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**Ethical and Non-Ethical
Italian Funds:
A comparison of investment
policies, costs and returns**

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INTRODUCTION

Over the past 20 years, the European Union (EU) has often been at the forefront of efforts to build a financial system that supports sustainable development. A growing number of social entrepreneurs, mainstream financial institutions, as well as public investment banks have led these efforts. Increasingly, European financial policymakers and regulators are exploring their role in enabling an orderly transition to a prosperous sustainable economy. Today, Ethical Finance represents 5% of European GDP (Gross Domestic Products) equal to 715 billion euros. This growing importance is due to the fact that *Ethical Investment* appears as a new frontier of the traditional investment with the innovative objective of achieving positive impact on the collection and use of money. Ethical finance combines two elements which apparently seem to be in contrast the one with the other, the *return* and the *ethics*, and wants to respond to the needs of those investors and savers who are increasingly interested in the way their savings are used.

This thesis, developed in cooperation with Alessandro Rota and Riccardo Morassut, respectively Head of Research Unit and Research Analyst at Assogestioni, wants to deeply concentrate on the relation between financial investment and ethics, assessing the differences between traditional and ethical investments mainly from a qualitative point of view.

The elaborate is composed of six chapters to better understand the different fields considered in the comparison.

The first chapter is purely theoretical and concerns the analysis of the social responsible investment. It explains the evolution of the SRI market where the two different fields of ethics and finance are actually extremely connected, and the different SRI strategies which may be used by asset management companies in the investment selection process to choose those securities in line with the ethical and sustainable principles.

The second chapter is probably the most substantial one, as it is the result of a long and detailed research. According to Assogestioni's list of Italian mutual funds, the ethical ones have been identified and accurately analysed through the examination of the Key Investor Information Document, Prospectus and Rulebook of each fund. The analysis concentrates the attention on the following aspects: the investment policy carried out by the asset management company to manage the fund; the destination of profits and the

decision of the AMC to collect or distribute profits to investors; the risk and return profile; the expenses; the asset allocation and main securities.

The analysis includes six asset management companies and thirteen Italian ethical funds. The third, fourth and fifth chapters describe and analyse in more detail the main themes mentioned in the second chapter.

In particular, in chapter three, a meticulous qualitative research on funds' ethical investment policies has been carried out. The asset management companies have been compared on the basis of the subjects involved in the ethical securities' selection process, the investment strategies adopted and on the basis of their engagement policy to find out similarities and differences in the Italian scenario of ethical funds.

Chapter four and chapter five, instead, carry out a more quantitative analysis comparing ethical funds and non-ethical funds on the basis of their ongoing charges and returns. The objective is to understand whether Italian ethical funds are more or less expensive than non-ethical funds and whether they are able to generate a better performance. To do this, two different lists of Italian mutual funds have been considered, the one including costs and the other including the 3-year return and Sharpe Ratio of funds. Subsequently, for each category of fund, the ethical funds have been integrated in the overall rankings and their position has been examined on the basis of their cost, 3-year return and Sharpe Ratio. This thesis concludes with an interview to Paolo Capelli, Risk Manager of Etica Sgr and professional in the sector, who provided some considerations about the current importance of sustainable investment and commented the comparison's results on the basis of his knowledge and experience.

In conclusion, the objective of this thesis is not to carry out a statistic analysis of the relation between costs and returns, but rather to develop a precise and meticulous research about the current scenario of Italian ethical funds. It would be an extremely detailed dissertation in which the characteristics of Italian ethical funds are deeply examined in order to assess their increasing relevance in a context in which the element of sustainability and ethics is becoming always more important.

Chapter 1

SOCIALLY RESPONSIBLE INVESTMENTS AND ETHICAL FUNDS

Summary: 1.1 Ethics and Finance – 1.2 The Socially Responsible Investment – 1.3 The Historical Evolution of SRI Market – 1.4 The European Market of SRI in the last years – 1.5 SRI Categories – 1.6 SRI Strategies and Investment Selection Processes – 1.7 Characteristics of SRI Investors

1.1 ETHICS AND FINANCE

The *Financial system* is the organized group of markets, intermediaries, financial instruments and supervisory authorities. Its functioning takes place in a context of rules and controls that manage the production and supply of financial services, the regulation of trade, the accumulation of savings, the financing of investments and the management of risks.

However, this system is constantly evolving by alternating phases of expansion and recession (economic cycle), presenting large peaks, but at the same time heavy crises¹.

In particular, there have been many financial crises over the last thirty years, but the crisis that emerged in 2007 and peaked most dramatically in 2008, commonly known as “*the financial crisis*”, was impressive. By the late Summer 2008, a series of major banks collapsed or survived thanks to massive injections of government funds. For this reason, the banks became reluctant to risk lending to each other, and the whole banking system came dangerously close to collapse.

Separately from its economic effects, the financial crisis has also impacted enormously on the people’s perception towards finance and the financial sector.

Nowadays, in fact, few people will deny that there are some connections between ethics and finance, and even though apparently the concepts of finance and ethics do not fit naturally together, it is undeniable that there are some relationships between the two.

¹ Richard Brealy, Stewart Myers, Franklin Allen, Sandro Sandri, “*Principi di Finanza Aziendale*”, Sixth Edition, Mc Graw-Hill, Milan 2011.

It is good practise to begin with a definition of the terms under discussions. *Finance* is a broad term that describes the relation between the management of money and the process of acquiring needed funds. Essentially, the financial activity has the objective to transfer the excess of wealth produced by savers to people, societies or public entities who need to invest. Nowadays financial markets are a little bit more complicated and the globalization of financial markets linked to the development of IT, ensures a capital mobility like no other. On the other side, *Ethics* can be described as the set of values that represents the guidelines of people's moral behaviour and should be shared and respected by all the members of a group². We may think, for example, to the concept of justice, freedom, law and traditions. These principles, implicitly, define the ethically correct behaviour of each person within the society or group in order to cooperate to reach the common wellness. The International Encyclopedia Of Social Sciences told us that "*Ethics is concerned with standards of conduct among people in social groups*"³. This is certainly a very wide definition which includes norms and conventions that could be defined as "*ethical norms*". As a consequence, it is clear that we are talking about a concept that changes on the basis of the context and of the characteristics of subjects that operate in these circumstances. It is synonymous of behavioural codes and norms which should be respected to belong to a precise social group or society.

In this context, in which the financial activity is mainly characterized by its speculative objective, the concepts of ethics and finance mix together creating an innovative idea of finance which imposes both to savers and financiers "*to pay an updated attention to non-financial consequences of economic actions*"⁴. The objective is to create a "*social link*" between the saver and the financier to make the former more aware of non-economic consequences of the investment and the latter more inclined to invest in sustainable investments able to increase the social wellness and not only returns.

Ethical Finance is therefore a concrete alternative approach to finance. It preserves the main activities as financial intermediation, collection and loan of money with new central

² S. Hellsten and C. Mallin, "*Are Ethical or Social Responsible Investments Socially Responsible?*", Research article, February 2006.

³ D. L. Sills E. Macmillan, "*International Encyclopedia of the Social Sciences*", New York, Free Press, 1968

⁴ Ucodep press release of 2004, available at www.oxfamitalia.org/press.

values: “*the person and not the capital, the idea and not the assets, the fair remuneration of the investment and not the speculation*”.

A unique definition of Ethical Finance does not exist, nor a related international legislative framework. In particular, the concept of Ethical Finance includes various definitions, products and actors because of the social, economic and legislative differences between countries.

The most meticulous explanation is probably given by the “*Manifesto della Finanza Etica*”⁵, according to which ethical finance:

- *Considers all forms of credit as a human right*, without discrimination on the basis of gender, origins, religion or heritage.
- *Considers the efficiency a component of ethical responsibility* to create an economic activity which is also socially useful. The responsibility to carry out investment able to keep the real value of savings is on the basis of a partnership between subjects with the same human dignity.
- *Considers illegitimate the enrichment based on the only possession and money exchange*, and the interest rate, here, is a measure of the efficiency in the use of savings and a measure of the safeguard of savings and the ability to invest them in useful projects.
- *Is transparent*, as the savers have the right to know all the information related to the investment.
- *Asks to savers to participate to important decisions next to the shareholders of the company*, in order to guarantee the economic democracy.
- *Highlights the relevance of social and environmental responsibility*, and excludes economic activities that damage the environment, prevent the human development and violate the fundamental human rights.
- *Asks for a total and coherent acceptance to the manager of the activity*. If the activity of ethical finance is partial, the reasons of this restriction must be explained.

The Italian budget law, approved on 11th December 2016, includes the first basic legislative framework on ethical finance. This regulation clearly describes the

⁵ Associazione Finanza Etica, “*Manifesto della Finanza Etica*”, Firenze 1998. Available at www.bancaetica.it.

characteristics that ethical and sustainable banks should have. The text of the law has modified the art. 111 of TUB (Testo Unico Bancario), introducing the art. 111bis concerning the Ethical and Sustainable Finance.

This is extremely important because the law approved by the Italian Parliament at the end of 2016 is the first in Europe to describe the characteristics of ethical banks⁶.

1.2 THE SOCIALLY RESPONSIBLE INVESTMENT

The concept of Socially Responsible Investment (SRI), strictly linked to the notion of Ethical Finance, is considered the most important investment trend of the past decades.

The Socially Responsible Investment, also known as Ethical Investment, is defined as an investment which aims to reach social and environmental goals keeping unchanged the requirement to maximize returns and minimize risks.

A more precise definition of SRI is given by Eurosif (European Sustainable Investment Forum), the leading European association for the promotion and advancement of sustainable and responsible investment across Europe, which describes the concept of Ethical Investment with the following statement:

“Sustainable and Responsible Investment (“SRI”) is a long-term oriented investment approach, which integrates ESG factors in the research analysis and selection process of securities within an investment portfolio. It combines fundamental analysis and engagement with an evaluation of ESG factors in order to better capture long term returns for investors, and to benefit society by influencing the behaviour of companies.” (Eurosif 2016)⁷

The same notion is expressed also by the USSIF, the *Forum for Sustainable and Responsible Investment*, which is a United States-based membership association located

⁶ Fondazione Finanza Etica, “*The Ethical and Sustainable Finance in Europe*”, 2017




⁷ Eurosif, “*The European SRI Study*”, press release, 2016. Available at www.finanzeostenibile.it.

in Washington, that advances sustainable, responsible and impact investing across all asset classes. The American association describes and defines the SRI Investment as:

“SRI recognizes that corporate responsibility and societal concerns are valid parts of investment decisions. SRI considers both the investor’s financial needs and an investment’s impact on society. SRI investors encourage corporations to improve their practices on environmental, social, and governance issues. You may also hear SRI like approaches to investing referred to as mission investing, responsible investing, double or triple bottom line investing, ethical investing, sustainable investing, or green investing.” (USSIF)

Broadly speaking, SRI stands for investments or investment strategies, which consider social, environmental and governance issues in their decisions. The ESG factors are included into investment decisions with the objective to better manage the risk and generate sustainable, long-term returns. In the following table, some examples of the numerous ESG factors are explained⁸.

Table 1: Examples of ESG factors

 ENVIRONMENTAL	 SOCIAL	 GOVERNANCE
<ul style="list-style-type: none"> • Climate change • Greenhouse gas emissions • Resource depletion, including water • Waste and pollution • Deforestation 	<ul style="list-style-type: none"> • Working conditions, including slavery and child labour • Local communities, including indigenous communities • Conflict • Health and safety • Employee relations and diversity 	<ul style="list-style-type: none"> • Executive pay • Bribery and corruption • Political lobbying and donations • Board diversity and structure • Tax strategy

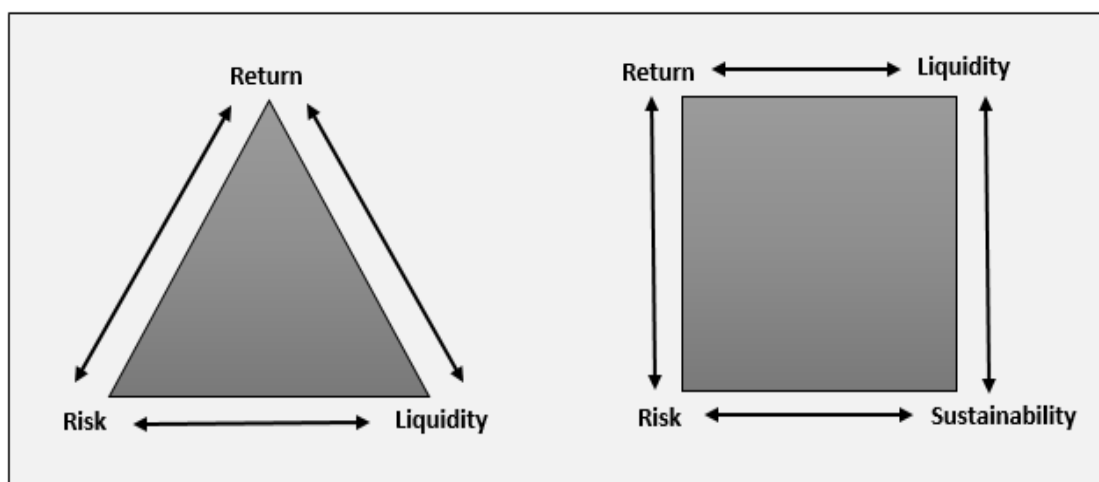
Source: Principles for Responsible Investment

⁸ UNIPRI (Principles for Responsible Investment Organization), “What is responsible Investment?”, London. Available at www.unpri.org

Given these different definitions of SRI, the socially responsible investor invests taking into consideration financial and non-financial criteria in the securities selection process. From a financial point of view, the Portfolio Theory (defined by Harry Markowitz) states that, in order to build an efficient portfolio, a combination of securities should be identified as to minimize the risk and maximizing the overall performance; while from a non-financial point of view, the ethical, social, environmental and governance factors need to be considered in the portfolio allocation process.

In addition, despite the different opinions, all the definitions of SRI share the common idea that additionally to the traditional determinants of the investment decision also the allocation of funds is an important criterion. This can be reflected by the extension of the magical triangle of the neoclassical finance theory to the magical quad.

Figure 1: Magical Triangle and Magical Quad



Source: in imitation to Pinner, 2003

In 2006 the United Nations launched the Principles for Responsible Investment (PRI), developed by an international group of institutional investors, reflecting the increasing relevance of the ESG (Environmental, Social and Governance) factors to investment practices. There are in total six PRI which are meant to be the first global benchmark for responsible investments⁹.

⁹ UNPRI: Principles for Responsible Investment Organization, “*The six principles*”, London. Available at www.unpri.org

The six PRI principles are listed below:

1. *“We will incorporate ESG issues into investment analysis and decision-making processes.”*
2. *“We will be active owners and incorporate ESG issues into our ownership policies and practices.”*
3. *“We will seek appropriate disclosure on ESG issues by the entities in which we invest.”*
4. *“We will promote acceptance and implementation of the principles within the investment industry.”*
5. *“We will work together to enhance our effectiveness in implementing the principles.”*
6. *“We will each report on our activities and progress towards implementing the principles.”*

1.3 THE HISTORICAL EVOLUTION OF SRI MARKET

Even though the general thinking considers the development of SRI as a recent phenomenon, the origins of ethical investing may date back to Biblical times when the charging of interest against the poor was forbidden (Exodus and Leviticus). Later, Jewish law identified precise directives about how to invest ethically while Islam forbade usury from its legislation.

Peace, non-violence and charity principles were embraced by religious investors who avoided to invest in enterprises which referred to slavery to produce their products.

However, the prevalent opinion traces the origins of the Social and Responsible Investment to the 18th century with the Quakers. The Quakers were members of a Christian group known as The Religious Society of Friends that believed in the presence of God within each person and in the need to experience the inner light. Quakers were characterized by a strong commitment to God and humanitarian causes, and their faith did not allow them to invest in areas which did not respect their principles, for example

slavery or armaments. As a consequence, the Quakers may be considered the first to adopt a screening policy on their investments¹⁰.

In 1928, the first SRI mutual fund, the Pioneer Fund, was launched and its investment policy was characterized by a negative screening. In Europe, instead, the first SRI mutual fund was launched in 1984 in the UK, the Friends of Provident Stewardship Fund, followed by the Luxinvest SecuraRent launched in Germany in 1989.

The modern roots of SRI can be traced to 1960s, when ethical investing began to attract public attention and SRI became an investing discipline. Due to the tumultuous political climate and distressing events happened in this decade, the nation's consciousness about the issues of social responsibility and accountability changed with a consequent increase of public interest in ethical investing. In particular, the Vietnam War, the use of Napalm and pictures of burning children caused worldwide consternation. Meanwhile, people started to fight to obtain racial equality, civil and voting rights with the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

As a result of the Vietnam War, in 1970 the Methodists and Quakers launched the Pax World Fund which did not invest in the armaments' production and attracted people with strong ethical principles and convictions. The environment protection became a consideration for more investors and in the same year the first Earth Day was celebrated. Apartheid in South Africa severely restricted black people's rights and increased the public interest in ethical investing too. The Third Century Fund, launched in 1972, did not invest in companies cooperating with South Africa regime. It applied both a negative and positive screening and, consequently, investments in South Africa decreased. The country's economy suffered a dramatic crisis and was obliged to undertake reforms against apartheid.

Another significant progress for socially responsible investing in 1970 was made by Ralph Nader, a consumer advocate, environmentalist and known as the first activist of the shareholder activism approach. In this time, started a campaign against General Motors to strengthen the emissions standards and to promote minorities in order to diversify the Board of Directors. Although both votes failed during the annual meeting, the emissions of the automobiles have been progressively reduced.

¹⁰ P. Kinder and A. Domini, "*Social Screening: Paradigms Old and New*", The Journal of Investing, 1997.

