees microfinance projects and supports crowdfunding initiatives with high social value, selected by Banca Etica in Italy.

FIND OUT MORE:

www.eticasgr.com



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This is a marketing communication by Etica, intended for professional investors.

Investors should conclude an investment transaction involving Etica Bilanciato Fund only after having fully understood their overall characteristics and degree of exposure to related risks, by carefully reading the Prospectus and the key investor information document (KIID), which, together with information on sustainability pursuant to Regulation (EU) 2019/2088, can be found at www.eticasgr.com. The investment specifically concerns the acquisition of shares relative to Class I and involves risks related to possible changes in the share values, which are in turn affected by fluctuations in the value of the financial instruments in which the funds' resources are invested. Investing in the Etica Bilanciato Fund offers no guarantee of return and does not ensure repayment of initially invested capital. Any future returns are subject to taxation, which is based on the personal situation of each investor and may change in the future. The investment goals, situation and financial needs of potential recipients have not been taken into account in the drafting of this communication. It can therefore in no way be interpreted as investment advice. The recipients of this communication assume full and absolute responsibility for the use of the information it contains, as well as for any investment decisions made on the basis thereof, since any use of the information as support for investment decisions is not permitted and is at the investor's own risk. This communication may not be distributed to parties other than its intended recipients, nor reproduced in all or in part, in any form whatsoever, without the prior authorisation of Etica.



Etica Sgr has adhered to the United Nations Principles for Responsible Investment (PRI) since 2009, becoming **the first Italian company to sign the commitment to incorporate ESG (environmental, social and governance) criteria into its investment and active ownership decisions.**