ANNEX II

Template 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

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

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

Product name: Norselab Shipping and Energy High Yield (the "fund")

Legal entity identifier: 984500B510E1511BDD15

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ 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.
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The fund promotes the following environmental and social characteristics as part of the investment strategy:

- Responsible business conduct and international norm alignment;
- Avoidance of issuers with severe or persistent ESG controversies;
- Excluding exposure to the production of high-risk, controversial products.

Issuers in the fund's potential investment universe are screened to identify investments promoting these environmental and social characteristics.

The fund aligns with the Investment Manager's Responsible Investment Policy. The policy outlines the Investment Manager's approach to responsible investment, which is guided by international standards, goals and norms, including UN Principles for Responsible Investment (PRI), OECD Guidelines for Multinational Enterprises and UN Global Compact, hereunder the international conventions and principles on which it is based (The UN Universal Declaration of Human Rights, ILO's core conventions, The Rio Declaration on Environment and Development, The UN Convention against Corruption, The UN Guiding Principles on Business and Human Rights). The policy outlines the Investment Manager's overarching ethical exclusions, approach to ESG analysis integration into investment decision-making, and stewardship activities.

The Investment Manager will perform a structured analysis of issuers' environmental and social characteristics based on third-party ESG data, or, when such data are unavailable, an assessment by an ESG professional. At a minimum, the analysis consists of:

- Screening issuers for compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises.

- Alignment with the following exclusion criteria:

  Norms-based exclusions: The Investment Manager excludes companies from its investment universe where there is unacceptable risk that the company actively contributes to or is responsible for:
  - Severe or systematic violations of human rights.
  - Severe or systematic violations of fundamental labor rights.
  - Serious violations of individuals' rights in situations of war or armed conflict.
  - Supplying weapons or military materiel where there is significant risk of use in serious breaches of international humanitarian law.
  - Severe environmental damage.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product

- Gross corruption, including systemic bribery or fraud
- Other particularly severe violations of basic ethical or responsible business standards.

Product-based exclusions: The Investment Manager does not invest in companies that:

- Develop or produce controversial weapons and their key components. Such controversial weapons include biological and chemical weapons, anti-personnel mines, cluster munitions, and other weapons that violate fundamental humanitarian principles.
- Extract coal or oil sands for energy production, or produce coal-based power, as a significant share of revenue.
- Produce tobacco or cannabis for recreational use.
- Produce pornography

- Screening issuers for severe or persistent ESG controversies, such as human rights and/or labour rights violations, and large-scale fraud.

- Consideration of good governance criteria.

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

The fund will report on the following indicators:

1. Portfolio compliance rate for UN Global Compact and OECD Guidelines for Multinational Enterprises

2. Share of investments with a “moderate” or “low” ESG controversy risk assessment outcome, based on the Investment Manager’s ESG assessment framework.

3. Portfolio compliance rate with product-based exclusion 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?

N/A. The fund does not intend to make any sustainable investments.

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?

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.

N/A. The fund does not intend to make any sustainable investments.

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

N/A. The fund does not intend to make any sustainable investments.

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

N/A. The fund does not intend to make any sustainable investments.

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

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.

No.

The reasons for not considering Principal Adverse Impacts are:

- Lack of reliable ESG/PAI data from many portfolio issuers makes it difficult to implement a systematic and decision-useful approach to considering Principal Adverse Impacts.
- The cost and resource requirements for considering Principal Adverse Impacts are disproportionately high for smaller investment managers to secure sufficient quality of such considerations.

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

What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to achieve an attractive level of total return (income plus capital appreciation) from predominantly the high yield fixed income market through investment in issuers directly or indirectly exposed to the shipping, energy, mining and minerals sectors.

The Sub-Fund will aim to achieve its objective by predominantly investing in Nordic, corporate high yield fixed income securities directly or indirectly exposed to the shipping, energy, mining and minerals sectors. The Investment Manager determines whether a given security is Nordic by reference to a number of factors, including in particular whether it was issued in the Nordic countries (i.e., it has a Nordic ISIN) or by a company incorporated in a Nordic country or with a significant business presence or activity in the Nordic countries. Such securities will ordinarily be listed, dealt or traded on regulated exchanges and markets but the Sub-Fund may hold unlisted securities. Such securities comprise the potential investment universe.

The Investment Manager may invest in any investment within the Investment Universe, however the high yield fixed income securities in which the Sub-Fund invests will be unrated but will predominantly have credit outlooks and/or trading at pricing levels deemed by the Investment Manager to be 'high yield' or 'non-investment grade', defined as similar to the following rating criteria: Ba1 or lower by Moody's Investor Services (Moody's); BB+ or lower by Standard & Poor's Rating Services (S&P) or Fitch Ratings Inc (Fitch).

The Investment Manager will, through a disciplined investment process seek investments that are considered attractive given the issuer's credit risk, the characteristics of the security itself (e.g., whether it is backed by any assets), as well as the relevant industry's characteristic and the respective issuer's financial prospects. The Investment Manager uses a combination of a global "top down" analysis of the macroeconomic and interest rate environment and the Investment Manager's "bottom up" research of corporate debt, from performing debt to stressed and distressed securities.

Such high yield fixed income securities form the potential investment universe, which the Investment Manager further assesses to identify investments that promote the environmental and social characteristics defined above, namely where issuers pass, at a minimum, the Investment Manager's structured ESG analysis process.