A series of environmental disasters occurred in the 1970s and 1980s increased investors' awareness of environmental issues, for example the Seveso (Italy) disaster occurred in 1976 at a small chemical factory that caused the death of many animals and the poisoning of local fruits and vegetables, the Bhopal (India) disaster occurred in 1984 when a chemical plant released a large amount of MIC gas (methyl isocyanate) which killed roughly 3,800 people and led to terrible consequences, the Chernobyl nuclear reactor accident in 1986 in the former Soviet Union when a nuclear reactor exploded and released a highly radioactive fallout into atmosphere causing the death of many people.

As a consequence of the many disasters occurred, the environmental criteria have been progressively taken into consideration in the investment decision process, mutual funds and money managers arose to help people investing their capital in companies that contribute to a sustainable environment.

The growing interest in social and responsible investment is represented also by the launches of many SRI indices. The first SRI index is the Domini 400 Social Index (DS400), launched in the US in 1990. In Europe, the best-known SRI index is the Dow Jones EURO STOXX Sustainability Index (DJSI EURO STOXX), launched in 2001. Other European SRI indices are the Ethical Index Euro, the FTSE4Good Europe, and the Kempen SNS Smaller European SRI Index.

1.4 THE EUROPEAN MARKET OF SRI IN THE LAST YEARS

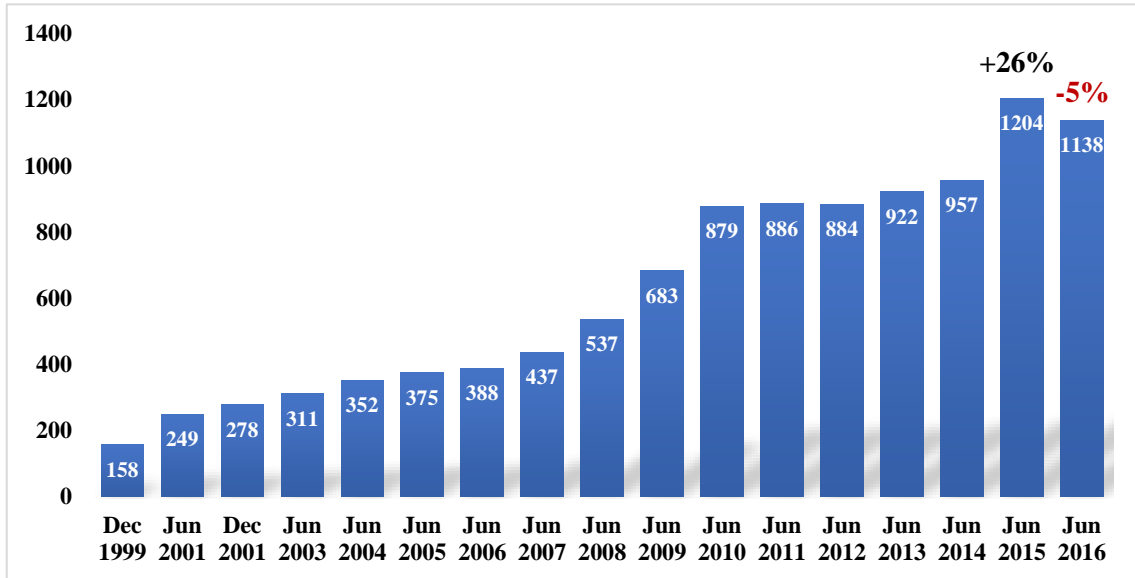
The SRI market in Europe is younger, but also developing. According to Vigeo Eiris'¹¹ Report 2016 (*Green, social and ethical fund in Europe 2016*¹²), at the end of June 2016, there were 1,138 green, social and ethical funds domiciled in Europe. The number of fund suffered a slight decrease of -5% versus June 2015 because after the impressive growth

¹¹Vigeo Eiris is the first European corporate social responsibility ratings agency that assesses the social responsibility of companies and other organizations.

¹² *Green, social and ethical fund in Europe 2016*. This report was prepared in October 2016 by Vigeo Eiris in cooperation with Morningstar and covers green, social and ethical funds operating in Europe as of June 30, 2016. The analysis covers: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Lichtenstein, Lithuania, Lux, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland and the United Kingdom.

in the number of the SRI retail funds in 2015 (+26% to 1,204), a consolidation year has returned.

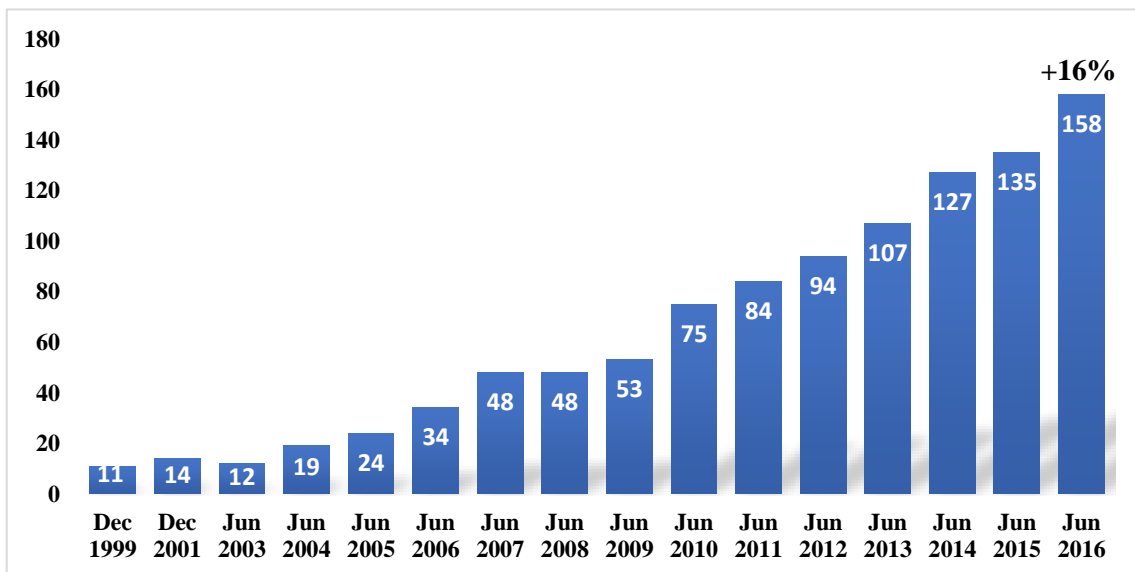
Graph 1: Number of SRI Funds, cumulated, in the period 1999 to 2016



Source: Vigeo Eiris Green, social and ethical fund in Europe 2016

As a matter of fact, despite the decline in funds number, the total asset under management continued to grow (+16%) and reached 158 billion euro as we can observe in the following graph.

Graph 2: Total asset under management for SRI funds domiciled in Europe (June 2016, bn €)

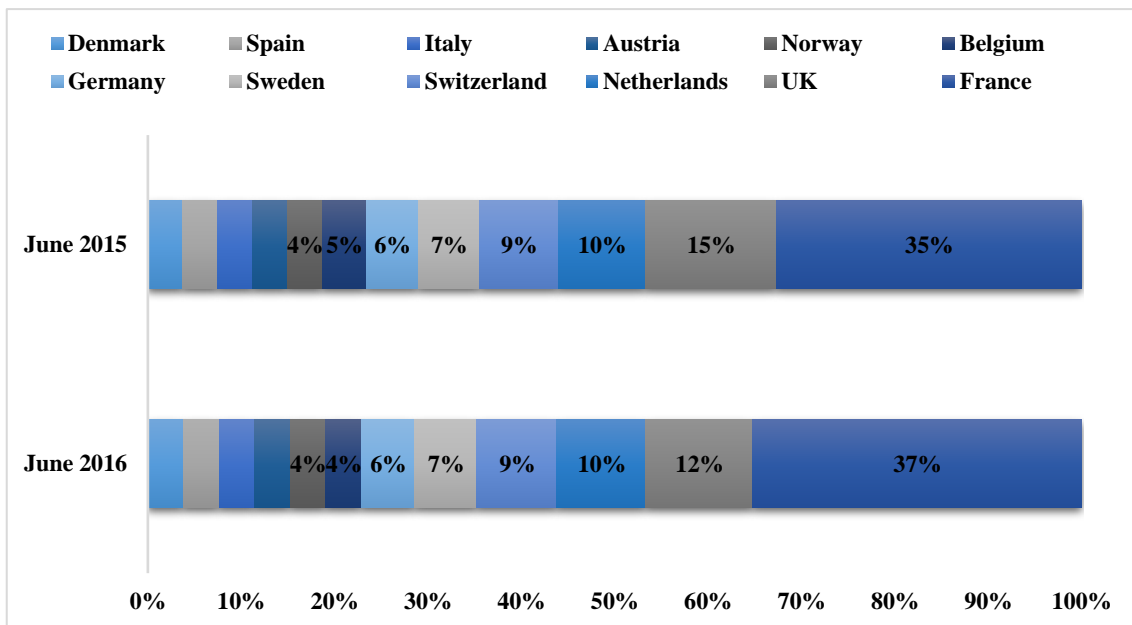


Source: Vigeo Eiris Green, social and ethical fund in Europe 2016

This relevant growth is due to a growing awareness of social investment, with several asset managers converting existing funds to the strategy.

Nevertheless, if we look more in detail to the European context, we may detect that it is not homogeneous at all. In particular France, UK, Switzerland and The Netherlands confirm their leadership as the four largest markets in terms of assets, accounting for 68% of all the market.

Graph 3: Breakdown of total asset under management for SRI funds in % per country



Source: Vigeo Eiris Green, *social and ethical fund in Europe 2016*

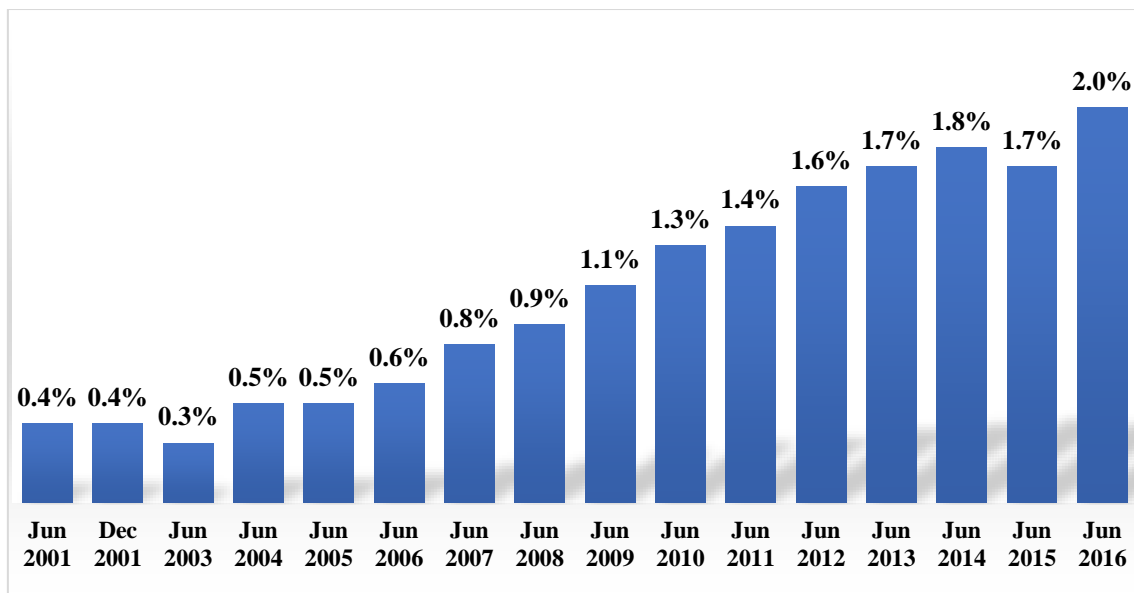
France was confirmed as the largest European SRI retail market holding more than a third of assets under management (37%). The growth in France was partly due to a shift in retail banking policy where some monetary funds have been switching to SRI strategies to meet investor demand, as rich European investors are beginning to see value in sustainable funds, helping drive the growth in assets. UK remained in second place (12%) followed by the Netherlands (10%), while Switzerland moved from third to fourth place. In aggregate, SRI funds represent 2% of the total UCITS¹³ retail funds market in Europe, the highest proportion ever. The Netherlands retains the highest country market share for

¹³ The *Undertakings For The Collective Investment Of Transferable Securities* (UCITS) is a regulatory framework of the European Commission that creates a harmonized regime throughout Europe for the management and sale of mutual funds. UCITS funds can be registered in Europe and sold to investors

SRI retail funds (42.9%), with an impressive increase from the previous 16% reached in 2015. This is due to a large decline in the total retail asset under management between June 2015 and 2016. Not a single reason, but several of them caused the fall of the AUM:

- In the Netherlands, there has been a huge increase in property value (residential) during the past year. This could be the asset class safest and most profitable now that interests are so low and stocks "felt" as volatile/risky.
- Delta Lloyd, a Dutch insurer and fund house, has come under scrutiny with the regulator. It has seen a possibly related outflow in many of their funds.

Graph 4: European SRI funds assets over total UCITS (% , June 2016)

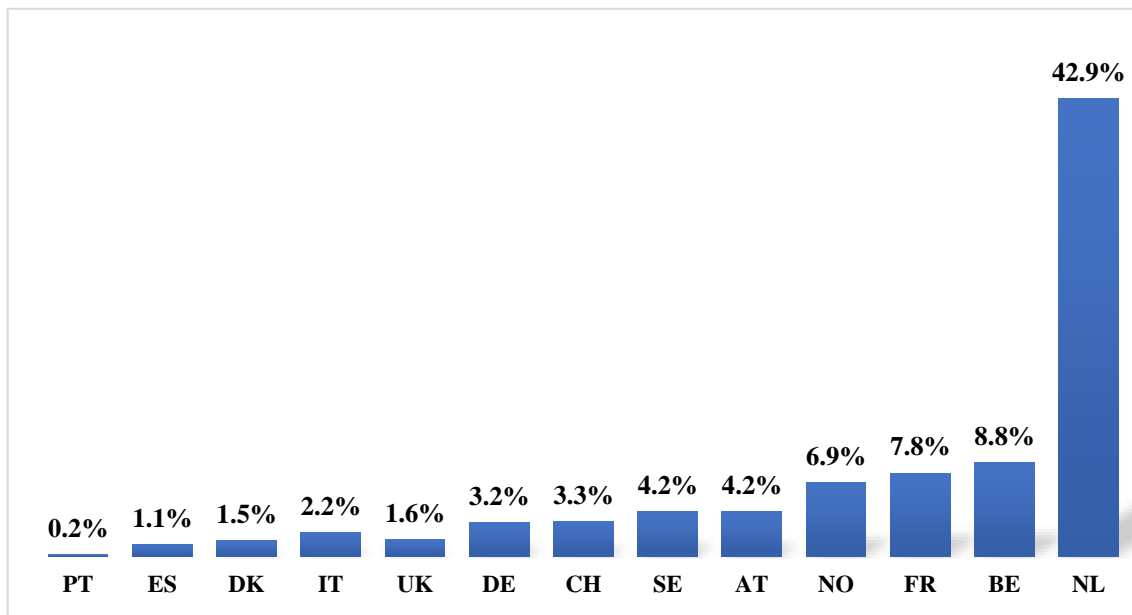


Source: Vigeo Eiris *Green, social and ethical fund in Europe 2016*

Belgium ranked second (8.8%) in terms of penetration of SRI funds in the retail funds market, France the third (7.8%), as shown in the following graph.

worldwide using unified regulatory and investor protection requirements. UCITS fund providers who meet the standards are exempt from national regulation in individual European countries.

Graph 5: Market Share of SRI funds in selected countries (% , June 2016)



Source: Vigeo Eiris Green, social and ethical fund in Europe 2016

The growth of SRI assets will probably continue in the coming years. Social awareness is still growing. Global warming, carbon emissions trading, microfinancing, a renewable energy are all issues high on the agenda of the general public and governments worldwide.

1.5 SRI CATEGORIES

The SRI can be divided into four general categories: Environmental Issues, Social SRI, Religious and Corporate Governance. A SRI portfolio can be consistent of one category or a combination of different ones¹⁴. We see in more detail the four categories.

Environmental Issues

The first category is “environmental issues” and is also known under the terms “green investments” or “clean tech investments”. This category can either exclude companies, which have a bad effect on the environment, or include firms, which enhance the environment, like for instance with new technologies like wind. However, also companies which have no net effect on nature may be included.

¹⁴ K. Strasser, “*Socially responsible Investment, how sustainable are Socially Responsible Investments?*”, Seminar paper, 2011

Social SRI

Social SRI investments consider human and labor rights. These portfolios usually investigate if companies have problematic labor practices within the company and along its supply chain. Social SRI portfolios can also include investments in international development, community investments or investments with a specific focus like health care.

Religious or ethical investments

Religious or ethical investments are specifically based on religious beliefs and morals and therefore it might be the most subjective category in picking the investments. Therefore, portfolios based on religious or ethical beliefs can vary widely from each other. However, most of them bear one resemblance by excluding the common “sin” stocks like shares from the weapon industry, tobacco companies, alcohol and special investment from the entertainment sector like casinos or pornography.

Corporate governance

The last category of SRI is corporate governance. This category looks for companies that are willing to manage the company in cooperation with investors and shareholders.

1.6 SRI STRATEGIES AND INVESTMENT SELECTION PROCESSES

Socially responsible investors, in contrast to conventional investors, do not focus only on financial components, but also on non-financial ones. In addition to the quantitative financial purposes of return and risk, SRI investors incorporate social and environmental criteria into the investment process, considering also the quality of the securities in the portfolio allocation process. Environmental criteria are, for example, the emission of greenhouse gases, the production of recyclable products, or the efficient use of energy at the production level. Social criteria are, for instance, manufacturing of weapons, tobacco or alcohol, labor conditions, compliance with universal human rights, or equal opportunities for women or disabled people.

