

Product disclosure for financial products that promote environmental or social characteristics as per Section I of the COMMISSION DELEGATED REGULATION (EU) 2022/1288 of 6 April 2022

**Product name:** NEW MILLENNIUM SIF SICAV – AIM SISTEMA ITALIA - PIR  
**Legal entity identifier:** 21380080S1W5G7UONF92

### **(a) Summary**

This document provides information on sustainability pursuant to Regulation (EU) 2022/1288 and it does not constitute marketing material.

The information is intended to detail the characteristics of sustainability, as well as related risks.

In particular, the following sections describe the environmental and social characteristics promoted by financial products, the investment strategy adopted to meet these characteristics and how this is continuously monitored, the engagement policies adopted by the investment manager and the data sources used to ensure promotion of the environmental and social characteristics.

The information should be considered together with the other relevant documents on the financial product.

### **(b) No sustainable investment objective**

This financial product promotes environmental and/or social characteristics, but does not have as a goal a sustainable investment.

### **(c) Environmental or social characteristics of the financial product**

The financial product promotes good business practices by investing exclusively in micro cap listed on Euronext Growth, which is a SMEs growth market. In this context, investments are preferred in those companies that are committed in activities particularly consistent with at least one of the 17 SDGs (Sustainable Development Goals) developed by the United Nations and/or for which a significant commitment to sustainable issues is demonstrated.

On these criteria, stringent constraints are imposed on the portfolio manager.

Investments in controversial sectors and activities are substantially excluded.

A benchmark has not been designated in order to satisfy the environmental or social characteristics promoted by the financial product.

#### **(d) Investment strategy**

The investment strategy followed by this financial product integrates ESG aspects into the investment process and consists of:

- the investment exclusively in companies listed on a "SME Growth market" (the Euronext Growth market), which implies the allocation of resources on micro caps and therefore the promotion of a more circular, resilient and sustainable economic system in the long term;
- the compliance with a minimum investment in companies whose main activity (or products and services) is considered sustainable as it is consistent with at least one of the 17 SDGs and / or with the EU Taxonomy;
- the compliance with a minimum investment in companies that demonstrates the commitment to ESG matters in terms of transparency (public disclosure on its ESG factors, publication of the sustainability report, code of ethics, etc.), and/or particularly high standards of governance (presence of women and independent directors in the Board of Directors), and / or "actions" voluntarily taken and communicated to the market that are significantly consistent with sustainability;
- the application of the exclusion criteria.

#### **(e) Proportion of investments**

The minimum proportion of investments aligned with E/S characteristics envisaged for the financial product is 55%. The asset allocation provides for approximately two thirds of the substantial replication of the index composed of micro caps and the remaining part the result of a careful selection by the investment manager who also takes into consideration ESG factors in order to comply with the binding elements.

For the investment manager, the notion of sustainable investment takes into account the congruence of the business model with at least one of the 17 SDGs and does not consist exclusively of compliance with Regulation (EU) 2019/2088 and/or in alignment with Taxonomy Regulation (EU) 2020/852.

It should be noted that the ESG binding elements ensure that a significant portion of the portfolio is, in fact, constantly allocated to instruments that comply with EU taxonomy.

Small and medium-sized companies pay for the fact that providers do not provide adequate coverage, while those companies are the target of this financial instrument. In the real portfolio, therefore, the proportion of investments aligned with E/S characteristics is expected to be significantly higher than the minimum indicated here.

#### **(f) Monitoring of environmental or social characteristics**

For each company held in the portfolio, the following is verified:

- the sustainability of the core activity, in terms of consistency with one of the 17 SDGs and/or belonging to a sector aligned with the EU Taxonomy;
- the company's commitment to ESG issues, in terms of transparency (public disclosure on its ESG factors, publication of the sustainability report, code of ethics, etc.), and/or particularly high standards of governance (presence of women and independent directors in the Board of Directors), and / or "actions" voluntarily taken and communicated to the market that are significantly consistent with sustainability.

Derivatives are not used to promote environmental and social characteristics.

#### **(g) Methodologies**

The methodology applied to promote environmental and/or social characteristics is based on the application of constraints and investment limits (binding elements).

The financial product is bound by the following additional investment restrictions:

- at least 45% invested in companies that are committed in activities particularly consistent with at least one of the 17 SDGs (Sustainable Development Goals) developed by the United Nations and/or for which a significant commitment to sustainable issues is demonstrated;
- at least 55% invested in companies that demonstrate a commitment to ESG matters, and foster transparency towards investors, providing, on a voluntary basis, information on ESG aspects either in their financial statements, in a specific company document (such as sustainable report/non financial disclosure, ethics code and others) or on their website. Companies "investment researches" and/or "financial analysis" report, relevant considerations about ESG factors of the company business model, are included;
- investments in companies whose main activity is the production of tobacco, nuclear energy, oil extraction as well as any company in the gambling or pornography sector are excluded;
- investments in companies which are based in countries that do not allow an adequate exchange of information with Italy are not allowed.

#### **(h) Data sources and processing**

The sustainability of small-sized companies is rarely analysed by major information providers who use standard methodologies that are not suitable for micro-cap companies. The data source is represented by a database that is

constantly updated by an "Observatory ESG-SME Listed" (promoted with a University). This specialized "info provider" systematically examines all public documentation produced by any listed company on the E.G.M. market, recording any significant information on ESG factors.

Random checks have been carried out with positive results to directly verify the accuracy of the collected and recorded data with some companies.

The data is collected on databases that are regularly backed up.

The collected information is not subject to estimate: the criteria for judging the sustainability of business activities or the "committed" judgment related to initiatives taken by the companies themselves are formalized.

**(i) Limitations to methodologies and data**

The main limitation of the data collection methodology is the lack of data in corporate disclosures. For this reason, the data of the "Observatory ESG-SME Listed", which is focused on the specific market, is used to obtain the necessary information, including public disclosure on ESG factors, publication of the sustainability report, code of ethics, etc.

It should be considered that the data communicated by the issuers could be incomplete or incorrect and, in the same time, some relevant information may be missed or misinterpreted, involving a risk of incorrect evaluation of a security or an issuer, causing incorrect exclusions or inclusions of such issuers.

**(j) Due diligence**

In the event of missing data or anomalies in the ESG data provided by the info providers, random due diligence activities will be carried out.

**(k) Engagement policies**

The investment manager has not currently put in place direct engagement activities.

**(l) where an index is designated as a reference benchmark to attain the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark'**

Not applicable