

Ersele Private Markets Fund, FCP-RAIF

Template periodic 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: **ERSEL REAL ESTATE FUND ESG**

Legal entity identifier: **N/A**

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made 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 promoted Environmental/Social (E/S) characteristics 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 type="checkbox"/> It made sustainable investments with a social objective : ____%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

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

ERSEL Real Estate Fund ESG (the “**Sub-Fund**”) invests at least 85% of its assets into KERVIS REAL ESTATE FUND II (the “**Master Fund**”). The environmental and/or social objectives promoted by the Sub-

Ersel Private Markets Fund, FCP-RAIF

Fund are those of the Master Fund. Therefore, look-through principles have been applied for the purpose of this reporting.

The Master Fund has started the implementation of two real estate assets, for which tear-down and reconstruction are planned. Therefore, the environmental and social characteristics promoted by the Master Fund have currently been integrated into the planning activities, and are related to:

- Mitigation of climate change, through (i) the construction of more energy-efficient properties compared to their state at the time of the investment, with low emissions of fossil fuels and Green House Gases (GHG) as well as (ii) the active management of the environmental performance of the properties and raising the awareness of the tenants of the properties on the use of renewable energy sources (e.g. photovoltaic panels, LEDs, thermal collectors, etc.);
- Social and end-user wellbeing, promoting sustainable mobility and through the implementation of redevelopment and creation of green areas that aim to increase the quality and safety of living for end-users and, more generally, the wellbeing of the inhabitants of the areas affected by the interventions.

The achievement of each environmental and/or social characteristic will be monitored and assessed first and foremost on the basis of energy certifications (by way of example, the Energy Performance Certificates, APE) and, where applicable, through certifications of the remediation and removal of pollutants. In particular, for properties in which the Master Fund invests, in consideration of their historical value and the legal restrictions, and the potential constraints applicable to them, the Master Fund's strategy targets at certifications between class "C" and class "A".

1.1. How did the sustainability indicators perform?

The performance of the indicators chosen to measure the Master Fund's promotion of environmental and social characteristics is not measurable at present due to the current state of project implementation. At a preliminary stage, planning activities aim to achieve environmental and social characteristics through active management of the environmental performance of the buildings.

1.2 And compared to previous periods?

N/A

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

N/A

Ersel Private Markets Fund, FCP-RAIF

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

N/A

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

N/A

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

N/A

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

Currently principal adverse impacts on sustainability factors are not taken into consideration as the Master Fund, and the Sub-Fund as feeder of the Master Fund, do not have an adequate set of data and information available to assess the potential negative effects of the investments on sustainability factors. Despite the limitations on the data and information available for the assets, the Master Fund, as part of its investment strategy, through which it aims to achieve positive environmental impacts, monitors the improvement of the energy performance of buildings and the impact of construction interventions on green areas, to mitigate the negative effects related to investments.

Due to the nature of the assets in the portfolio, the fund also has no exposure to the fossil fuel sector.

3. What were the top investments of this financial product?

The direct largest investment of the Sub-Fund is the Master Fund representing 100% net of cash and money market instruments of the portfolio of assets.

Below are listed the largest investments of the Master Fund.

Ersele Private Markets Fund, FCP-RAIF

Largest investments as at 31/12/2022	Sector	% Asset	Country
AMPERE	Real Estate	N.A.	Italia
LARIO / STELVIO	Real Estate	N.A.	Italia

The Master Fund started the process of investment in two underlying assets, through the signature of preliminary binding agreements with the relevant counterparties: The two assets are located in the municipality of Milan (Via Ampère and Via Lario/Stelvio). As a result, the CAPEX investments, together with the acquisition value of the properties, represent, net of investment-related operating costs, 100% of the investments made by the Master Fund up to the date of publication.