To reach the social and environmental goals, different investment strategies may be applied. The first report on the ethical and sustainable finance in Europe, published by Fondazione Finanza Etica, identifies seven investment strategies¹⁵:

1. Exclusion of holdings from investment universe
2. Norms-based Screening
3. Engagement and Voting
4. Integration of ESG factors in financial analysis
5. Best-in-Class investment selection
6. Sustainability Themed Investments
7. Impact Investing

1. Exclusion of holdings from investment universe

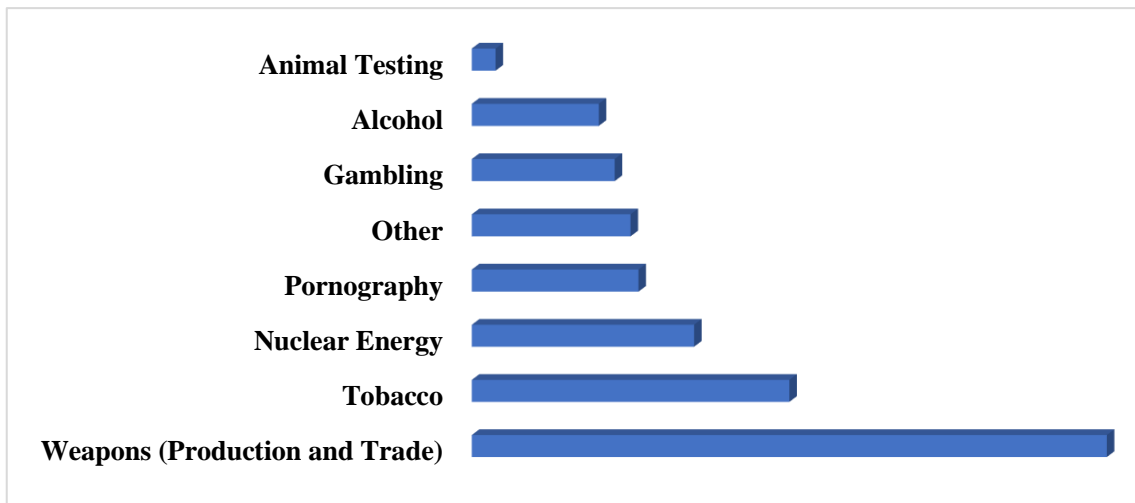
In compliance with the willingness to limit potential reputational risks, investors may decide to negatively screen companies or sectors, as part of their risk management or value-based approach. The term exclusion refers to the elimination of companies or sectors from the investment universe of the portfolio because they are considered unethical and do not comply with international standards and conventions. The exclusion process typically includes an evaluation of how much of the company's revenue or profit is generated from the excluded product. This strategy has shown exponentially consistent growth throughout the years¹⁶.

According to Eurosif, the most common exclusions related to the economic activity concern weapons at the first place, followed by tobacco, nuclear energy, pornography, gambling, alcohol and animal testing.

¹⁵ Fondazione Finanza Etica, “*La Finanza Etica e Sostenibile in Europa*”, Primo Rapporto, 2017

¹⁶ Eurosif, “*The European SRI Study*”, press release, 2016.

Graph 6: Top exclusion criteria



Source: Eurosif *European SRI Study 2016*

Regarding the environmental policies instead, the excluded sectors mainly regard mining and oil sectors with the objective to promote the investment in renewable energies as solar, wind and water energy which have a low impact on the environment.

Social policies instead are linked to the relationships that the society has with employers, consumers, investors and local communities. Investments are excluded in those companies that limit the freedom of people and do not respect human rights.

In contrast to exclusion criteria and negative screening, positive screening is the opposite process of identifying companies which should be favored and not excluded from the investment universe. SRI investors use positive screening to identify companies with high ethical standards, which have in general a positive contribution to society as well as a good performance in terms of return on investment. The investors evaluate companies using social and environmental criteria, for example, human rights, community, diversity, environment and product safety. Using these criteria SRI investors rate the ethical standards of companies and rank them accordingly. Only companies meeting high ethical standards are included in the investment universe.

2. Norms-based Screening

Norms-based screening allows investors to assess the degree to which each company in its portfolios respects issues that impact Environmental, Social and Governance Criteria by accepting and respecting global norms on environmental protection, human rights,

labor standards and anti-corruption. Global norms are set out in international initiatives and guidelines such as the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact and, most recently, the Guiding Principles on Business and Human Rights, implementing the United Nations “*Protect, Respect and Remedy Framework*”.

The strategy can be oriented into two directions:

- a. Defining the investment universe on the basis of SRI international norms and ESG factors;
- b. Identifying within the portfolio those companies which do not respect these norms.

In this case the investor has two possibilities: the engagement or the exclusion.

Actually, Norms-based screening can be used both as a standalone strategy, or in combination with other strategies, typically *Engagement* and *Exclusion*. When companies that are in the portfolio are found to be in breach of one of these standards, investors can engage with them and decide what kind of actions needs to be taken, and whether exclusion ought to be considered.

In the last two years, Norms-based screening has grown by 40%, standing at over 5 trillion euros and has been very popular in the Nordic regions.

The most common Norms-based screen is the UN Global Compact, with ILO Conventions coming second by a very narrow margin. The third most used category remains the OECD Guidelines¹⁷.

3. *Engagement and Voting*

This is the third most popular strategy after Exclusions and Norms-based screening, according to Eurosif.

By applying this strategy, also called shareholder activism, the SRI investor tries to influence corporate policies directly to increase the corporate social responsibility of companies. Basically, shareholder activism can be classified into two types of actions: participation in shareholder resolution and dialogue. Both of these techniques aim to make a positive change within the companies’ policies and practices through a discussion

¹⁷ Eurosif, “*The European SRI study*”, press release, 2016.

of social and environmental issues as well as corporate governance topics. In addition, both methods put pressure on the management to act, because often such activities get attention from the media.

In 2013 Eurosif Shareholder Stewardship report, Eurosif stressed the many different motivations behind ESG engagement: “*these include maximizing risk-adjusted returns, improving business conduct, advancing ethical or moral considerations, and contributing to sustainable development. Many investors also see engagement as part of their fiduciary duty to beneficiaries*”¹⁸. Regardless of the motivation of the investor, industry experts note that one of the keys to constructive company dialogue is developing a business case for change and keeping up a good level of interaction with companies.

At a policy level, European regulators have discussed roles and responsibilities in the engagement of shareholders through the Shareholders Rights Directive (SRD), as part of the Commission’s action plan to modernize corporate governance and increase corporate transparency. The aim of the Directive is to increase shareholders’ ability to show more responsibility. When this report was going to print, some controversial issues relating to the SRD were still under discussion and no formal agreement had been reached on the text.

The strategy has grown by 30% in the past two years with a CAGR of 14%.

4. Integration of ESG factors in financial analysis

Integration is the explicit inclusion of ESG factors by asset managers into traditional financial analysis. The strategy has become one of the most readily adopted SRI strategies. However, due to the significant lack of clarity in the perimeter of the integration of ESG factors, it still remains very difficult to assess the extent to which one can actually compare strategies that fall under the same denomination¹⁹.

In the 2014 Study, Eurosif attempted to identify categories that could clarify the integration approach applied by asset managers²⁰. However, there are many significant

¹⁸ Eurosif, European SRI Symposium. “*Shareholder Stewardship: European ESG Engagement Practices 2013*”, September 24, 2013. Brussels

¹⁹ Eurosif, “*The European SRI Study*”, press release, 2016.

²⁰ Eurosif, “*The European SRI Study*”, press release, page 17. 2014.

variables that may influence the practices of integration. As a consequence, the concept of integration remains a challenge to determine and its understanding varies from one country or asset manager to the next.

5. *Best-in-Class investment selection*

The Best-in-Class strategy is an extension to the positive screening process. By choosing this strategy, investors have the opportunity to pick those companies that have the best ESG score in a particular sector. Typically, companies are scored on a variety of criteria. The score received will depend on how the criteria are weighted which may vary sector by sector. Qualified companies will be those that achieve a defined threshold within each sector and contribute to create a best-in-class ESG portfolio made up of companies that meet both ESG and financial screen.

Other approaches similar to the Best-in-Class strategy and which fall in the same classification of “positive strategies” are: Best-in-Universe and Best-Effort. Unlike the Best-in Universe approach, all sectors or asset classes may be represented with Best-in-Class. For example, an SRI fund may have a criterion which enables it to invest in the oil and gas sector, but only in those companies which are the “best in class”, meaning the top of the investment universe, based on a ESG screen.

Best-in-class portfolios have become quite standard in SRI product offerings because the procedure adapts well to near-passive investment approaches that require low tracking error and, as an evidence, in the last two years, Best-in-Class has grown by 40% in Europe²¹.

6. *Sustainability Themed Investments*

This strategy includes a variety of themes, which allows investors to choose specific areas of investment, typically with a close link to sustainable developments. The emergence of

Category 1: ‘non-systematic ESG integration’;

Category 2: ‘systematic consideration/inclusion of ESG research/analyses in financial ratings/valuations by analysts and fund managers’;

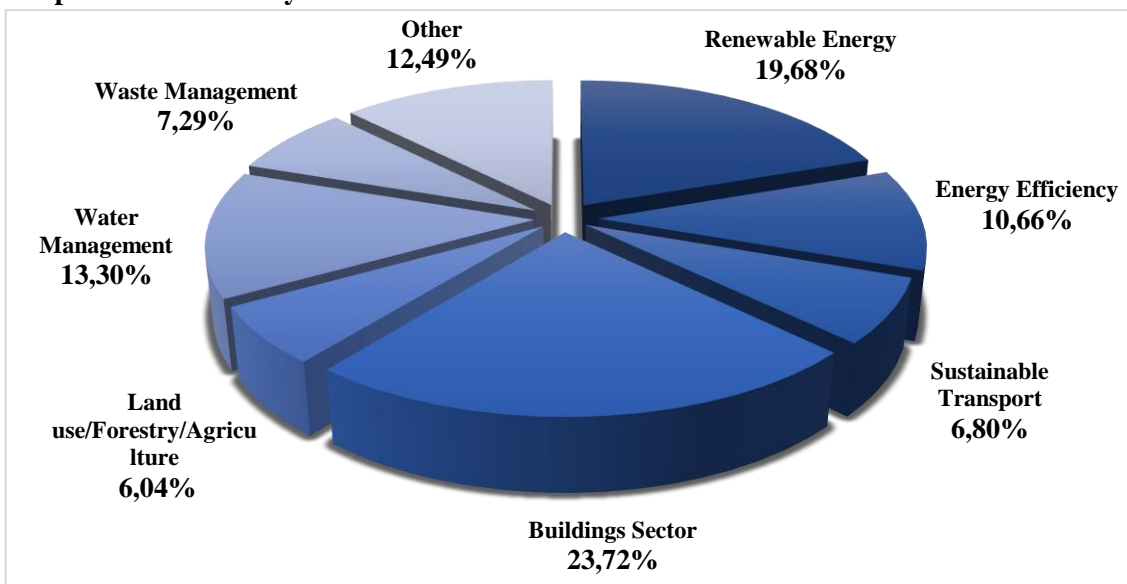
Category 3: ‘Mandatory investment constraints based on financial ratings/valuations derived from ESG research/analyses’

²¹ Eurosif, “*The European SRI study*”, press release, 2016.

new products and focus on certain themes has definitely increased and the adoption of this approach has seen an exponential growth in the last five years. This important growth is also due to different investment policies at the EU member state level which has strongly influenced the increase of this investment strategy and given a clear sense of direction. In particular, investors look favorably on climate sensitive topics, on the basis of the trends in international policy. As a consequence, energy efficiency and renewable energy are the most favored themes for investments at EU level.

In the graph below, the percentage of investments in each topic are shown.

Graph 7: Sustainability themed investments



Source: Eurosif *European SRI Study 2016*

7. Impact Investing

Impact Investing invests into companies, organizations and funds with the intention to generate social and environmental impact alongside a financial return.

Impact investing is a term coined in 2007 at Bellagio Summit convened by the Rockefeller Foundation in the United States. The term includes a large range of social issues and themes that can broadly be classified into two categories:

- a. Social integration and related themes as health, finance, education, personal care, employment.

- b. Sustainability-related projects in the field of production and access to renewable energy, food, water, sustainable agriculture. This category is more focused on developing markets.

Eurosif heavily focuses the attention on the double scope of impact investing: the core philosophy to have a positive impact on sustainable developments but also the financial opportunity in returns linked to the social element.

Uli Grabenwarter and Heinrich Liechtenstein, IESE Business School researchers in Navarra, define impact investing as “*any profit-seeking investment activity that intentionally generates measurable benefits for society*”²². This definition includes a number of important features that define the strategy:

- Profit as an objective;
- A positive correlation between the intended social impact and the financial return;
- An intentional, pre-determined social impact;
- A measurable social impact;
- A result that produces a net positive change society.

The impressive growth in impact investing continues to evolve at an equally rapid speed. With a growth of 385% in the last two years, it is clear that impact investing is set to become one of the most established SRI strategies.

1.7 CHARACTERISTICS OF SRI INVESTORS

One of the first attempts to identify the typical SRI investor was a study published in 1998 by Professor Alan Lewis, a researcher in the Department of Psychology in the University of Bath. This research analyzed the survey results of over 1100 individual SRI investors. The study discovered a strong correlation between SRI fund purchases and general lifestyle, with self-image being a strong motivating factor behind decisions to purchase such funds. The majority of these investors were middle-aged, highly educated and often working in a caring profession such as teaching, social work or medicine. It would be

²² Uli Grabenwarter, Heinrich Liechtenstein, “*In Search of Gamma -An Unconventional Perspective on Impact Investing*”, IESE Business School Working Paper, November 25, 2011.

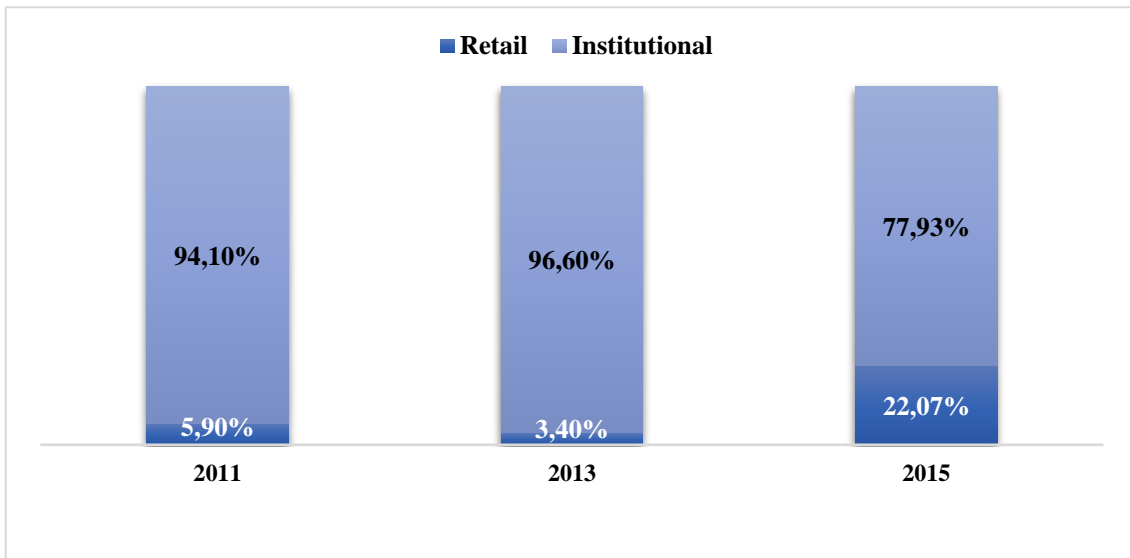
natural to assume that SRI would be particularly attractive to younger investors, but research shows this to be false. For example, only 13% of the investors in the sample were aged 35 or less, 30% were aged 36-45, and 29% were aged 46-55²³.

In particular, the ethical investor may be described as that institutional or retail investor who pays particular attention to the investment process including social, environmental and governance factors that must be taken into consideration in financial decisions.

Nowadays, investors are becoming more and more demanding and expect social and ethical responsibility in all aspects of corporate operating practices. Hence, there is a growing acceptance among asset managers and investors about the importance of environmental, social and governance factors to investment returns.

Eurosif, in the European SRI Study 2016, highlights a significant increase in the number of retail investors. The graph below clearly illustrates the growth in the retail market. This growth is mainly due to the launch of new products by asset managers and the growing trend to focus on private clients, like High Net Worth Individuals (HNWI)²⁴ in the last two years.

Graph 8: SRI Asset breakdown by type of investor 2011-2015 (EUR in millions)



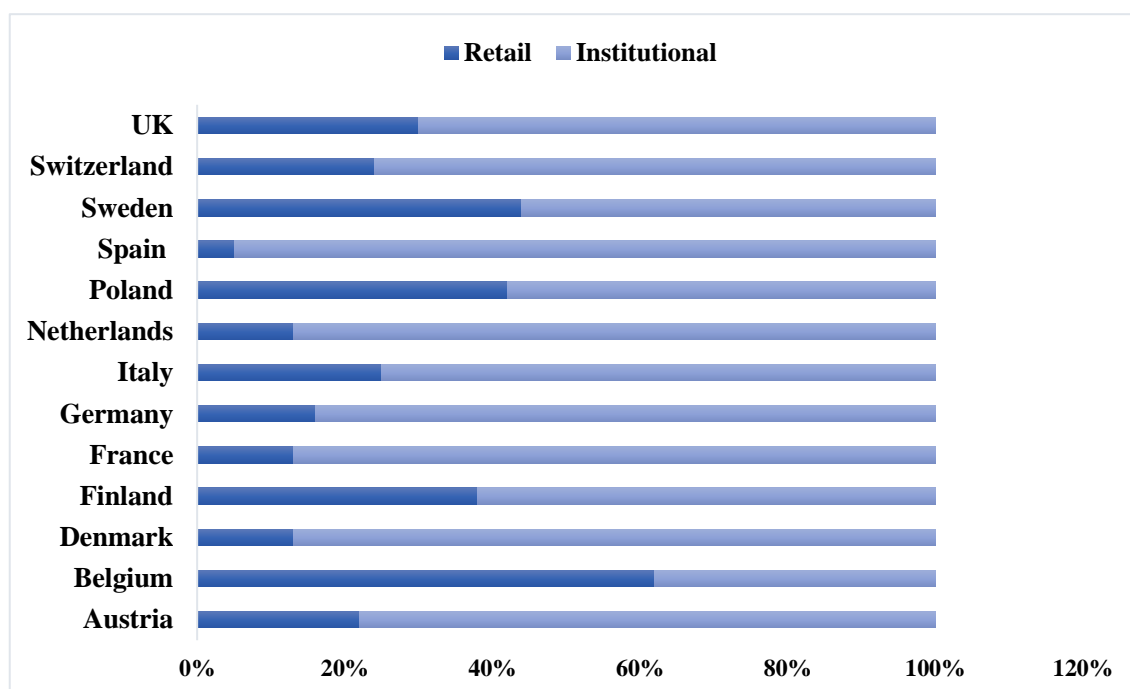
Source: Eurosif *European SRI Study 2016*

²³ R. Sparkes, “*Socially Responsible Investment: A Global Revolution*”, John Wiley & Sons Inc; First edition. October 15, 2002.

