

**Product name:** SEB US Focus Core Fund

**Legal entity identifier:** 529900C38VRSUXAEKV61

## Environmental and/or social characteristics

**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.

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective: ___%</b> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>



## To what extent were the environmental and/or social characteristics promoted by this financial product met?

The sub-fund promoted environmental and social characteristics through consideration of material ESG risk factors, levels of controversy involvement, and alignment with long-term sustainable themes. Material ESG risks were those that could meaningfully impact a company's financial performance and could vary by sector and industry. Assessments of internal risk factors primarily focused on governance and social issues related to a company's policies, management, working conditions, and internal controls, among many other considerations related to its ongoing operations. External risk factors were those related to the impact a company had on its external stakeholders, its community, customers, partnerships, the environment and climate change. The sub-fund sought to identify these material ESG risks, and importantly, assessed a management team's ability to mitigate any risks over time. Continuous monitoring of controversy involvement in violation of global norms, if any, could be an important indication of a management team's ability to mitigate material ESG risks. Quantitative assessment of the sub-fund's carbon footprint (e.g., total GHG emissions, carbon intensity) provided an overall view that could be tracked and monitored over time. In addition, it enabled the identification of material climate-change related risks within the sub-fund at the company level, as well as served as a measurement by which climate-related improvement goals could be set over time.

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

### ● How did the sustainability indicators perform?

The fund's carbon footprint metrics compare favourably to the benchmark (Russell 1000). Carbon Intensity (tCO<sub>2</sub>e/\$M sales) is 132.1 vs. 136.6 for the benchmark. Carbon Emissions (CO<sub>2</sub>e/\$1M invested) is 25.0 vs. 48.4 for the benchmark. The fund's social characteristics are captured in Sustainalytics' ESG Risk Rating. The fund's ESG Risk Rating is 20.0 vs. 21.8 for the benchmark (lower is better). Within this overall risk score, the fund's exposure to Material ESG Issues (MEIs) score is 37.6, lower than the benchmark's 40.4. Its Management (of MEIs) score is 50.5, better than the benchmark's score of 49.6 (higher is better). Furthermore, among the most relevant MEIs cited by Sustainalytics, the fund performs slightly better than the benchmark in two areas, Human Capital and Data Privacy and Security, and slightly worse in one, Bribery and Corruption.

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

During the year, the Fund Company has developed, and quantified which indicators are included in the Fund. Based on this development, it is not accurate to compare the Fund's indicators with previous periods.

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

The product did not commit to any sustainable investments during the period.

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

The product did not commit to any sustainable investments during the period.

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

The product did not commit to any sustainable investments during the period.

● *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The product did not commit to any sustainable investments during the period.

*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 EU criteria.*

*The “do not 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.*



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

From Annex 1 – Table 1 of CDR (EU) 2022/1288 PAIs 1 through 3 were assessed and monitored with our carbon footprint analysis. PAI 10 was monitored through third-party Controversy Involvement research. PAI 14 was monitored through third-party Product Involvement research, if required by a client.



**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: Jan 1, 2022 to Dec 31, 2022

Largest investments	Sector	% Assets	Country
Microsoft Corp	Information Technology	6.82	United States
Apple Inc	Information Technology	6.72	United States
Alphabet Inc	Communication Services	5.18	United States
Amazon.com Inc	Consumer Discretionary	3.7	United States
Visa Inc	Information Technology	2.4	United States
JPMorgan Chase & Co	Financials	1.88	United States
Halfmoon Parent Inc	Health Care	1.85	United States
Darling Ingredients Inc	Consumer Staples	1.79	United States
Ingersoll-Rand PLC	Industrials	1.76	United States
Norfolk Southern Corp	Industrials	1.7	United States
Johnson & Johnson	Health Care	1.67	United States
Markel Corp	Financials	1.67	United States
UnitedHealth Group Inc	Health Care	1.66	United States
Ameriprise Financial Inc	Financials	1.65	United States
NextEra Energy Inc	Utilities	1.62	United States

