

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product name: INDICO BLUE FUND - FUNDO CAPITAL DE RISCO
Legal entity identifier: 8945004RZO0C0Y22DP49

Environmental and/or social characteristics

Does the financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <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 will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum 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 checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments

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 sustainably economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



Sustainability indicators measure how the environmental or social characteristics promoted by the financial products are attained. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

What environmental and/or social characteristics are promoted by this financial product?

The Fund makes investment decisions guided by an evidence-based methodology to assess the promotion of social and environmental characteristics by its investments. Beyond the main focus on SDG 14 – Life under Water – promoting factors such as biodiversity, water use, ocean health, etc. the assessment weighs other social and humanitarian factors targeted by other SDGs. Indico Blue Fund aims to be a collaborative proactive stakeholder within the Blue Economy investment ecosystem, which means requiring ESG / SDG contribution data from co-investors and deal flow, and working with leading experts in the field to advance the environmental stewardship, sustainability measurement and management practices and push towards a adoption of broad based environment and social standards.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The positive contribution of each investee company is evaluated and measured using a formal framework and methodology. On a case-by-case analysis, for each investee company specific key performance indicators (KPIs) are created aligned with at least one of the SDGs set targets, measuring the contributions deriving from the company’s business activity to the selected SDG target(s). If the criteria’s are not satisfied, the investee must have a credible plan to create a significant positive contribution to the environment or society in the future. We aim to invest only in companies that meet the criteria.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable. The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

Not applicable. The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable. The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Not applicable. The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

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 no 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.



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes

No, Indico Capital Partners does not consider the Principal Adverse Impacts on its investment decisions. However, the assessment of ESG related risks and safeguards is an integral part of Indico’s investment strategy and management process. Prior to each investment, ESG risks and opportunities are evaluated as part of the due diligence process. The results of this assessment are considered when taking investment decisions.



What investment strategy does this financial product follow?

The Blue Fund invests in startups and SMEs (Small and Medium Enterprises) and Mid Caps companies that develop their activity in the Blue Economy, are based, or with very significant operations in Portugal, performing a business activity with contributions towards at least one SDG.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The Blue Fund ensures the fulfillment of the principles detailed on the investment strategy through its investment management process, which includes a preliminary negative screening analysis with disqualification of sectors and activities with high ESG risk, that binds all its investments into companies with business activities for which at least one measurable performance indicator of its contributions towards selected SDG target(s) is established and periodically monitored.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

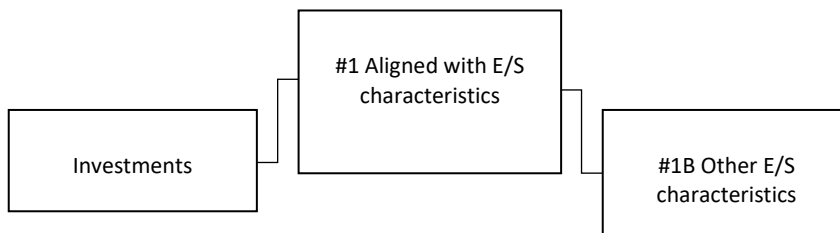
Not applicable.

What is the policy to assess good governance practices of the investee companies?

The evaluation of ESG related risks and opportunities is an integral part of the Blue Fund investment strategy and processes. The Fund's investment management process considers and assesses such good governance sustainability risks at the due diligence stage, by way of identifying risks, and proposing mitigating or offsetting measures, in accordance with established regulation and sector best practices such as the ICGN Global Corporate Governance Principles. The results and findings are examined with the investment managers, who can bring those risks and opportunities to the attention of the Board of the respective company, as part of the proactive management of the Fund's portfolio.

What is the asset allocation planned for this financial product?

All the investments of the Fund promote environmental and social characteristics.



Asset allocation describes the share of investments in specific assets.

#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.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Not applicable. The Fund does not use derivatives.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Not applicable. The Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

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

No

What is the minimum share of investments in transitional and enabling activities?

Not applicable.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Not applicable.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not applicable
- **How is the alignment of the investment strategy with the methodology of the fv +index ensured on a continuous basis?**
Not applicable
- **How does the designated index differ from a relevant broad market index?**
Not applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not applicable



Where can I find more product specific information online?

More product-specific information can be found on the website: www.indicocapital.com.



Updated on March 08, 2024