²⁴ High Net Worth Individual (HNWI) is a classification used by the financial services industry to denote an individual or a family with high net worth.

Looking at the split between retail and institutional assets, we note a significant growth in favor of retail investors. In detail, Belgium shows the most impressive increase in the retail market, which has clearly overtaken the institutional side.

Graph 9: Retail/Institutional breakdown by country (in %)



Source: Eurosif *European SRI Study 2016*

Although institutional investors are still leading the market, Eurosif highlights the fact that the retail sector is growing from 3.40% to 22%, signaling an important shift in the industry and greater focus on other categories of investors.

An important challenge that the SRI market needs to face is the ability to understand how to satisfy the investor of the future. Nobody can predict the future, however, more investors are likely to present different needs, from social, political and economic attitudes to lifestyle and income patterns.

As investors need to increase their level of engagement with the industry, therefore, a greater proportion of the population will probably need to manage their finances more actively, taking control of their financial future. They will look for financial support to cover a greater proportion of their lives, rather than focusing exclusively on saving for retirement.

In tomorrow's world, simplicity, transparency, honesty and integrity are likely to be regarded as the most important buying criteria. Doubtless, investors will want to manage less risk and more certainty so they can be more confident that the products in which they invest will deliver the intended outcomes, aware of the fact that SRI does not generate additional costs for portfolio performance compared with conventional investments²⁵.

²⁵ Jane Wilkinson, "*European Responsible Investing Fund Survey*", KPMG Research, 2015, Luxembourg.

Chapter 2

ITALIAN ETHICAL FUNDS' ANALYSIS

Summary: 2.1 Overview of Italian Ethical Funds - 2.2 Etica Sgr – 2.3 Eurizon Capital Sgr – 2.4 Pioneer Investments – 2.5 Sella Gestioni – 2.6 UBI Pramerica Sgr – 2.7 BNP Paribas Investment Partners Sgr

2.1 OVERVIEW OF ITALIAN ETHICAL FUNDS

The Italian Ethical Fund Market is relatively younger than the rest of European SRI markets.

The first experience of ethically oriented finance in Italy is represented by the MAG co-operative societies (self-management mutual associations) whose aim was to raise savings among their members and to finance socially oriented projects.

These co-operative societies worked in social, environmental and cultural fields and saw an important growth up to the nineties when the MAGs had to review their organizations, as a consequence of new legal rules.

Meanwhile, the Italian market was already characterized by ethical funds which donated part of the income or commissions paid by investors to sustainable and charity projects. However, these funds cannot be considered real ethical funds as no ethical selection process within the portfolio was carried out.

The first real Italian Ethical Fund “San Paolo Azionario Etico²⁶” has been launched in 1997 by Intesa San Paolo and it has been one of the major ethical funds in Europe for many years.

Banca Etica is the first institution of ethical finance founded in Italy on 6th March 1999. This organization is driven by the objective to generate a more transparent and responsible management of financial resourcing inspired by sustainable, social and human development values. In such context, Banca Etica aims to educate both savers and borrowers about non-economic consequences of economic actions.

²⁶ Today the fund is known as “Eurizon Azionario Internazionale Etico”, the change of denomination occurred on April 27, 2008.

The “*Manifesto della Finanza Etica*”²⁷, drew up during an important conference in Florence in 1998, lists the main principles of ethical finance which should be considered in ethical investment decisions. On the basis of these principles, the “Osservatorio di Finanza Etica”²⁸ allocates a score from 1 to 7 to each fund to identify the “ethical class”. This process may help the investor to identify the ethical level of each fund.

According to Assogestioni research, the assets managed of Italian ethical funds were 4,628.88 million euros in the first quarter of 2017. The asset management companies of Italian ethical funds are Etica Sgr, Eurizon Capital Sgr, Pioneer Investment, Sella Gestioni Sgr, Ubi Pramerica Sgr, BNP Paribas Investment Partners.

These asset management companies and the related ethical funds are better explained in the table below.

Table 2: The main Asset Management Companies of Italian Ethical Funds

Asset Management Company	Number of Funds		Assets Managed	
	Number	%	Mln euro	%
Etica Sgr	5	38.5%	3,154.31	68.1%
Eurizon Capital Sgr	3	23.1%	983.15	21.2%
Pioneer Investment Management Sgr	1	7.7%	216.49	4.7%
Sella Gestioni Sgr	1	7.7%	75.15	1.6%
Ubi Pramerica Sgr	2	15.4%	64.55	1.4%
BNP Paribas Investment Partners	1	7.7%	135.23	2.9%
Total	13	100%	4,628.88	100%

Source: www.assogestioni.com

As we can see, Etica Sgr owns the highest percentage of Italian ethical funds’ assets managed for a total of 3,154.31 million euros and five ethical funds. According to Assogestioni’s data, Etica Sgr’s funds are divided into one equity fund with 282.36 million euros of assets managed, two balanced funds with 1,279.70 million euros of assets managed, and two debt funds with 1,592.24 million euros of assets managed²⁹.

²⁷ Associazione Finanza Etica, “*Manifesto della Finanza Etica*”, Firenze 1998. Available at www.bancaetica.it

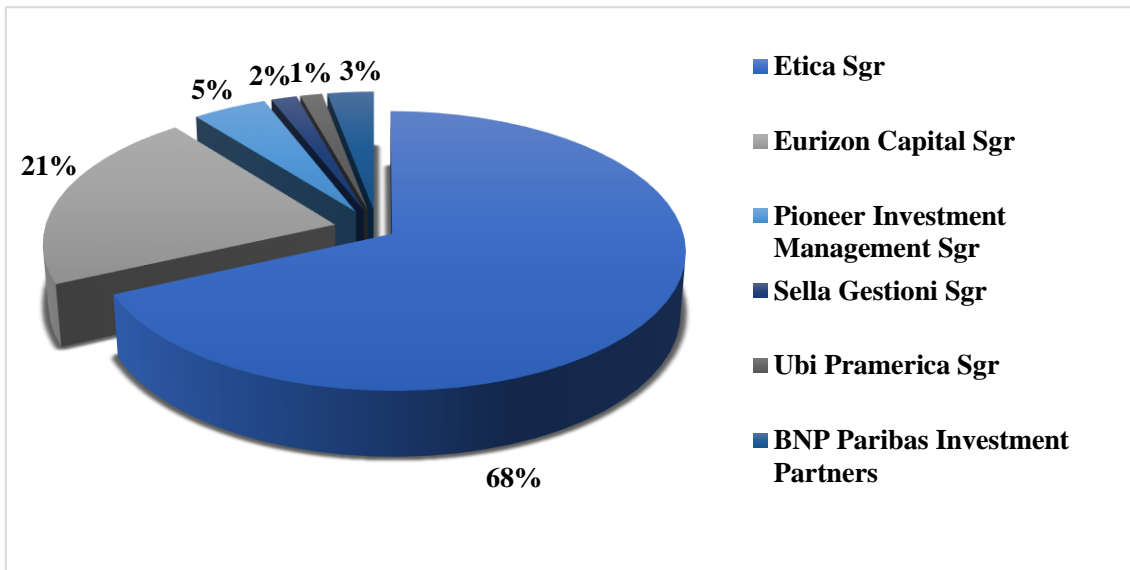
²⁸ The “*Osservatorio della Finanza Etica*” was created in 2001 from the cooperation between “Università Bocconi” and “Università Pontificia del Laterano”.

²⁹ Data from “Cubo”, Assogestioni’s online database.

Eurizon Capital Sgr owns the second highest percentage of Italian ethical funds' assets managed (21.2%) with three different funds: one equity fund, one debt fund and one balanced fund.

In the following graph, the percentage of the assets managed allocated between the asset management companies is clarified.

Graph 10: The percentage distribution of the Italian Ethical Funds' Assets Managed



Source: www.assogestioni.com

2.2 ETICA SGR

Etica Sgr is Banca Etica Group's asset management company. Established in 2000, it has been operational since 2003 in the promotion and management of exclusively social and responsible investment funds with the objective of "*representing the values of ethical finance in the financial markets, raising public and financial operators' awareness about social and responsible investments and corporate social responsibility*³⁰". The objective is to promote financial investments towards companies and countries that pay more attention to the social and environmental consequences of their actions.

³⁰ Article 4, Banca Etica Strategic Statute, 1998.

Etica Sgr aims to be economically effective and efficient but also responsible and attentive to the governance, social and environmental aspects.

Etica Sgr considers the social and responsible investments as an innovative way of investing with respect to the traditional financial investments. The AMC deeply believes that financial instruments issuers need to be analysed not only from an economic point of view but also in their environmental, social and governance aspects which may guarantee an added value in terms of performance.

Therefore, Etica Sgr strongly supports the idea that in the near future the financial markets will definitely assimilate social and environmental criteria in the financial management.

Figure 2: Etica Sgr's Vision



Source: www.eticasgr.it

Etica Sgr aims to enhance family and institution's financial investments towards those companies and countries with an outstanding social and environmental responsibility. This is an essential point for Banca Etica, which reports the following statement in its "Strategic Statute":

"As savers we should be aware of the consequences of our investments as well as of the importance of ethical and values in our money management³¹".

³¹ Banca Etica Strategic Statute. Approved by the extraordinary shareholders' meeting on May 30, 1998.

According to its mission, the company is focused on achieving its efficacy and economic effectiveness goals rising the awareness about social and environmental issues throughout its governance and stakeholder management.

The company’s activity is based on several values:

- Responsibility
- Consistency
- Sobriety
- Human Value
- Transparency
- Responsible use of resources

All the Etica Sgr’s Funds include two classes of units, known as “Class R” and “Class I” which accumulate profits. Only the Fund *Etica Rendita Bilanciata* includes an additional class “RD” which distributes profits. The three classes are differentiated by the level of management fees charged and subscription methods. Classes “R” and “RD” are intended for all investors while class “I” is exclusively available to professional investors, that may be private or public and may include banks, investment companies, insurance companies, asset management companies, national governments and regional administrations, central banks, other similar international organizations or private entities.

Etica Azionario

Established in May 2006, *Etica Azionario Fund* aims to realize a substantial growth of the invested capital in the long period according to the social and environmental principles, with a high level of risk. *Etica Azionario* has a high Morningstar Sustainability Rating. Class R is for retail investors while Class I is for institutional investors.

Table 3: Etica Azionario Main Data

Assogestioni Category: Azionario Internazionale (Global Equity)	ISIN: IT0004097405 (CLASS R) IT0004735202 (CLASS I)
Type of Investment: Investments in equity financial instruments up to 100% of the total net value of the fund	Benchmark: 90% MSCI Developed Markets World (in euro) 10% BofA Merrill Lynch Euro Government Bill Index

NAV (Net Asset Value): € 9.767 on 10/10/2017 (CLASS R) € 10.275 on 11/10/2017 (CLASS I)	Risk and Return Profile: 6/7
Fund Size: € 271,60 mln on 08/09/2017	Start Date: 02/01/2007 (CLASS R) 02/02/2012 (CLASS I)

Source: Morningstar

Investment Policy

The Fund mainly invests in equity instruments denominated in euro, US dollars, yen, from issuers of various capitalisation levels with wide diversification of investments in various economic sectors, in particular, from regulated markets of European Union, Switzerland, Norway, North America and Pacific.

The value of financial instruments in foreign currencies may reach 100% of total fund assets and, as a consequence, the exchange risk is actively managed. The investment in bank deposits is allowed up to 20% of total assets.

All financial instruments are selected after an accurate analysis of the issuers' social and environmental responsibility and commitment. Companies' assessment includes environmental, governance, social and human rights principles analysis, countries' assessment includes environmental, social and governance criteria analysis.

In addition, Etica Sgr contributes and supports sustainable initiatives by transferring a portion of maximum 0.1% per year of the management fee it receives.

Destination of profits

The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

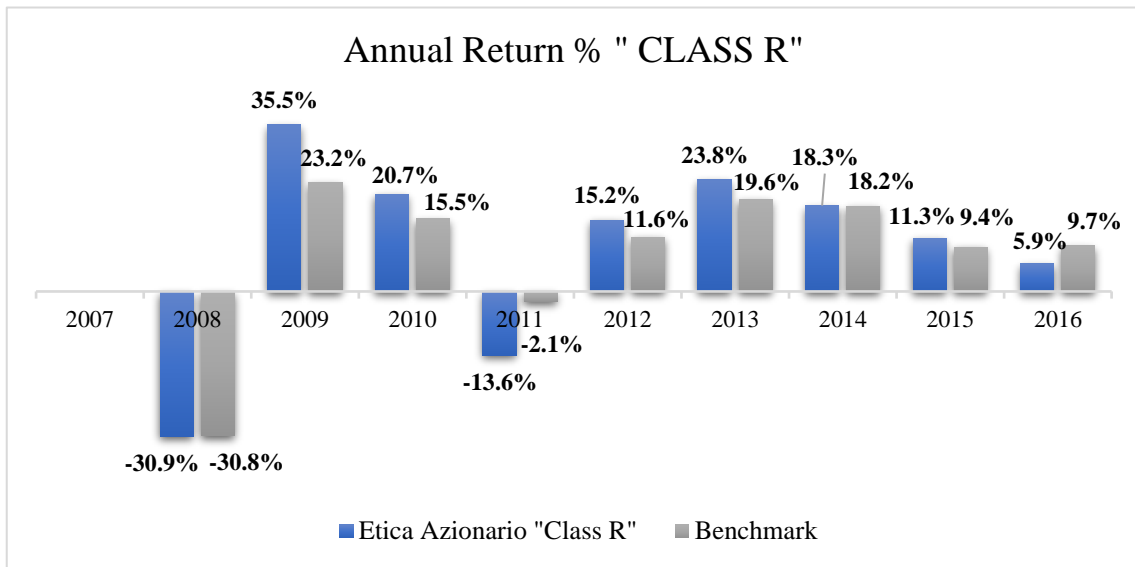
Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years.

The Fund has been classified in the sixth category, as the variability of weekly returns over the last five years is between 15% and 25%.

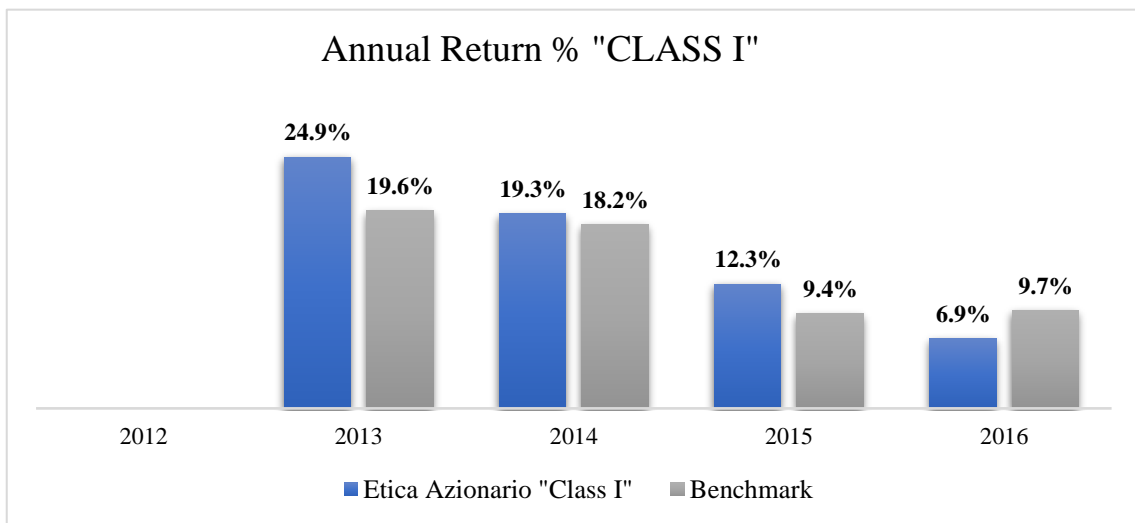
The Fund is mainly exposed to: foreign exchange risk; credit risk; price variation risk; liquidity risk.

Graph 11: Etica Azionario Class R Annual Return



Source: Etica Azionario KIID

Graph 12: Etica Azionario Class I Annual Return



Source: Etica Azionario KIID

In calculating past returns, subscription costs applying to investors are not included. Expenses applying to the Fund are included, for example management fees and custodian payment.

Expenses

Etica Azionario's expenses are clarified in the table below.