4. What was the proportion of sustainability-related investments?

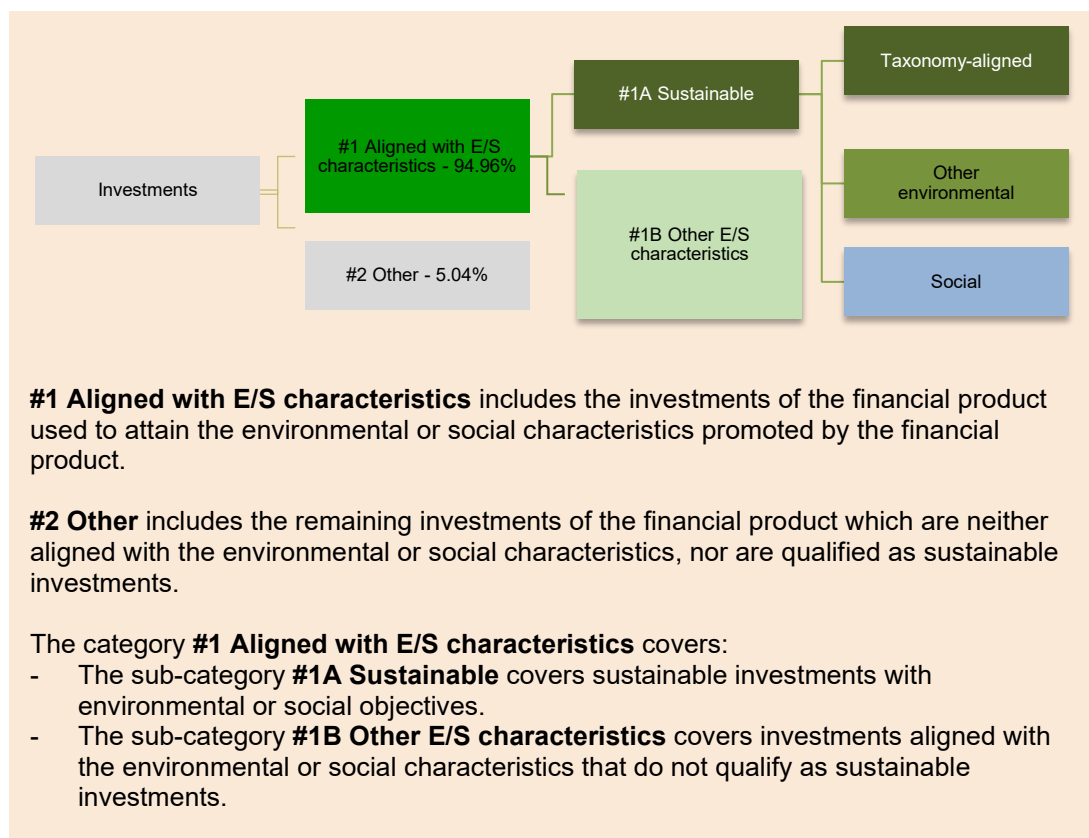
100% of the investments planned by the Master Fund aim to promote environmental/social characteristics.

4.1. What was the asset allocation?

The Sub-Fund invested 100% of its assets in the Master Fund, net of cash and money market instruments.

The Master Fund has invested 100% of its portfolio in assets whose design and construction characteristics will be in line with the promotion of environmental and social characteristics that the Master Fund intends to promote. At present the Master Fund has not carried out an analysis of the alignment of its portfolio with the EU Taxonomy for investments in economic activities that qualify as environmentally sustainable or have a social objective.

Ersel Private Markets Fund, FCP-RAIF



4.2. In which economic sectors were the investments made?

The Master Fund invested in the real estate sector for residential purposes.

