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 SICAV – EURO SHORT TERM HIGH YIELD
Legal entity identifier: 213800483Z811WBUMI18

(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 ESG business practice investing in financial securities issued by companies having formally declared the adoption of virtuous corporate policies, i.e. codes of conduct and policies respecting human rights, protection of child work and environment, appropriate internal risk management and distribution structures, clear policies of tax strategy.

Moreover, the following circumstances contribute to the promotion of environmental and social characteristics:

• stringent constraints imposed on the portfolio manager who is forced to be significantly orientated towards investments in companies characterized by high ESG ratings, attributed by leading ESG rating providers;

• the exclusion of investments in issuers involved in the development, production, or sale of controversial weapons;

- the limit to investing in companies with low ESG profile.

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

(d) Investment strategy

The financial products invests in debt securities, primarily issued by corporate issuers. At least 70% of its net assets will be invested in debt securities rated below Investment Grade or unrated. In any event, exposure to unrated bonds shall not exceed 20% of the Sub-Fund's net assets. Exposure to Emerging Markets shall not exceed 30% of the Sub-Fund's net assets. Investment in securities denominated in currencies other than the Euro shall not exceed 30%. The unhedged currency exposure against the Euro shall not exceed 20% of the net assets.

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

• the improvement of the overall sustainability of the portfolio, by calculating an average ESG rating of the portfolio according to the methodology reported in the "ESG integration" practices section of the Prospectus and on the website of the management company and of the financial product;

• the strict definition of specific binding elements used to select the investments to which the investments must comply. They concern, inter alia:

- taking into consideration the quality of the corporate issuers, preferring those who have formally declared the adoption of corporate policies on respect of human rights, protection of child labor, respect for the environment;

- the compliance with a minimum investment in financial instruments with a very high ESG rating;

- the restriction to a maximum amount of investment in instruments without or with a low ESG rating;

- the application of the exclusion criteria.

(e) Proportion of investments

For the investment manager, the notion of sustainable investment does not consist exactly in compliance with Regulation (EU) 2019/2088 and / or in alignment with Taxonomy Regulation (EU) 2020/852. However, it should be noted that the ESG binding elements and the obligation to maintain a high average portfolio ESG rating ensure that a significant portion of the portfolio is, in fact, constantly allocated to instruments that comply with these criteria.

The minimum proportion of investments aligned with E/S characteristics envisaged for the financial product is 51%. This does not represent a strategic asset allocation but is instead the theoretical worst-case scenario with respect to the promotion of E/S characteristics, which could occur following the application of the binding elements and some extremely applied assumptions.

Furthermore, in fact, the residual proportion of investments may include:

- ancillary liquid assets, which in the aforementioned theoretical scenario are assumed to be equal to the maximum allowed (20%, a level which is normally never actually reached);

- other securities for which the ESG rating is low or for which the ESG rating is not available or cannot be calculated, therefore an ESG rating of zero is prudently assigned, even though these activities may actually satisfy partially or totally the E/S and/or taxonomy criteria.

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

The indicator used to measure the achievement of the environmental or social characteristics promoted by asset management is the average portfolio ESG rating, which is calculated according to the provision of the Prospectus ("ESG integration" practices section).
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 calculation of the average ESG rating of the portfolio through a proprietary methodology, which will be equal or greater than the quarterly weighted average ESG rating of the Bloomberg EUR HY Euro Short Term Unh EUR (I40957EU);
- the application of additional constraints and investment limits are established (binding elements).

(h) Data sources and processing

The ESG data are provided by primary external independent info-providers and updated yearly in order to guarantee the accuracy of the data and reflect the deadlines of corporate disclosure. In case of missing or partial information, the info-provider provides a second best assessment (proxy score) in order to ensure the ESG assessment of the issuer.

(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 several providers can be used to obtain the necessary information through the use of second best evaluations.

It should be considered that the data obtained from issuers and third-party providers could be incomplete or incorrect, involving a risk of incorrect evaluation of a security or an issuer, causing incorrect exclusions or inclusions of such issuers.

The indicators refer to the latest data available for the relevant source, updated at least annually.

(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