Table 4: Etica Azionario Expenses

	Etica Azionario CLASS R	Etica Azionario CLASS I
<i>One time expenses withdrawn before or after the investment</i>		
Option subscription expenses	0.1%	0.1%
Reimbursement expenses	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>		
Ongoing charges	2.00%	1.06%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>		
Performance fees	0%	0%
Switching costs	0%	0%
Contribution to sustainable projects	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee

Source: Etica Azionario KIID

The Fund's subscription does not involve entry or exit expenses, with the exception of a voluntary contribution, equal to 0.1% of each amount deposited, to support financial initiatives through microfinance and crowdfunding in Italy. The minimum initial investment is equal to € 500.00 in Class R and € 500,000.00 in Class I.

The quantification of ongoing charges, expressed on an annual basis, does not take into account the amount of trading costs, nor tax expense sustained, nor that applying directly to the subscriber, to be paid at the time of subscription.

In addition, the investor has the possibility to contribute to sustainable projects donating 0.1% per year of management fees which is 1.90% for Etica Azionario Class R and 0.95% for Etica Azionario Class I.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 5: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	34.55
<i>Canada</i>	0.52
<i>United Kingdom</i>	10.46
<i>West Europe - Euro</i>	28.02
<i>West Europe - No Euro</i>	7.05
<i>Japan</i>	19.13
<i>Australasia</i>	0.26

Source: Morningstar

Table 6: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	10.84
<i>Cyclical Consumer Goods</i>	13.54
<i>Finance</i>	0.85
<i>Real Estate</i>	5.35
<i>Non-Cyclical Consumer Goods</i>	6.83
<i>Health</i>	14.07
<i>Public Utility Services</i>	7.05
<i>Communication Services</i>	5.02
<i>Industrial Goods</i>	14.53
<i>Technology</i>	21.92

Source: Morningstar

The Cyclical Consumer Goods sectors rely heavily on the business cycle and economic conditions and consist of companies engaged in the production of automobiles, homebuilding, household goods, textiles and apparel.

In contrast, Non-Cyclical Consumer Goods or defensive goods are products or services whose demand continues regardless of the economy. The sector consists of companies engaged in the processing and production of food and beverages.

The Fund includes a total percentage of equities equal to 87.90% of total assets, a total percentage of bonds equal to 0.92%, 10.45% of liquidity and 0.74% of other.

The top ten securities in the Portfolio are described in the following table.

Table 7: Top Ten Securities in Etica Azionario's Portfolio

Description		% in the Portfolio
SSE PLC	UNITED KINGDOM	2.28%
Biogen Inc	UNITED STATES	2.25%
Cisco Systems Inc	UNITED STATES	1.99%
Vodafone Group PLC	UNITED KINGDOM	1.93%
Sanofi SA	FRANCE	1.89%
Intel Corp	UNITED STATES	1.84%
Time Warner Inc	UNITED STATES	1.56%
Xylem Inc	UNITED STATES	1.54%
Deutsche Telekom AG	GERMANY	1.45%
Tesco PLC	UNITED KINGDOM	1.44%

Source: Morningstar

Etica Bilanciato

Established in October 2002 and started in February 2003, Etica Bilanciato aims to realize a substantial growth of the invested capital consistently with social and environmental principles. The Fund's objective is to balance the equity markets' opportunity with the higher certainty of debt securities.

Etica Bilanciato invests in the long period and is characterized by a medium-high level of risk and a high Morningstar Sustainability Rating.

Table 8: Etica Bilanciato Main Data

Assogestioni Category: Bilanciato (Balanced)	ISIN: IT0003409213 (CLASS R) IT0004735186 (CLASS I)
Type of Investment: Investments in equity financial instruments up to 70% of the total net value of the fund	Benchmark: 60% MSCI World Net Total Return (in Euro) 35% JP Morgan GBI EMU 5% BofA Merrill Lynch Euro Treasury Bill
NAV (Net Asset Value): € 11.601 on 12/10/2017 (CLASS R) € 12.203 on 12/10/2017 (CLASS I)	Risk and Return Profile: 5/7
Fund Size: € 852,88 mln on 08/09/2017	Start Date: 18/02/2003 (CLASS R) 02/02/2012 (CLASS I)

Source: Morningstar

Investment Policy

Etica Bilanciato invests in monetary, equity and debt instruments. According to equity instruments' investment policy, the Fund invests up to 70% of its total net value in shares issued by issuers with various level of capitalisation and with a wide diversification in terms of economic sectors, mainly in regulated markets in Europe, North America and Japan.

Regarding debt instruments, the Fund invests in bonds issued by governments, international entities and, residually, by corporate issuers in regulated markets in Europe. The value of financial instruments in foreign currencies may reach 100% of total fund assets and, as a consequence, the Fund is exposed to the foreign exchange risk which is actively managed.

The duration of the bond component is generally between 3 and 7 years.

All financial instruments are selected after an accurate analysis of the issuers' social and environmental responsibility and commitment. Companies' assessment includes environmental, governance, social and human rights principles analysis, countries' assessment includes environmental, social and governance criteria analysis.

In addition, Etica Sgr contributes and supports sustainable initiatives by transferring a portion of maximum 0.1% per year of the management fee it receives.

Destination of profits

The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

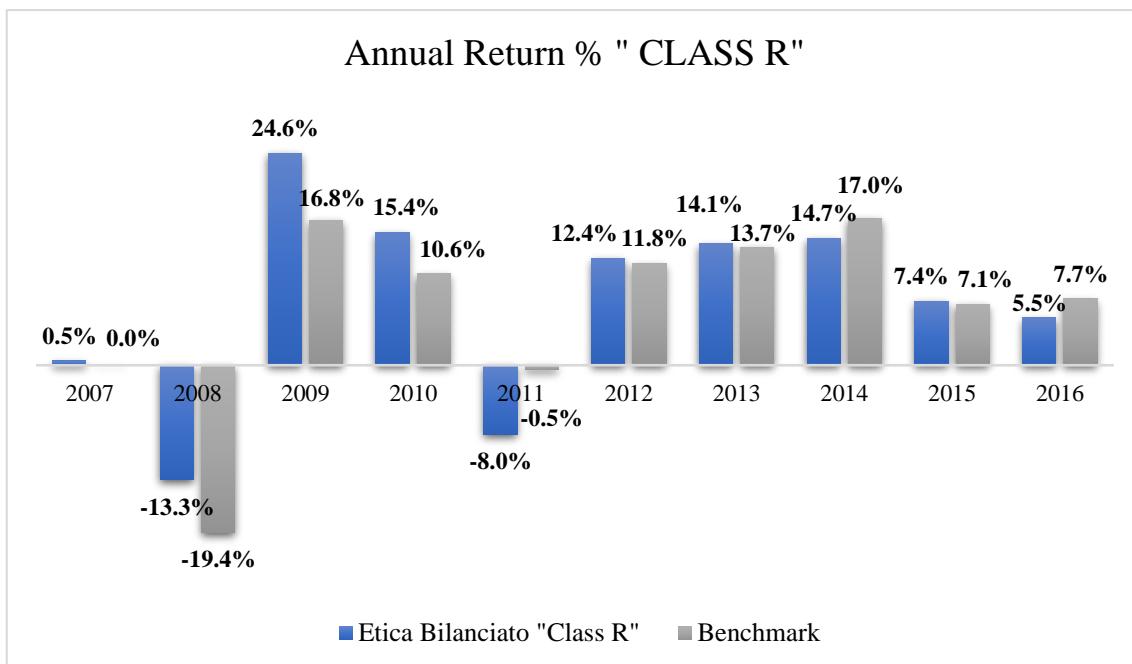
Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years.

The Fund has been classified in the fifth category, as the variability of weekly returns over the last five years is between 10% and 15%.

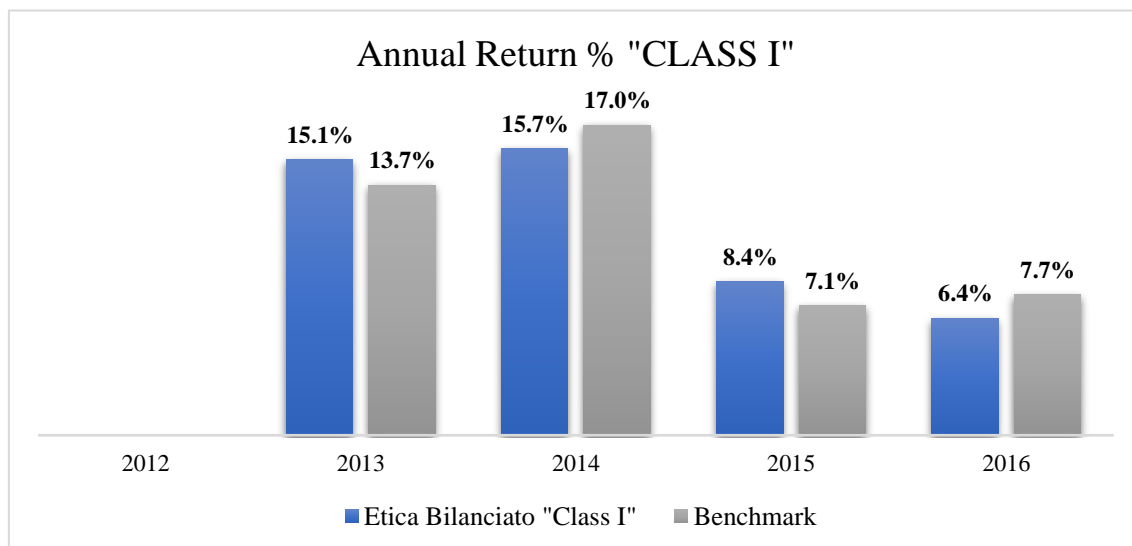
The Fund is mainly exposed to: foreign exchange risk; credit risk; price variation risk; liquidity risk.

Graph 13: Etica Bilanciato Class R Annual Return



Source: Etica Bilanciato KIID

Graph 13: Etica Bilanciato Class I Annual Return



Source: Etica Bilanciato KIID

Expenses

Etica Bilanciato’s expenses are explained in the table below.

Table 9: Etica Bilanciato Expenses

	Etica Bilanciato CLASS R	Etica Bilanciato CLASS I
<i>One time expenses withdrawn before or after the investment</i>		
Option subscription expenses	0.1%	0.1%
Reimbursement expenses	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>		
Ongoing charges	1.90%	1.00%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>		
Performance fees	0%	0%
Switching costs	0%	0%
Contribution to sustainable projects	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee

Source: Etica Bilanciato KIID

The Fund's subscription does not involve entry or exit expenses, with the exception of a voluntary contribution, equal to 0.1% of each amount deposited, to support financial initiatives through microfinance and crowdfunding in Italy. The minimum initial investment is € 500.00 for Class R and € 500,000.00 for Class I.

The quantification of ongoing charges does not take into account the amount of trading costs, nor tax expense sustained, not that applying directly to the subscriber, to be paid at the time of subscription.

In addition, the investor has the possibility to contribute to sustainable projects donating 0.1% per year of the management fee which is 1.80% for Etica Bilanciato Class R and 0.90% for Etica Bilanciato Class I.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 10: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	34.14
<i>Canada</i>	0.53
<i>United Kingdom</i>	10.55
<i>West Europe - Euro</i>	27.76
<i>West Europe - No Euro</i>	7.11
<i>Japan</i>	19.65
<i>Australasia</i>	0.25

Source: Morningstar

Table 11: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	10.81
<i>Cyclical Consumer Goods</i>	13.79
<i>Finance</i>	0.87
<i>Real Estate</i>	5.14
<i>Non-Cyclical Consumer Goods</i>	6.9
<i>Health</i>	14.12
<i>Public Utility Services</i>	6.83
<i>Communication Services</i>	4.9
<i>Industrial Goods</i>	14.54
<i>Technology</i>	22.11

Source: Morningstar

The percentage of equities in the portfolio is equal to 59.55%, the one of bonds is equal to 30.32%, 9.68% is the liquidity percentage and 0.45% of other.

The top ten securities in the Portfolio are described in the following table.

Table 12: Top Ten securities in Etica Bilanciato Portfolio

Description		% in the Portfolio
SSE PLC	UNITED KINGDOM	1.55%
Biogen Inc	UNITED STATES	1.48%
Cisco Systems Inc	UNITED STATES	1.31%
Sanofi SA	FRANCE	1.29%
Intel Corp	UNITED STATES	1.29%
Vodafone Group PLC	UNITED KINGDOM	1.23%
Italy (Rep Of) 1.6%	ITALY	1.13%
France (Govt Of) 1.75%	FRANCE	1.07%

Time Warner Inc	UNITED STATES	1.05%
Xylem Inc	UNITED STATES	1.03%

Source: Morningstar

Etica Rendita Bilanciata

Established in April 2015 and started in September 2015, Etica Rendita Bilanciata is a balanced bond fund which aims to realize a substantial growth of the invested capital consistently with social and environmental principles, in the long period and with a medium level of risk.

The investment's volatility is reduced by the debt instruments. The Fund's objective is to balance the equity markets opportunity with the higher certainty of debt securities.

Etica Rendita Bilanciata offers three types of fund: "Class R" and "Class I" aim to realize an increase in the invested capital in the medium and long period and accumulate profits; "Class RD" aims to generate a periodic income and distributes profits.

Table 13: Etica Rendita Bilanciata Main Data

Assogestioni Category: Bilanciato Obbligazionario (Balanced Bond)	ISIN: IT0005117533 (CLASS R) IT0005117459 (CLASS I) IT0005117558 (CLASS RD)
Type of Investment: Investments in equity financial instruments up to 40% of the total net value of the fund	Benchmark: 45% JP Morgan GBI EMU 30% MSCI World Net Total Return (in Euro) 25% BofA Merrill Lynch Euro Treasury Bill
NAV (Net Asset Value): € 5.315 on 12/10/2017 (CLASS R) € 5.390 on 12/10/2017 (CLASS I) € 5.218 on 12/10/2017 (CLASS RD)	Risk and Return Profile: 4/7
Fund Size: € 417,05 mln on 08/09/2017	Start Date: 14/09/2015 (CLASS R) 14/09/2015 (CLASS I) 14/09/2015 (CLASS RD)

Source: Morningstar

Investment Policy

Etica Rendita Bilanciata mainly invests in monetary, debt and equity instruments. Regarding bonds, the Fund invests in governments, international entities and, for a

maximum of 10%, in corporate issuers, mainly in regulated markets in the Eurozone. Regarding equity securities, the Fund invests in issuers with different levels of capitalisation, with wide diversification of investments in various economic sectors, mainly in regulated markets in Europe, North America and Japan. The Fund may invest for a maximum of 40% of the total net value of assets in equity financial instruments.

In addition, Etica Rendita Bilanciata may invest in bank deposit up to 40% of its assets. The value of financial instruments in foreign currencies may reach 70% of total fund assets but, in any case, the risk associated with changes in interest rates cannot exceed 40% of the total net value of the Fund. The exchange risk is actively managed.

The duration of the bond component is between 2 to 7 years.

All financial instruments are selected after an accurate analysis of the issuers' social and environmental responsibility and commitment. Companies' assessment includes environmental, governance, social and human rights principles analysis, countries' assessment includes environmental, social and governance criteria analysis.

In addition, Etica Sgr contributes and supports sustainable initiatives by transferring a portion of maximum 0.1% per year of the management fee it receives.

Destination of profits

“Class R” and “Class I” in Etica Rendita Bilanciata Fund collect the profit achieved which are reinvested in the Funds' asset. “Class RD” distributes profits to investors. The annual distribution of profits to investor is decided by the AMC's Board of Directors that may resolve to distribute a coupon up 100% of the profit achieved, in proportion to the number of units held by each investor.

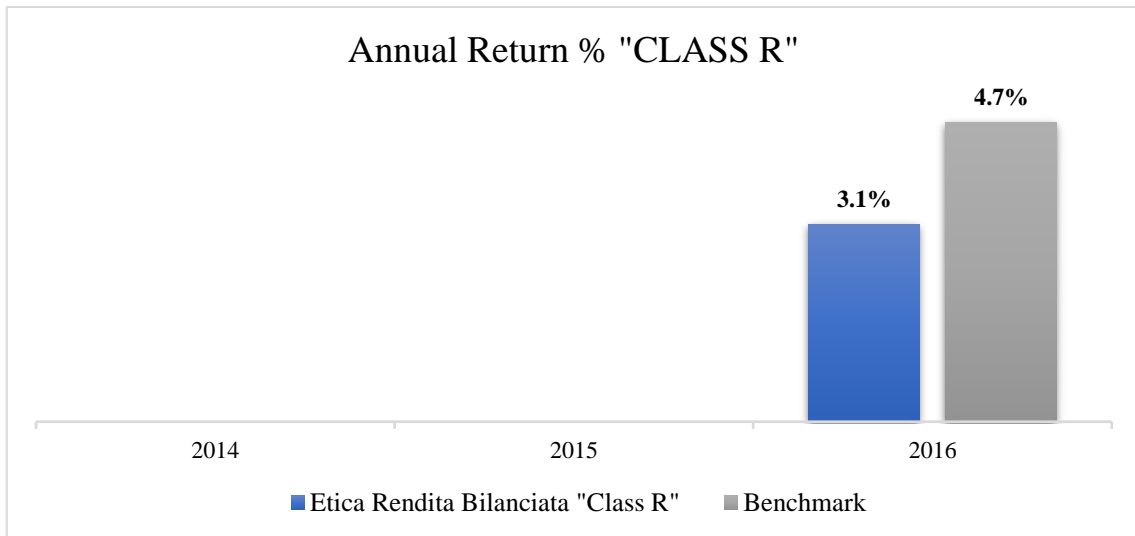
Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years.

The Fund has been classified in the fourth category, as the variability of weekly returns over the last five years is between 5% and 10%.

