

**SIDERA FUNDS – DIGITAL WORLDS (LEI: 635400U8NRYRYVJIJO87)
(the “Sub-Fund”)**

Capitalised terms have the same meaning as defined in the Sidera Funds Sicav Prospectus.

Summary

This Sub-Fund promotes environmental, social and governance characteristics pursuant to Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27/11/2019, as subsequently amended.

Using a proprietary model and data from the information provider MSCI, the Sub-Fund is assigned an ESG rating that must be at least equal to that of its benchmark index (MSCI AC World IMI Digital Economy ESG Filtered Net TR), selected to reflect the environmental or social characteristics promoted by the Sub-Fund.

The ESG score of the Fund is calculated as the asset-weighted average of the ESG scores of issuers of financial instruments in the portfolio. This approach supports the integration of sustainability risks into investment decisions and ensures the Sub-Fund maintains a high sustainability profile.

The Sub-Fund primarily invests in companies with high environmental and/or social standards and ratings. It promotes environmental and social characteristics aimed at reducing the negative impact of investments on society and the environment.

At least 50% of the financial instruments in the portfolio must promote environmental and/or social characteristics (excluding liquidity and hedging instruments).

Securities of issuers classified as "not aligned with environmental, social and governance sustainability themes" (black list) are not eligible for direct investment in the Fund's portfolio (black list governments/"controversial weapons", exclusion of aerospace & defence, casino & gaming and tobacco and instruments with a "red flag" indicating serious ESG controversies).

Environmental or social characteristics are monitored throughout the product lifecycle via first- and second-level controls. A dedicated structure oversees ESG data collection, rating determination, sustainability criteria verification, objective tracking and black list maintenance.

The Compliance Department ensures compliance with ESG Policy ratings and criteria and may request blacklist updates through the ESG Committee. Control outcomes are shared with relevant departments and corporate bodies. Exclusion rules are strictly enforced with no exceptions.

MSCI data is validated through automated procedures. Given the limited availability of issuer-published data, MSCI estimates are significantly relied upon.

ESG risk assessments are based on MSCI data and other public/private sources and may be incomplete, inaccurate, or unavailable. As a result, there is a risk that a financial instrument or issuer may be inaccurately valued. Neither the Funds, the Investment Manager, nor the portfolio managers provide any warranties (explicit or implied) regarding the fairness, accuracy, or completeness of ESG assessments.

The Investment Manager has adopted internal controls and methodologies to prevent such limitations from affecting the product's ESG characteristics. An internal Policy governs ESG integration across strategies, structures and processes. Engagement policies are in place to exercise portfolio rights, aligned with the "Italian Stewardship Principles" to promote good corporate governance.

No Sustainable Investment Objective

This financial product promotes environmental or social characteristics but does not have sustainable investment as its objective.

This financial product does not consider principal adverse impacts on sustainability factors.

Environmental or Social Characteristics of the financial product

Sidera Funds Digital Worlds promotes environmental, social and governance characteristics pursuant to Article 8 of Regulation (EU) 2019/2088.

The Sub-Fund invests primarily in companies with strong environmental and/or social performance. Its environmental focus is on combating climate change and preserving the environment.

At least 50% of financial instruments in the portfolio must promote ESG characteristics (excluding liquidity and hedging instruments).

To maintain compliance, Arca Fondi SGR applies a strict approach requiring the ESG rating of the Sub-Fund to be at least equal to the rating of its benchmark index: MSCI AC World IMI Digital Economy ESG Filtered Net TR, an index representing global ESG-compliant equities in the digital economy.

This framework integrates ESG risks into investment choices and supports the Sub-Fund's sustainable profile.

Investment Strategy

The Fund mainly invests in equities of global issuers operating in digital technology sectors ("Digital Economy") with high ESG standards.

The Investment Manager applies a proprietary methodology to evaluate all financial instruments on a sustainability basis. Instruments are decomposed into basic components (bonds or equities) to assign sustainability metrics, facilitating ESG risk integration in investment decisions.

Benchmark: MSCI AC World IMI Digital Economy ESG Filtered Net TR.

Good governance is assessed using MSCI data. Compliance is verified through the exclusion of any issuer flagged for severe governance controversies. The ESG model incorporates the "G" pillar to evaluate governance factors (such as, for example, corporate governance practices, any governance controversies, procedures for monitoring the behavior of top management in compliance with laws and professional ethics, etc.).

Proportion of Investments

The minimum proportion of investments promoting environmental and/or social characteristics is set at 50% of the financial instruments held in the portfolio (instruments linked to liquidity management and derivative financial instruments used for hedging purposes are excluded from this calculation).