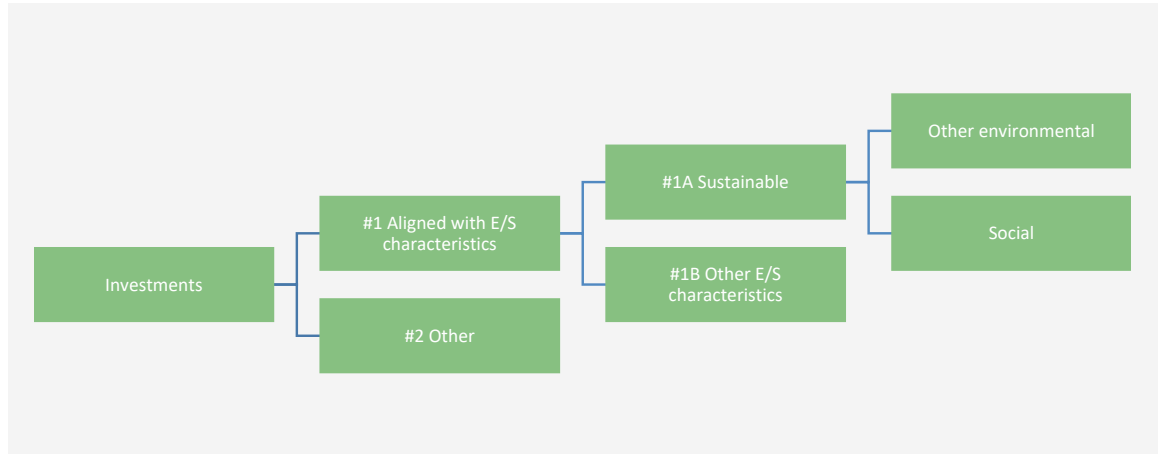


## What was the proportion of sustainability-related investments?

**Asset allocation** describes the share of investments in specific assets.

### ● What was the asset allocation?

As at 31 December 2022 97.10% of the Assets under Management were aligned with E/S characteristics. As at 31 December 2022 2.90% of the Assets under Management were classified as "Other". These Assets consisted of Cash. The product did not commit to any sustainable investments during the period, and only cash and derivatives would fall under Other.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. As at 31 December 2022 97.10% of the Assets under Management were aligned with E/S characteristics.

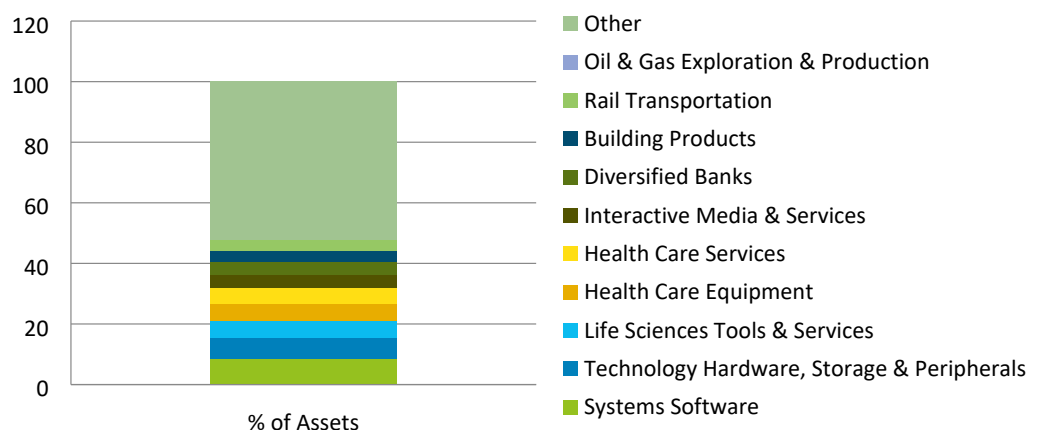
**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. As at 31 December 2022 2.90% of the Assets under Management were classified as "Other". These Assets consisted of Cash.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

Investments were made in the following sub-sectors, with a breakdown of the 10 largest sub-sectors:





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

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy\*?