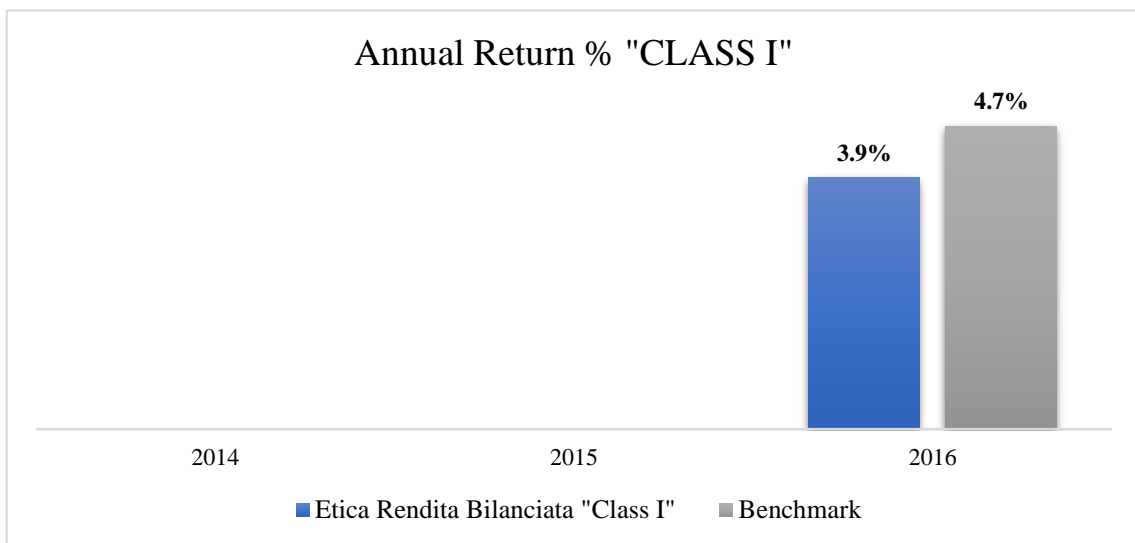
The Fund is mainly exposed to the: duration risk, as the duration of the bond component of the fund is generally equal to 5 years; emerging countries risk, as there might be a residual investment in emerging countries issuers; exchange risk.

Graph 15: Etica Rendita Bilanciata Class R Annual Return



Source: Etica Rendita Bilanciata KIID

Graph 16: Etica Rendita Bilanciata Class I Annual Return



Source: Etica Rendita Bilanciata KIID

The annual return of Etica Rendita Bilanciato “Class RD” is equal to the annual return of “Class R”.

Expenses

The Etica Rendita Bilanciata expenses are clarified in the following table.

Table 14: Etica Rendita Bilanciata Expenses

	Etica Rendita Bilanciata CLASS R	Etica Rendita Bilanciata CLASS RD	Etica Rendita Bilanciata CLASS I
<i>One time expenses withdrawn before or after the investment</i>			
Option subscription expenses	0.1%	0.1%	0.1%
Reimbursement expenses	0%	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>			
Ongoing charges	1.58%	1.59%	0.81%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>			
Performance fees	0%	0%	0%
Switching costs	0%	0%	0%
Contribution to sustainable projects	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee

Source: Etica Rendita Bilanciata KIID

The Fund's subscription does not involve entry or exit expenses, with the exception of a voluntary contribution, equal to 0.1% of each amount deposited, to support financial initiatives through microfinance and crowdfunding in Italy. The initial minimum investment is € 500.00 for Class R, € 2,000 for Class RD, and € 500,000.00 for Class I. The quantification of ongoing charges does not take into account the amount of trading costs, nor tax expense sustained, not that applying directly to the subscriber, to be paid at the time of subscription.

In addition, the investor has the possibility to contribute to sustainable projects donating 0.1% per year of the management fee which is 1.50% for Etica Rendita Bilanciata Class R and RD, and 0.75% for Etica Rendita Bilanciata Class I.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 15: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	34.53
<i>Canada</i>	0.52
<i>United Kingdom</i>	10.48
<i>West Europe - Euro</i>	28.17
<i>West Europe - No Euro</i>	7.4
<i>Japan</i>	18.65
<i>Australasia</i>	0.26

Source: Morningstar

Table 16: Financial instruments allocation based on the geographic area

Economic Activity	% of Assets
<i>Raw Material</i>	10.79
<i>Cyclical Consumer Goods</i>	13.51
<i>Finance</i>	0.85
<i>Real Estate</i>	5.32
<i>Non-Cyclical Consumer Goods</i>	6.99
<i>Health</i>	14.21
<i>Public Utility Services</i>	7.03
<i>Communication Services</i>	5.01
<i>Industrial Goods</i>	14.45
<i>Technology</i>	21.85

Source: Morningstar

The total percentage of equities in the portfolio is 28.42%, the percentage of bonds is equal to 49.75%, 21.70% is the liquidity percentage and 0.12% is other.

The top ten securities in the Portfolio are described in the following table.

Table 17: Top Ten securities in Etica Rendita Bilanciata Portfolio

Description		% in the Portfolio
France (Govt Of) 1.75%	FRANCE	2.14%
France (Govt Of) 1.75%	FRANCE	2.11%
France (Govt Of) 2.75%	FRANCE	2.04%
Italy (Rep Of) 4%	ITALY	1.62%
Spain (Kingdom Of) 4.4%	SPAIN	1.51%
France (Govt Of) 0.25%	FRANCE	1.39%
Sse 5.625%	UNITED KINGDOM	1.23%
Italy (Rep Of) 0.1%	ITALY	1.23%

Spain (Kingdom Of) 0.75%	SPAIN	1.23%
Btps .700000% 05/01/2020	ITALY	1.21%

Source: Morningstar

Etica Obbligazionario Misto

Established in October 2002 and started in February 2003, Etica Obbligazionario Misto aims to obtain a gradual increase in invested capital with respect for social and environmental principles, in the medium period and with a medium level of risk.

The investment's volatility is reduced by the debt component.

Table 18: Etica Obbligazionario Misto Main Data

Assogestioni Category: Obbligazionario Misto (Mixed Bond)	ISIN: IT0003409197 (CLASS R) IT0004782378 (CLASS I)
Type of Investment: Investments in equity financial instruments up to 20% of the total net value of the fund	Benchmark: 65% JP Morgan GBI EMU 25% BofA Merrill Lynch Euro Treasury Bill 10% MSCI World Net Total Return (in Euro)
NAV (Net Asset Value): € 7.886 on 13/10/2017 (CLASS R) € 8.157 on 13/10/2017 (CLASS I)	Risk and Return Profile: 3/7
Fund Size: € 1245,70 mln on 08/09/2017	Start Date: 18/02/2003 (CLASS R) 02/02/2012 (CLASS I)

Source: Morningstar

Investment Policy

Etica Obbligazionario Misto mainly invests in debt instruments issued by governments, supranational bodies and, residually, by companies, principally in regulated markets in the Eurozone.

Regarding equity instruments, the Fund mainly invests in issuers with different levels of capitalisation with wide diversification in several economic sectors, in particular in regulated markets in Europe, North America and Japan. The investment in equity instruments cannot exceed 20% of the total net value of the Fund.

The value of financial instruments in foreign currencies in the Fund cannot exceed 50% of the total fund assets and the risk associated with changes in exchange rates may reach

a maximum value of 25% of the total net value of the Fund. In any case, it is actively managed. The duration of the bond component is generally 4.5 years.

All financial instruments are selected after an accurate analysis of the issuers' social and environmental responsibility and commitment. Companies' assessment includes environmental, governance, social and human rights principles analysis, countries' assessment includes environmental, social and governance criteria analysis.

In addition, Etica Sgr contributes and supports sustainable initiatives by transferring a portion of maximum 0.1% per year of the management fee it receives.

Destination of profits

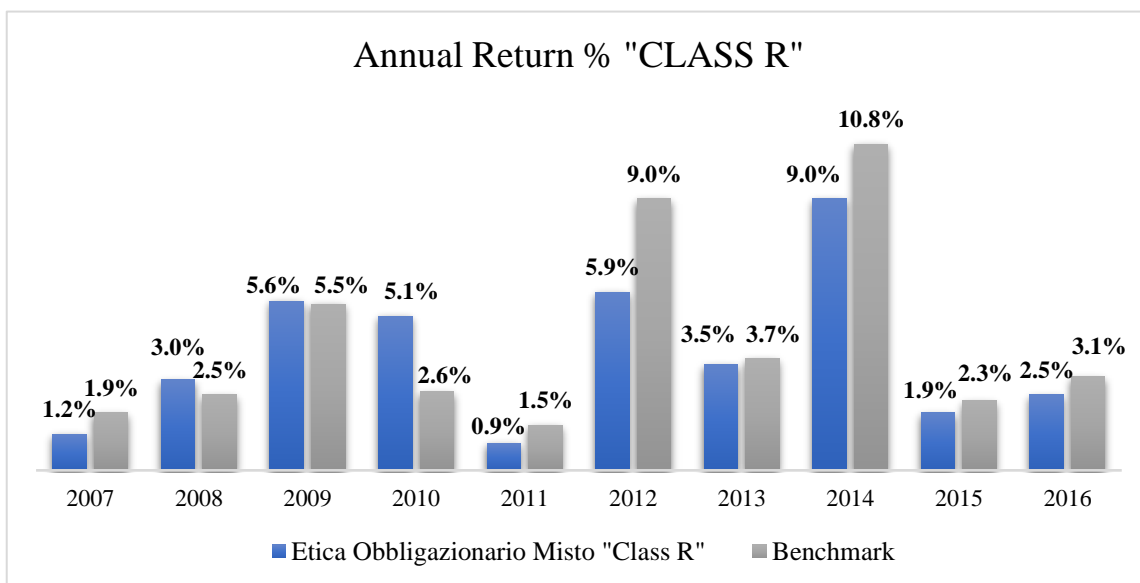
The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

Risk and Return Profile

The Fund has been classified in the third category, as the variability of weekly returns over the last five years is between 2% and 5%.

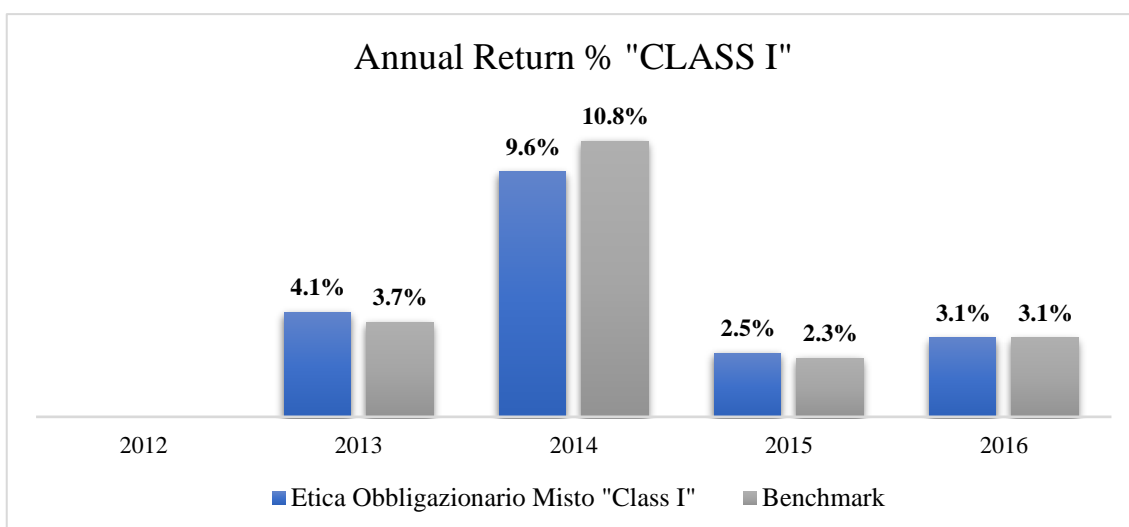
The Fund is mainly exposed to the: duration risk, as the duration of the bond component of the fund is generally equal to 4.5 years; emerging countries risk, as there might be a residual investment in emerging countries issuers; exchange risk.

Graph 17: Etica Obbligazionario Misto Class R Annual Return



Source: Etica Obbligazionario Misto KIID

Graph 18: Etica Obbligazionario Misto Class I Annual Return



Source: Etica Obbligazionario Misto KIID

Expenses

Etica Obbligazionario Misto expenses are described in the following table.

Table 19: Etica Obbligazionario Misto Expenses

	Etica Obbligazionario Misto CLASS R	Etica Obbligazionario Misto CLASS I
<i>One time expenses withdrawn before or after the investment</i>		
Option subscription expenses	0.1%	0.1%
Reimbursement expenses	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>		
Ongoing charges	1.25%	0.64%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>		
Performance fees	0%	0%
Switching costs	0%	0%
Contribution to sustainable projects	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee

Source: Etica Obbligazionario Misto KIID

The Fund's subscription does not involve entry or exit expenses, with the exception of a voluntary contribution, equal to 0.1% of each amount deposited, to support financial

initiatives through microfinance and crowdfunding in Italy. The initial minimum investment is € 500.00 for Class R and € 500,000.00 for Class I.

The quantification of ongoing charges does not take into account the amount of trading costs, nor tax expense sustained, not that applying directly to the subscriber, to be paid at the time of subscription.

In addition, the investor has the possibility to contribute to sustainable projects donating 0.1% per year of the management fee which is 1.20% for Etica Obbligazionario Misto Class R, and 0.60% for Etica Obbligazionario Misto Class I.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 20: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	34.29
<i>Canada</i>	0.5
<i>United Kingdom</i>	10.37
<i>West Europe - Euro</i>	28.45
<i>West Europe - No Euro</i>	7.35
<i>Japan</i>	18.79
<i>Australasia</i>	0.25

Source: Morningstar

Table 21: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	10.91
<i>Cyclical Consumer Goods</i>	13.21
<i>Finance</i>	0.82
<i>Real Estate</i>	5.17
<i>Non-Cyclical Consumer Goods</i>	7.01
<i>Health</i>	14.25
<i>Public Utility Services</i>	6.75
<i>Communication Services</i>	4.95
<i>Industrial Goods</i>	15.22
<i>Technology</i>	21.71

Source: Morningstar

The portfolio is composed of 11.26% of equities, 65.16% of bonds, 23.17% of liquidity and 0.41% of other.

The top ten securities in the Portfolio are described in the following table.

Table 22: Top Ten Securities in Etica Obbligazionario Misto Portfolio

Description		% in the Portfolio
France (Govt Of) 1.75%	FRANCE	2.70%
France (Govt Of) 0.5%	FRANCE	2.43%
Italy (Rep Of) 2.35%	ITALY	1.88%
Italy (Rep Of) 0.1%	ITALY	1.72%
France (Govt Of) 2.25%	FRANCE	1.68%
Spain (Kingdom Of) 0.75%	SPAIN	1.67%
France (Govt Of) 2.75%	FRANCE	1.59%
France (Govt Of) 3.5%	FRANCE	1.55%
Germany (Federal Republic Of) 0.5%	GERMANY	1.52%
Italy (Rep Of) 1.5%	ITALY	1.51%

Source: Morningstar

Etica Obbligazionario Breve Termine

Established in October 2002 and started on February 2003, Etica Obbligazionario Breve Termine aims to obtain a gradual increase in invested capital consistently with social and environmental principles, in the short period and with a low level of risk.

Table 23: Etica Obbligazionario Breve Termine Main Data

Assogestioni Category: Obbligazionario Euro Governativo Breve Termine (Short-Term Government Bonds in Euro)	ISIN: IT0003409171 (CLASS R) IT0004782352 (CLASS I)
Type of Investment: Monetary financial instruments and bonds. Equity securities are excluded.	Benchmark: 80% JP Morgan GBI EMU 1-3 years 20% BofA Merrill Lynch Euro Treasury Bill Index
NAV (Net Asset Value): € 6.206 on 16/10/2017 (CLASS R) € 6.312 on 16/10/2017 (CLASS I)	Risk and Return Profile: 2/7
Fund Size: 374,19 mln on 08/09/2017	Start Date: 18/02/2003 (CLASS R) 02/02/2012 (CLASS I)

Source: Morningstar

Investment Policy

Etica Obbligazionario Breve Termine mainly invests in monetary and debt financial instruments, issued or guaranteed by governments or supranational bodies and, residually, in instruments issued by companies. Investments are mainly made in regulated markets of countries within the Eurozone.

Equity securities are excluded from the investment and derivatives can be used only to cover portfolio risks.

The value of financial instruments in foreign currencies within the portfolio cannot exceed 30% of the total fund assets and the associated risk may reach a maximum of 10% of the total net value of the fund.

The duration of the bond component is generally 1.5 years.

All financial instruments are selected after an accurate analysis of the issuers' social and environmental responsibility and commitment. Companies' assessment includes environmental, governance, social and human rights principles analysis, countries' assessment includes environmental, social and governance criteria analysis.

In addition, Etica Sgr contributes and supports sustainable initiatives by transferring a portion of maximum 0.1% per year of the management fee it receives.