At a minimum, to be included in the investment universe, issuers must undergo the following analysis:

- Screening for compliance with UN Global Compact and OECD Guidelines for Multinational Enterprises
- Screening for compliance with the Investment Manager's norms-based and product-based exclusion criteria, as detailed above;
- Screening for severe or persistent ESG controversies

- Consideration of good governance criteria

- ***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 fund's binding elements are:

- No occurrence of UN Global Compact or OECD Guidelines for Multinational Enterprises violations in the portfolio.

- No occurrence of investments with a "high" ESG controversies risk assessment outcome, based on the Investment Manager's ESG assessment framework

- Portfolio alignment with the fund's norms-based and product-based exclusion criteria

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

  N/A. There is no commitment to reduce the scope of investments considered prior to the application of the investment strategy.

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

  The Investment Manager systematically screens issuers for compliance with good governance principles. This includes screening issuers in the following four good governance areas, at a minimum:

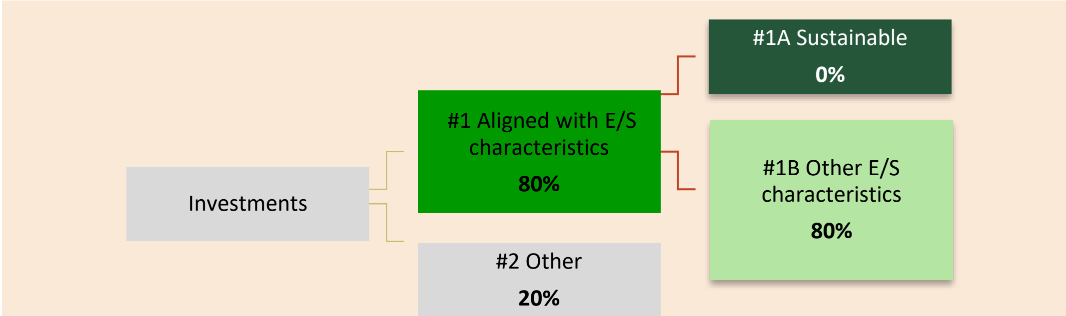
  - Management structures;
  - Employee relations ;
  - Remuneration policies; and
  - Tax compliance.

  The Investment Manager uses company-reported data or data provided by third parties to assess these four good governance areas. Third-party data providers have been chosen based on a data provider due diligence. Our use of third-party data providers is assessed regularly.

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

Issuers may be excluded from investment if significant risks related to good governance are identified.

What is the asset allocation planned for this financial product?



#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.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 80% will be invested in issuers that promote environmental and social characteristics. Up to 20% of the fund will not align with the environmental or social characteristics promoted by the fund hereunder referred to as "#2 Other." These are the fund's cash balances and derivatives.

The fund does not expect to make any sustainable investments with environmental or social objectives.

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

Derivatives will not be used to attain the environmental or social characteristics that the fund promotes.

Derivatives will mainly be used for hedging purposes. For hedging purposes, the fund has a policy of hedging back all foreign currency investments to the base currency. Such hedging derivatives may be traded with the Investment Manager's Nordic counterparty banks and custodian bank.

In rare exceptions, the fund may use derivatives for portfolio exposure. In such cases, the same thorough assessment process described above applies to attain the environmental or social characteristics that the fund promotes.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels

share of investments in

63998747.9

63998747.14

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

N/A. The fund does not intend to make any sustainable investments.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy1?**

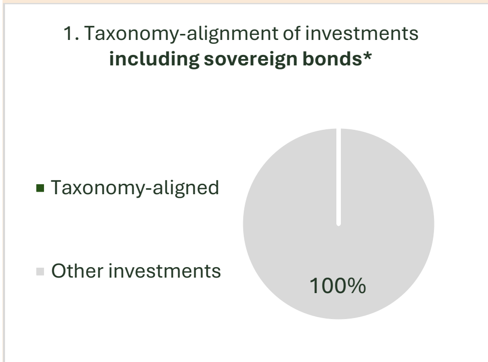
☐ Yes:

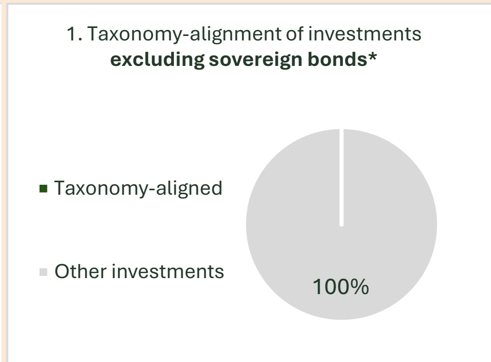
☐ In fossil ☐ gas In nuclear energy

☒ No

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The two graphs below show in green the minimum percentage of investments that are 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 is the minimum share of investments in transitional and enabling activities?

The fund does not commit to a minimum share of investments that are designated for transitional and enabling activities under the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities

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

N/A. The fund does not intend to make any sustainable investments.

What is the minimum share of socially sustainable investments?

N/A. The fund does not intend to make any sustainable investments.

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

The fund may hold cash balances as part of its investment strategy. The fund does not have any daily liquidity or diversification requirements and hence, does not aim to hold significant cash beyond planned net withdrawals and margin calls on derivatives contracts. Cash may be held in periods where the Investment Manager has a market view that asset prices are about to fall in order to protect the fund's value.

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?

The fund does not intend to use a designated index as a reference benchmark for its investments.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A.

- ***How does the designated index differ from a relevant broad market index?***

N/A.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A.

Where can I find more product specific information online?

More product-specific information can be found on the Investment Manager's website: https://norselab.com/sfdr

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