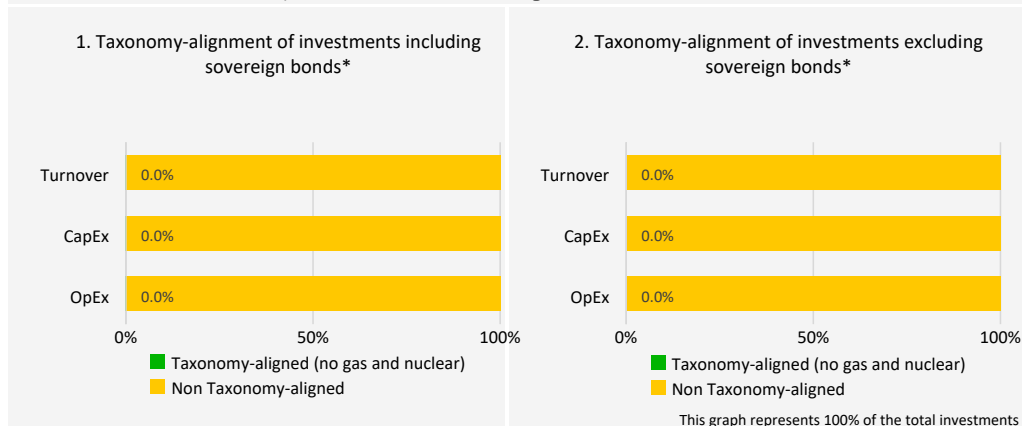
Yes:

In fossil gas  In nuclear energy

No

\* available data on the sub-fund's investments are reported to be zero.

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.



\* 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?

The proportion of investments in transition activities and enabling activities are so low in relation to the fund's investments that, given uncertainties linked to data quality, it does not make sense to report this separately.

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

Due to ambiguity around on the allowed use of estimated taxonomy alignment data for taxonomy reporting there are no previous reporting to compare this year's taxonomy alignment to.



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

The product did not commit to any sustainable investments with an environmental objective during the period.



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.



## What was the share of socially sustainable investments?

The product did not commit to any sustainable investments with a social objective during the period.



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

Cash in the meaning of ancillary liquid assets and derivatives.

The purpose of cash is liquidity and flows, the purpose of derivatives was efficient portfolio management techniques. There was during the period no minimum environmental or social safeguards for these investments.



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

In order to monitor and meet environmental characteristics of the fund, we implemented our carbon footprint tool to monitor the carbon intensity and GHG emissions at the fund and individual company levels. Carbon Footprint analysis enables us to identify companies with above-average GHG emissions that may pose potential material ESG risks. In order to monitor and meet social characteristics of the fund, we continuously monitor third-party ESG Risk Scores from Sustainalytics to potentially identify any specific areas of material ESG risks. We highlight two key company engagements during the period. We discussed Carbon Intensity and efforts to reduce carbon emissions at Darling Ingredients. The goal was to better understand how the company is attempting to reduce overall energy and water usage by improving efficiencies and utilizing more renewable energy sources where possible. We also held a meeting with Chart Industries to better understand the rationale for its announced acquisition of Howden, as well as any potential elevated risks related to governance and leverage. In our proxy voting activities, we voted against management recommendations in 11% of votable ballot items. These issues related to governance (chairman and director appointments), political contributions and related policies, as well as policies related to water usage and racial equity.



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

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

### ● How does the reference benchmark differ from a broad market index?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

### ● 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?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

### ● How did this financial product perform compared with the reference benchmark?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

### ● How did this financial product perform compared with the broad market index?

The fund does not use a benchmark index to achieve its promotion of environmental and social characteristics.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.