Destination of profits

The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

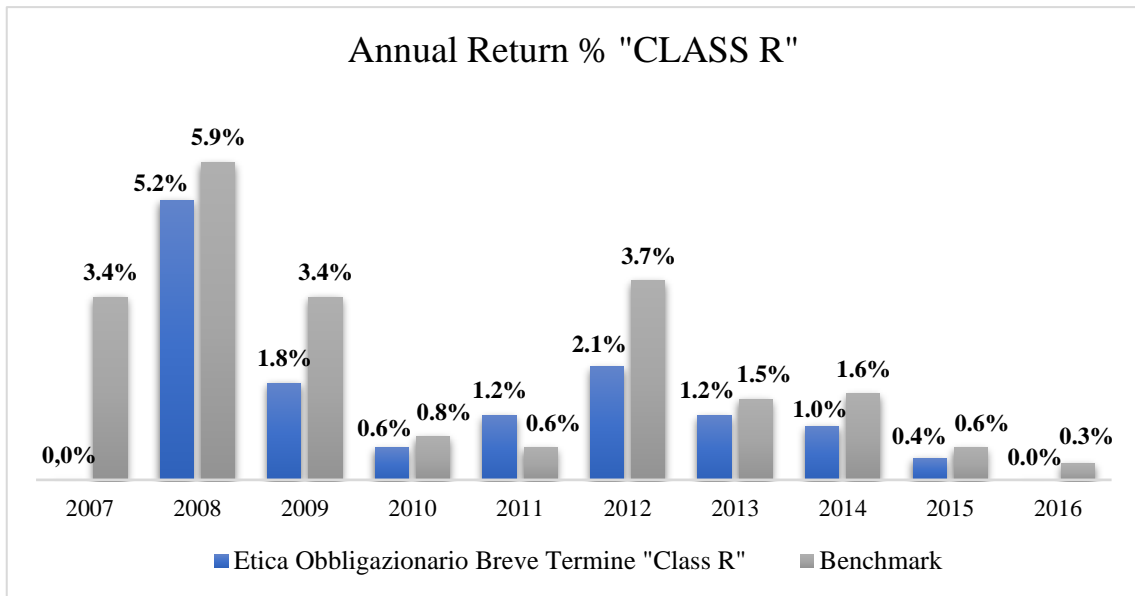
Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years.

The Fund has been classified in the second category, as the variability of weekly returns over the last five years is between 0.5% and 2%.

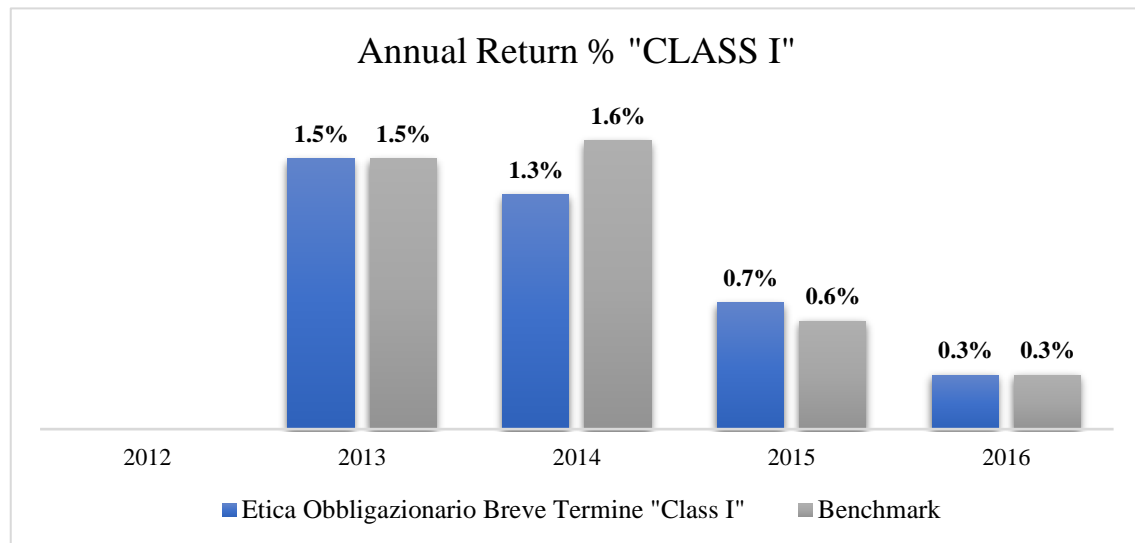
The Fund is exposed to: foreign exchange risk, credit risk, price variation risk, liquidity risk. It is not exposed to emerging countries risk, as the investment in financial instruments from emerging countries is not envisaged.

Graph 19: Etica Obbligazionario Breve Termine Class R Annual Return



Source: Etica Obbligazionario Breve Termine KIID

Graph 20: Etica Obbligazionario Breve Termine Class I Annual Return



Source: Etica Obbligazionario Breve Termine KIID

Expenses

Etica Obbligazionario Breve Termine expenses are clarified in the following table.

Table 24: Etica Obbligazionario Breve Termine Expenses

	Etica Obbligazionario Breve Termine CLASS R	Etica Obbligazionario Breve Termine CLASS I
<i>One time expenses withdrawn before or after the investment</i>		
Option subscription expenses	0.1%	0.1%
Reimbursement expenses	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>		
Ongoing charges	0.66%	0.36%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>		
Performance fees	0%	0%
Switching costs	0%	0%
Contribution to sustainable projects	maximum 0.1% per year of the management fee	maximum 0.1% per year of the management fee

Source: Etica Obbligazionario Breve Termine KIID

The Fund's subscription does not involve entry or exit expenses, with the exception of a voluntary contribution, equal to 0.1% of each amount deposited, to support financial initiatives through microfinance and crowdfunding in Italy. The minimum initial investment is € 500.00 for Class R and € 500,000.00 for Class I.

The quantification of ongoing charges does not take into account the amount of trading costs, nor tax expense sustained, not that applying directly to the subscriber, to be paid at the time of subscription.

In addition, the investor has the possibility to contribute to sustainable projects donating 0.1% per year of the management fee which is 0.60% for Etica Obbligazionario Breve Termine Class R, and 0.30% for Etica Obbligazionario Breve Termine Class I.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Bloomberg data and is described in the following tables.

Table 25: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>Italy</i>	32.26
<i>Spain</i>	9.43
<i>Germany</i>	5.08
<i>Portugal</i>	3.83

Source: Bloomberg

Table 26: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Food</i>	0.97
<i>Banking</i>	2.25
<i>Communication Services</i>	1.87
<i>Finance</i>	0.60
<i>Automotive</i>	0.70
<i>Metal</i>	0.80
<i>Public Entities Bonds</i>	62.06
<i>Others</i>	1.80

Source: Bloomberg

The Geographic area’s data are Bloomberg data as Morningstar does not provide them.

The Portfolio does not include equities. It is composed of 60.64% of bonds, 39.13% of liquidity and 0.23% of other.

The top ten securities in the Portfolio are described in the following table.

Table 27: Top Ten Securities in Etica Obbligazionario Breve Termine Portfolio

Description		% in the Portfolio
Italy (Rep Of) 0.75%	ITALY	3.78%
Italy (Rep Of) 2.1%	ITALY	3.62%
Spain (Kingdom Of) 0.55%	SPAIN	3.14%
Btps .250000% 05/15/2018	ITALY	2.97%
Italy (Rep Of) 3.5%	ITALY	2.84%
Spain (Kingdom Of) 0.5%	SPAIN	2.70%
Italy (Rep Of) 0.1%	ITALY	2.70%
Spain (Kingdom Of) 0.25%	SPAIN	2.44%
Italy (Rep Of) 1.7%	ITALY	2.29%
Italy (Rep Of) 3.5%	ITALY	2.23%

Source: Morningstar

2.3 EURIZON CAPITAL SGR

Eurizon Capital SGR has been, since 1997, the first Italian operator to introduce clear and transparent positive and negative criteria in the securities' selection processes for Ethical Funds' portfolios. Moreover, it has been the first to refer to an Ethics Committee and to donate profits.

Eurizon Capital SGR is the asset management company of Intesa San Paolo Group and offers products to retail clients, in particular mutual funds and managed accounts, as well as to institutional clients.

The objective of the AMC is to integrate financial instruments selection methodologies with environmental, social and governance factors. ESG elements and SRI principles are taken into consideration in every investment choices to pursuit sustainable performances over time and creating value in the long run for clients.

The Ethical System's Funds are exclusively composed of financial instruments issued by countries or companies which, at the moment of the investment, are not included in one or more negative criteria and which respect one or more positive criteria. The positive and negative criteria are specified in the following chapter.

Moreover, the Eurizon Capital SGR's "Ethical System" is characterized by:

- The AMC commitment to fund charitable projects and initiatives donating a part of the management fee collected by the Ethical System's Funds;
- The possibility for the investors of "Fondo Obbligazionario Etico" to donate a part of profits to charities;
- The "Fondo Azionario Internazionale Etico" commitment to donate a part of its assets to projects with social and charitable goals.

At present, Eurizon Capital SGR offers one Italian equity fund and two Italian bond funds:

- Eurizon Azionario Internazionale Etico
- Eurizon Obbligazionario Etico
- Eurizon Diversificato Etico

Eurizon Azionario Internazionale Etico

Established in September 1996 and started in June 1997, Eurizon Azionario Internazionale Etico aims to obtain a gradual increase in invested capital adopting social

and environmental principles in the issuers' selection process. The Ethical Fund has an above average Morningstar Sustainability Rating.

Table 28: Eurizon Azionario Internazionale Etico Main Data

Assogestioni Category: Azionario Altre Specializzazioni	ISIN: IT0001083424
Type of Investment: Investments in equity financial instruments up to 100% of the total net value of the fund	Benchmark: 95% MSCI World SRI (in euro) 5% Barclays Euro Treasury Bills Index
NAV (Net Asset Value): € 10.532 on 25/10/2017	Risk and Return Profile: 5/7
Fund Size: 105,45 mln on 29/09/2017	Start Date: 02/06/1997

Source: Morningstar

Investment Policy

The Fund mainly invests in equity instruments denominated in US dollars, yen, in euro and pounds from issuers of medium/high capitalisation in regulated markets of European Union, North America, and Pacific. All economic sectors are taken into consideration for a wider diversification.

Moreover, the Fund may invest in:

- Monetary and Debt Financial Instruments up to 30% of the total assets of the Fund;
- Bank Deposits up to 30% of the total assets' value;
- Part of open UCITS and AIFs whose portfolio is coherent with the Fund's investment policy, up to a maximum of 10% of total assets.

In addition, Eurizon Azionario Internazionale Etico supports investments in financial instruments issued by socially active and charitable companies or countries with a maximum of 5% of total assets' value. These investments do not guarantee immediate profits.

Destination of profits

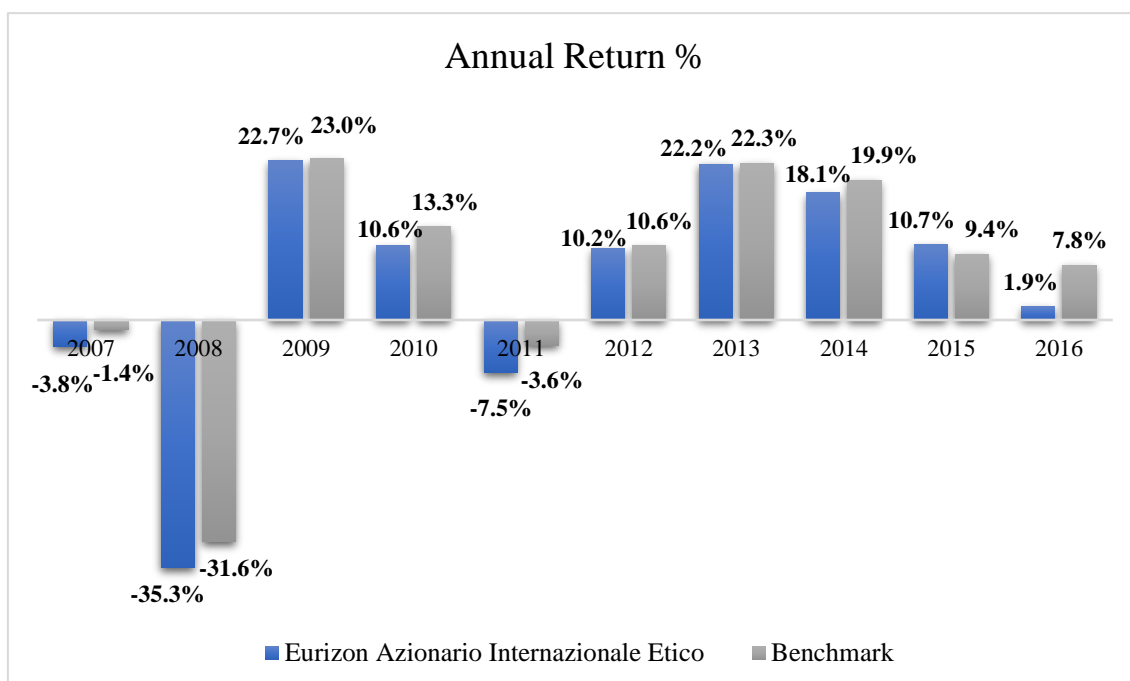
The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years. The Fund has been classified in the fifth category.

The Fund is mainly exposed to emerging countries risk, due to the potential residual investment in emerging countries, and to foreign exchange risk, such as the variability of the exchange ratio between the Fund's currency and the foreign currency in which part of investments may be denominated.

Graph 21: Eurizon Azionario Internazionale Etico Annual Return



Source: Eurizon Azionario Internazionale Etico KIID

Expenses

Eurizon Azionario Internazionale Etico expenses are described in the following table.

Table 29: Eurizon Azionario Internazionale Etico Expenses

	Eurizon Azionario Internazionale Etico
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	0%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	2.02%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	20%
Switching costs	0%
Contribution to sustainable projects	maximum 5% per year of total assets' value

Source: Eurizon Azionario Internazionale Etico KIID

The Fund is part of the "no load" regime, this means that no subscription fee is applied to investor. The minimum investment in the Fund is € 500.00.

Performance fee is calculated on the “extraperformance” which is the positive difference between the percentage increase in the share value and the percentage increase in the benchmark value in the same period.

In addition, Eurizon Azionario Internazionale Etico supports investments in financial instruments issued by socially active and charitable companies or countries with a maximum of 5% of total assets’ value.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and the economic activity is based on Morningstar data and is described in the following tables.

Table 30: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	62.49
<i>Canada</i>	0.97
<i>United Kingdom</i>	1.73
<i>West Europe - Euro</i>	13.53
<i>West Europe - No Euro</i>	6.80
<i>Middle East</i>	0.11
<i>Japan</i>	8.93
<i>Australasia</i>	3.70
<i>Asia - Developed Countries</i>	0.98
<i>Asia - Emerging Countries</i>	0.75

Source: Morningstar

Table 31: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	3.13
<i>Cyclical Consumer Goods</i>	15.37
<i>Finance</i>	17.7
<i>Real Estate</i>	2.42
<i>Non-Cyclical Consumer Goods</i>	11.05
<i>Health</i>	12.05
<i>Public Utility Services</i>	0.75
<i>Communication Services</i>	2.26
<i>Energy</i>	4.83
<i>Industrial Goods</i>	9.58
<i>Technology</i>	20.86

Source: Morningstar

The portfolio is composed of 92.92% of equities, 8.70% of bonds, -3.01% of liquidity³², 1.39% of other.

The top ten securities in the Portfolio are described in the following table.

³² The net component between the long component (9.09%) and the short component (12.10%) is negative.

Table 32: Top Ten Securities in Eurizon Azionario Internazionale Etico Portfolio

Description		% in the Portfolio
Microsoft Corp	UNITED STATES	5.36%
Future Indice Xav Health Care	-	5.22%
Italy (Rep Of)	ITALY	4.87%
E-mini Technology Select Sector Sept17	-	4.25%
Italy (Rep Of)	ITALY	3.83%
Cisco System Inc	UNITED STATES	2.63%
Procter&Gamble Co	UNITED STATES	2.48%
Roche Holding AG Dividend Right Cert.	SWITZERLDAND	1.94%
Walt Disney Co	UNITED STATES	1.62%
E-mini Financial Select Sector Sept17	UNITED STATES	1.59%

Source: Morningstar

Eurizon Obbligazionario Etico

Established in September 1996 and started in June 1997, Eurizon Obbligazionario Etico aims to obtain a reasonable increase in invested capital adopting social and environmental principles in the issuers' selection process.

Table 33: Eurizon Obbligazionario Etico Main Data

Assogestioni Category: Obbligazionario Altre Specializzazioni	ISIN: IT0001083382
Type of Investment: Investments in debt financial instruments up to 100% of the total net value of the fund	Benchmark: 50% Barclays MSCI Euro Treasury 500M ESG Weighted Custom Tilt 30% Barclays MSCI Euro Corporate Sustainability SRI Custom Index 20% FTSE MTS Ex-Bank of Italy BOT
NAV (Net Asset Value): € 6.080 on 26/10/2017	Risk and Return Profile: 3/7
Fund Size: 425,24 mln on 29/09/2017	Start Date: 02/06/1997

Source: Morningstar

Investment Policy

The Fund mainly invests in debt and monetary instruments denominated in Euro issued by governments, supranational entities or agencies, and companies with credit rating at least equal to the investment grade. The investment in equity instruments is excluded.

The average duration of the Fund's bond component is between 2.5 and 6.5 years.

Investments concern financial instruments issued in regulated markets joining the International Monetary Fund and Taiwan, mostly denominated in Euro. Also investments denominated in other currencies may be included up to a maximum of 25% of total assets' value.

Moreover, the Fund may invest in:

- Debt and Monetary Instruments with rating lower than the investment grade or without rating up to 10% of total assets;
- Bank Deposits up to 30% of the total assets' value;
- Part of open UCITS and AIFs whose portfolio is coherent with the Fund's investment policy, up to a maximum of 10% of total assets.

Destination of profits

Obbligazionario Etico Fund distributes profits to investors. Eurizon Capital Sgr annually distributes to investors at least 80% of the profits obtained through the management of the Fund.