A security is considered to promote environmental and/or social characteristics when:

- the issuer is included in at least one index that applies specific ESG inclusion/exclusion policies. The relevant indices belong to the "Best-in-Class" family (i.e., securities of companies with strong environmental, social and governance performance relative to their industry peers) or are designed to exceed the minimum standards of the EU Paris-Aligned Benchmark. These indices include: MSCI World AC ESG Leaders, MSCI World AC Climate Paris Aligned, MSCI Europe Climate Paris Aligned, MSCI USA Climate Paris Aligned, MSCI EUR IG Climate Paris Aligned Corp Bond, MSCI USD IG Climate Paris Aligned Corp Bond, MSCI EUR HY Climate Paris Aligned Corp Bond, MSCI USD HY Climate Paris Aligned Corp Bond. The issuer must also have an ESG rating of at least BBB-;
- the issuer belongs to the investable universe (based on proprietary methodology) classified as "Social", "Blue", or other internally defined ESG universes. The issuer must also have an ESG rating of at least BBB-;
- the security is classified as a "Green Bond" and/or "Social Bond," or is included in one of the following indices: ICE BofA Green Bond Index, ICE BofA Social Bond Index.

The Fund's standard allocation is composed of 100 percent in financial instruments of an equity nature. The financial instruments in which the Sub-Fund may invest are primarily issued by entities with strong long-term growth prospects and high standards in environmental, social and governance matters.

Derivative financial instruments used for investment purposes are subject to ESG evaluation criteria. The Sub-Fund may also use other derivative instruments (e.g., for hedging), which do not promote environmental, social, or governance characteristics.

The Sub-Fund may invest up to 50% of its portfolio in cash and bonds issued by sovereign or similar entities that are not classified as green and/or social bonds.

Nonetheless, the binding elements of the investment strategy ensure alignment with the Sub-Fund's environmental objectives.

The Sub-Fund promotes environmental and social characteristics but does not currently commit to making sustainable investments under the SFDR Regulation or the Taxonomy Regulation.

Monitoring of Environmental or Social Characteristics

ESG characteristics are monitored throughout the product lifecycle via first and second-level controls. A designated unit manages ESG data collection, ESG rating determination, sustainability criteria monitoring, objective tracking and black list maintenance.

The Compliance Department ensures ESG Policy compliance and coordinates blacklist updates with the ESG Committee. Monitoring outcomes are shared with relevant teams and corporate bodies.

Automatic monitoring via Arca Fondi SGR's internal control systems ensures ESG consistency.

Methodologies

A proprietary model based on MSCI data assigns ESG ratings to financial instruments (excluding unrated, liquidity-related and hedging instruments).

Ratings range from CCC to AAA, with the same granularity as credit ratings (e.g. A-, A, A+).

To confirm compliance with ESG characteristics, Arca Fondi SGR ensures:

- The Sub-Fund's ESG rating meets or exceeds its benchmark (MSCI AC World IMI Digital Economy ESG Filtered Net TR);
- use of an internally defined "G" rating to assess good governance practices;
- use of an internal ESG rating model.

Data Sources and Processing

MSCI is the primary market provider for sustainability data used in the proprietary model.

Data used includes:

- ESG ratings (overall and per pillar: E, S, G);
- issuer involvement in controversies related to operations/products;
- ESG-related indicators from MSCI.

Ratings range from CCC to AAA (e.g. A-, A, A+).

Equity and bond instruments receive ratings based on MSCI data, supplemented with internal data (questionnaires for Italian SMEs). Composite instruments (e.g., futures, fund shares) are rated based on underlying assets.

Each instrument has an MSCI "flag" indicating involvement in ESG controversies. Instruments with serious controversies may be downgraded to BB. Issuers in sectors like Aerospace & Defence or Casino & Gaming are penalised by an algorithm assigning minimum scores.

MSCI data is automatically checked. Due to limited public data, MSCI estimates are significantly relied upon.

Limitations of Methodologies and Data

ESG risk assessments depend on MSCI and other public/private sources. Data may be incomplete, inaccurate, or unavailable, risking misjudgment of issuers or instruments.

No guarantees are provided by the Funds, Investment Manager, or managers regarding the fairness, accuracy, or completeness of ESG assessments.

Internal safeguards ensure that such limitations do not compromise ESG objectives.

Due Diligence

The Investment Manager has adopted an internal Policy defining structures and processes to ensure ESG integration and regulatory compliance across managed portfolios.

Due diligence is performed using internal/external data to evaluate the sustainability of all financial instruments. Specific eligibility criteria define the investable universe.

Compliance with ESG Policy is also verified by the Compliance Department.

Engagement Policies

Arca Fondi SGR has implemented an engagement policy aligned with its approach to exercising rights over portfolio-held instruments.

The policy reflects a commitment to exercising rights responsibly and in the exclusive interest of portfolio holders, setting out general voting guidelines for shareholder meetings.

Rights are exercised in line with the "Italian Stewardship Principles" and Assogestioni best practice recommendations.

A proportionality system is used to prioritize engagement with issuers of significant portfolio weight and to support participation in minority slate nominations and votes.

Voting rights are exercised with assistance from a specialized Proxy Advisor, who includes ESG considerations in vote recommendations.

Arca Fondi also engages directly with Italian SMEs on ESG topics to assess their impacts.

Designated Reference Benchmark

Not applicable.