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

0%

5.1. Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

In fossil gas

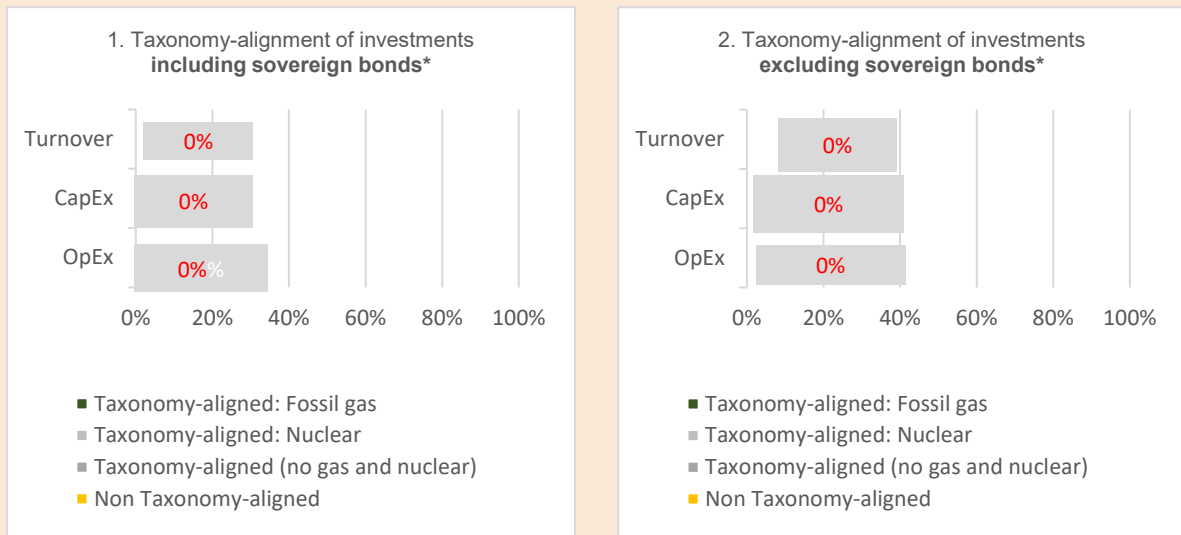
In nuclear energy

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 to 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.

Ersel Private Markets Fund, FCP-RAIF

The two 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

5.2. What was the share of investments made in transitional and enabling activities?

N/A

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

N/A

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

N/A

7. What was the share of socially sustainable investments?

N/A

Ersel Private Markets Fund, FCP-RAIF

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

No investments are included in the “Other” category, net of cash and money market instruments, as all the assets of the Sub-Fund have been invested in the Master Fund, and the Master Fund allocated its portfolio for the promotion of environmental/social characteristics. The Master Fund's assets may however, as necessary, invest in money market instruments, marketable securities and bank deposits and financial derivative instruments, the latter for the sole purpose of hedging risks including currency risk and risks arising from borrowing. The Master Fund may also invest in companies for the purpose of real estate investment. In addition, the Master Fund may hold cash for treasury needs.

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

As of the reporting date, the Master Fund has started the onboarding of two underlying assets into the portfolio, including the procedure for changing the destination of the property to a fully residential use, the redevelopment and creation of green areas aimed at increasing the quality and safety of the end users' lives. Therefore, activities to pursue the environmental and social characteristics of the Master Fund are also envisaged in the planning phase.

The Master Fund is committed to promoting active management of the environmental performance of buildings right from the planning stage and to increasing the awareness of the tenants of these buildings on the use of renewable energy sources (e.g. photovoltaic panels, LEDs, thermal collectors, etc.). In addition, it is intended to encourage sustainable mobility and the implementation of redevelopment and creation of green areas that aim to increase the quality and safety of living for end users and, more generally, the well-being of the inhabitants of the areas affected by the interventions.

Attention will be paid to improving the energy efficiency of the buildings with respect to the state they were in at the time of the investment. In fact, when assessing the individual properties subject to potential investment, the Master Fund evaluates the possibility of meeting - at the end of the requalification, restructuring, renovation and/or reconversion of the target properties - sustainability parameters, as well as the possibility of obtaining specific certifications issued by nationally and/or internationally accredited professionals or bodies. The Master Fund's objective is therefore to obtain the qualification of energy-efficient real estate and therefore endowed with a high energy performance certificate (APE), between class 'C' and class 'A'. During the reference period, through appropriate operations of renovation, restructuring (including demolition and reconstruction), renovation and/or reconversion for residential use, including through the implementation of interventions aimed at limiting negative environmental externalities, the real estate properties held by the Master Fund aim to improve their energy efficiency, achieving a higher energy class.

As part of its investment strategy the Master Fund considers the following criteria as binding elements:

- the location in areas with a good infrastructure endowment in terms of public transport;
- the possibility of creating private green areas or external green areas for common use by condominiums.

Therefore, the Master Fund does not invest in real estate projects that do not allow for the development and redevelopment of assets in line with the environmental and/or social characteristics promoted by the Fund.

Ersel Private Markets Fund, FCP-RAIF

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

N/A

10.1. How does the reference benchmark differ from a broad market index?

N/A

10.2. How did the financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

N/A

10.3. How did this financial product perform compared with the reference benchmark?

N/A

10.4. How did this financial product perform compared with the broad market index?

N/A