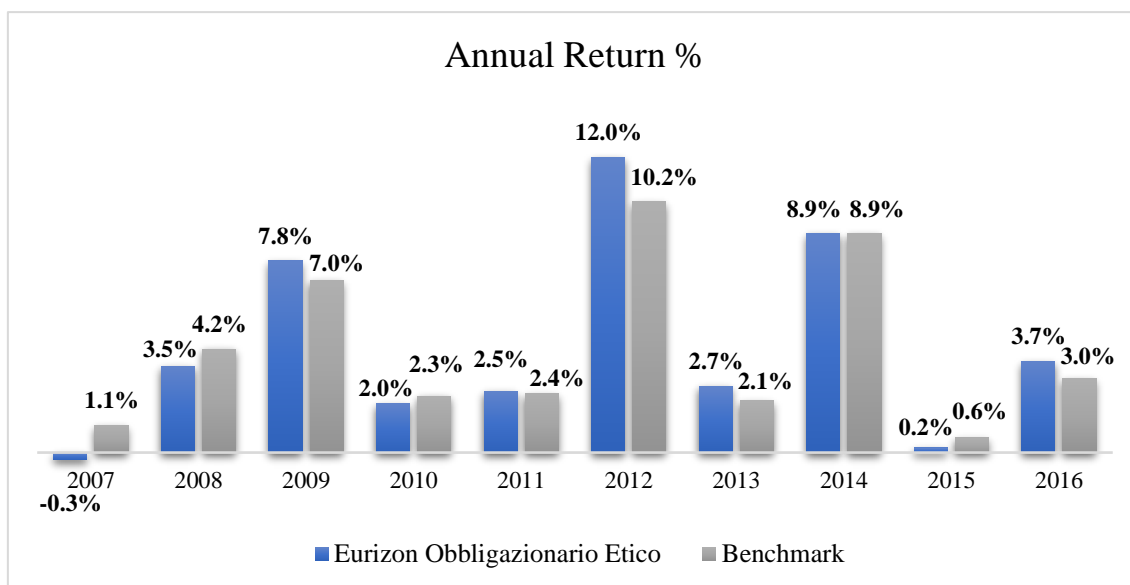
Investors in Eurizon Obbligazionario Etico may have the possibility to donate a percentage of their profits to charities. The investor may choose up to three entities or associations listed by the AMC and each donation must be at least 10 euro.

Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the Fund observed over the previous five years. The Fund has been classified in the third category.

The Fund is mainly exposed to: emerging countries risk, due to the potential residual investment in emerging countries; rating risk, as the Fund includes investments in financial instruments with rating equal or lower than investment grade; duration risk, as the average duration of the Fund is between 2.5 and 6.5 years.

Graph 22: Eurizon Obbligazionario Etico Annual Return



Source: Eurizon Obbligazionario Etico KIID

Expenses

Eurizon Obbligazionario Etico expenses are described in the following table.

Table 34: Eurizon Obbligazionario Etico Expenses

	Eurizon Obbligazionario Etico
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	0%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	0.94%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	0%
Switching costs	0%
Contribution to sustainable projects	Optional for investor

Source: Eurizon Obbligazionario Etico KIID

The Fund is part of the "no load" regime, this means that no subscription fee is applied to investor. The minimum investment in the Fund is € 500.00.

Investors in Eurizon Obbligazionario Etico may have the possibility to donate a percentage of their profits to charities. The investor may choose up to three entities or associations listed by the AMC and each donation must be at least 10 euro.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 35: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>Italy</i>	37.4
<i>France</i>	13.5
<i>Germany</i>	5.6
<i>Spain</i>	5.4
<i>Other Countries in EU</i>	8.0
<i>Other Countries</i>	24.5
<i>United States of America</i>	5.6

Source: Morningstar

Table 36: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Banking</i>	11.9
<i>Finance</i>	13.1
<i>Government</i>	55.6
<i>Automotive</i>	3.9
<i>Metal</i>	3.4
<i>Food</i>	3.0
<i>Others</i>	9.1

Source: Morningstar

The portfolio is composed of 56.21% of bonds, 42.20% of liquidity, 1.59% of other. The portfolio does not include equities.

The top ten securities in the Portfolio are described in the following table.

Table 37: Top Ten Securities in Eurizon Obbligazionario Portfolio

Description		% in the Portfolio
Eurizon Treasury EUR T1 Z Acc	LUXEMBOURG	8.16%
Italy (Rep Of) 2%	ITALY	5.03%
Euro BUND Future Sept17	GERMANY	4.83%
Italy (Rep Of) 1.2%	ITALY	3.80%
Italy (Rep Of) 0.95%	ITALY	3.70%
France (Govt Of) 1%	FRANCE	3.63%
France (Govt Of) 0.25%	FRANCE	3.57%
Italy (Rep Of) 2.15%	ITALY	3.31%
US Treasury Note	UNITED STATES	3.22%
U.S. Treasury Bond Sept17	-	2.68%

Source: Morningstar

Eurizon Diversificato Etico

Established in April 1994 and started in September 1995, Eurizon Diversificato Etico aims to obtain a reasonable increase in invested capital adopting social and environmental principles in the issuers' selection process.

Table 38: Eurizon Diversificato Etico Main Data

Assogestioni Category: Obbligazionario Misto (Mixed Bond)	ISIN: IT0001052742
Type of Investment: Mostly investments in monetary and debt financial instruments. Investments in equity instruments up to 20% of the total net value of the fund.	Benchmark: 65% Barclays MSCI Euro Treasury 500M (1-3 years) ESG Weighted Custom Tilt 20% Barclays MSCI Euro Corporate Sustainability SRI Custom Index 15% MSCI World SRI in euro
NAV (Net Asset Value): € 10.035 on 27/10/2017	Risk and Return Profile: 3/7
Fund Size: 452,44 mln on 29/09/2017	Start Date: 20/11/1995

Source: Morningstar

Investment Policy

The Fund mainly invests in debt and monetary instruments issued by governments, supranational entities or agencies, and companies with credit rating at least equal to the investment grade. The investment in equity instruments is allowed up to a maximum of 20% of the total net value of the Fund. The equity instruments included in the Fund are

issued by companies with medium/high capitalisation. All economic sectors are included to guarantee a wide diversification.

The average duration of the Fund's bond component is between 1 and 4 years.

Investments concern financial instruments mainly denominated in Euro and issued in regulated markets joining the International Monetary Fund and Taiwan.

Moreover, the Fund may invest in:

- Debt and Monetary Instruments with rating lower than the investment grade or without rating up to 10% of total assets;
- Bank Deposits up to 50% of the total assets' value;
- Part of open UCITS and AIFs whose portfolio is coherent with the Fund's investment policy, up to a maximum of 10% of total assets.
- Non-listed financial instruments up to 10% of total assets.

Destination of profits

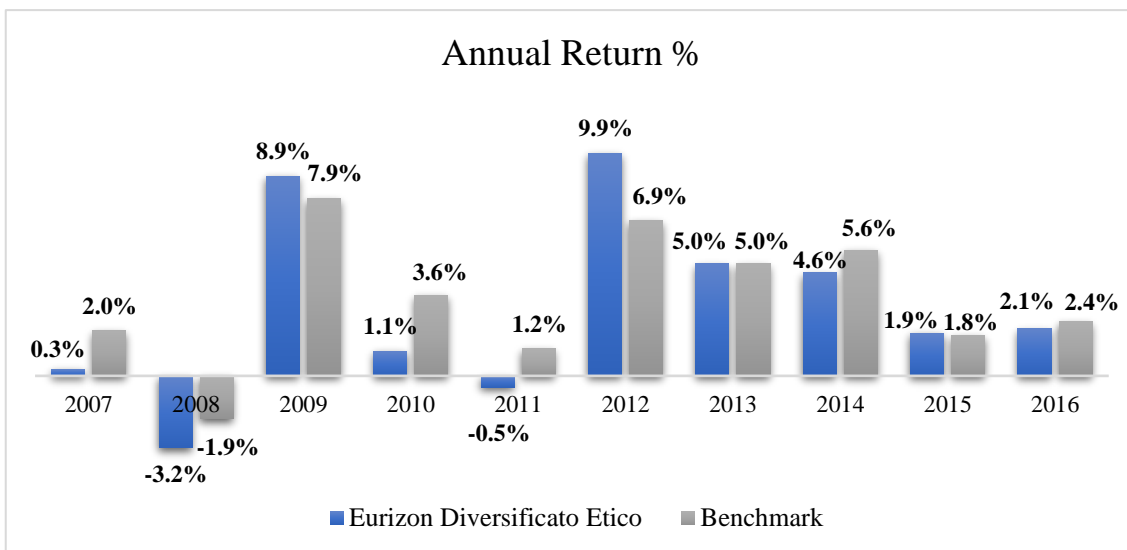
The Fund collects the profits achieved which are not distributed to participants but reinvested in the Fund's assets.

Risk and Return Profile

Diversificato Etico has been classified in the third category, according to its annual volatility observed over the previous five years.

The Fund is mainly exposed to: emerging countries risk, due to the potential residual investment in emerging countries; rating risk, as the Fund includes investments in financial instruments with rating equal or lower than investment grade; duration risk, as the average duration of the Fund is between 2.5 and 6.5 years.

Graph 23: Eurizon Diversificato Etico Annual Return



Source: Eurizon Diversificato Etico KIID

Expenses

Eurizon Diversificato Etico expenses are described in the following table.

Table 39: Eurizon Diversificato Etico Expenses

	Eurizon Diversificato Etico
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	0%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	1.04%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	0%
Switching costs	0%
Contribution to sustainable projects	

Source: Eurizon Diversificato Etico KIID

The Fund is part of the "no load" regime, this means that no subscription fee is applied to investor. The minimum investment in the Fund is € 500.00. Eurizon Diversificato Etico does not contribute to sustainable projects.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 40: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	54.12
<i>Canada</i>	4.14
<i>United Kingdom</i>	6.84
<i>West Europe - Euro</i>	15.8
<i>West Europe - No Euro</i>	4.89
<i>Japan</i>	8.18
<i>Australasia</i>	4.47
<i>Asia - Developed Countries</i>	1.55
<i>Asia - Emerging Countries</i>	0.00

Source: Morningstar

Table 41: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	6.94
<i>Cyclical Consumer Goods</i>	13.54
<i>Finance</i>	16.67
<i>Real Estate</i>	1.54
<i>Non-Cyclical Consumer Goods</i>	10.29
<i>Health</i>	10.8
<i>Public Utility Services</i>	3.85
<i>Communication Services</i>	3.14
<i>Energy</i>	7.26
<i>Industrial Goods</i>	8.47
<i>Technology</i>	17.5

Source: Morningstar

The portfolio is composed of 12.18% of equities, 72.84% of bonds, 13.56% of liquidity, 1.42% of other.

The top ten securities in the Portfolio are described in the following table.

Table 42: Top Ten Securities in Eurizon Diversificato Etico Portfolio

Description		% in the Portfolio
Italy (Rep Of) 0.1%	ITALY	10.48%
Italy (Rep Of) 0.3%	ITALY	8.66%
Eurizon Treasury EUR T1 Z Acc	LUXEMBOURG	7.57%
France (Govt Of) 0.25%	FRANCE	6.25%
Euro Schatz Sept17	GERMANY	5.71%
Italy (Rep Of) 2.15%	ITALY	4.71%
Italy (Rep Of) 1.7%	ITALY	3.70%
Italy (Rep Of) 0.45%	ITALY	3.01%
Poland (Rep Of) 2.5%	POLAND	2.83%
Italy (Rep Of)	ITALY	2.56%

Source: Morningstar

2.4 PIONEER INVESTMENTS

Pioneer Investments, the asset management arm of the Italian group UniCredit, has been recently acquired by Amundi, Europe's leading asset management company belonging to Crédit Agricole Group.

Amundi is one of the pioneers of social and responsible investments and has significantly improved the integration of ESG criteria in its investment decisions in recent years. In 2016, the SRI represented the 15.5% of total Amundi's assets.

Therefore, Amundi is a pioneer in financing social business with the objective to generate a quantifiable social impact for its clients. Amundi supports innovative projects and local development, focusing on five main themes: employment including education, training and reinsertion; housing; health; environment; international solidarity.

Pioneer Obbligazionario Euro Corporate Etico a Distribuzione (Obbligazionario Euro Corporate Investment Grade)

Pioneer Obbligazionario Euro Corporate Etico a Distribuzione is a debt fund which aims to increase the invested capital in the medium period. This Fund is managed by Pioneer

Investment Management SGRpA, which is part of Crédit Agricole Group. The Ethical Fund has a high Morningstar Sustainability Rating.

Table 43: Pioneer Obbligazionario Euro Corporate Etico a distribuzione Main Data

Assogestioni Category: Obbligazionario Euro Corporate Investment Grade	ISIN: IT0003531610 (CLASS A) IT0004814213 (CLASS B)
Type of Investment: Investments in debt financial instruments up to 100% of the total net value of the fund; Investments in bank deposits up to a maximum of 10%.	Benchmark: 100% Ethical Index Euro Corporate Bond
NAV (Net Asset Value): € 5.232 on 31/10/2017 (CLASS A) € 5.644 on 31/10/2017 (CLASS B)	Risk and Return Profile: 3/7 (CLASS A) 3/7 (CLASS B)
Fund Size: € 216.50 mln on 29/09/2017	Start Date: 29/09/2003 (CLASS A) 02/05/2012 (CLASS B)

Source: Morningstar

Investment Policy

Pioneer Obbligazionario Euro Corporate Etico a Distribuzione mainly invests in debt and monetary financial instruments with rating equal or higher than the Investment Grade. Investments mainly concern financial instruments denominated in euro and issued in official or regulated markets, in particular Europe, North America and Japan. Issuers have to meet particular ethical criteria and pay attention to environmental and social themes. The investment in financial instruments issued by governments or international entities is allowed up to a maximum of 30% of total assets' value. Investments in countries with oppressive regime and which do not respect civil and political rights are excluded.

Equity financial instruments are excluded.

The average duration of the bond component is approximatively equal to 5 years and cannot be less than 2 years.

Securities are selected according to negative and positive selection criteria: the negative criteria exclude companies or governments operating in certain sectors like tobacco, pornography, weapons, gambling and alcohol; the positive criteria support companies and

governments with a positive attitude to sustainability, contribution to environment, attention to government and society.

Destination of profits

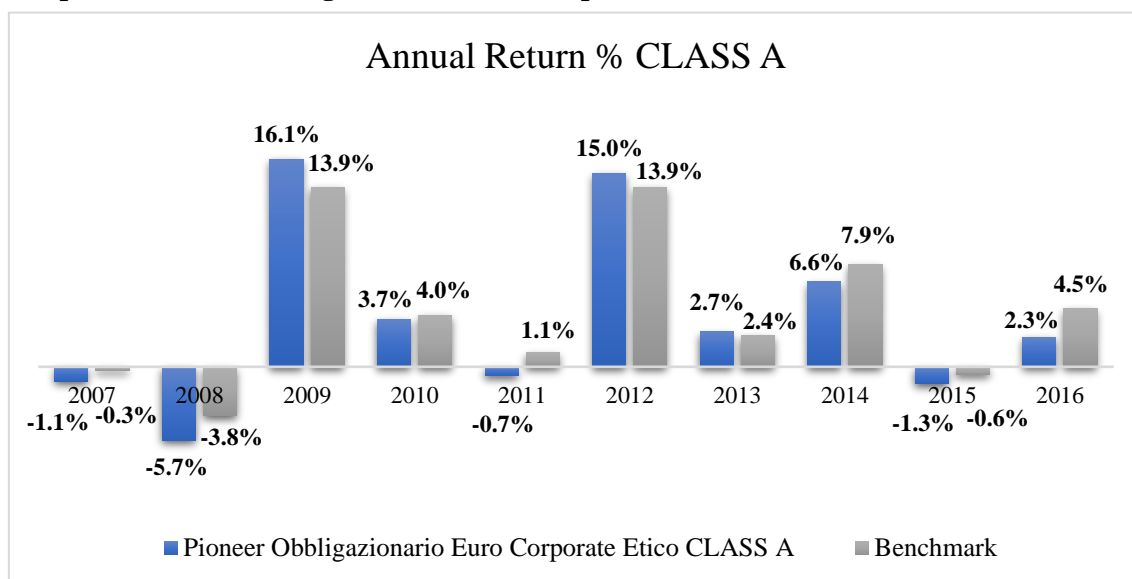
Pioneer Obbligazionario Euro Corporate Etico distributes profits to investors. Profits object of distribution are composed by positive and negative components of income, for example revenues, dividends, interests, management fees and taxes. Pioneer Investments may distribute up to 100% with a positive result in the management of the Fund or up to a maximum of 80% with a negative result.

Risk and Return Profile

The summary risk indicator classifies the Fund on a scale from 1 to 7 on the basis of the historical annual volatility of the return of debt securities denominated in Euro and issued in Europe, North America and Japan, observed over the previous five years. The Fund has been classified in the third category.

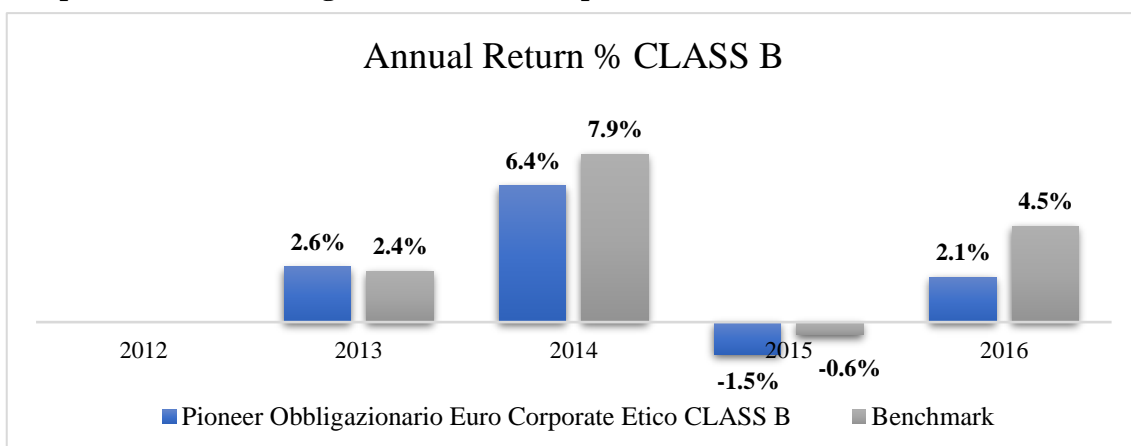
The Fund is mainly exposed to duration risk as the average duration is roughly 5 years, and rating risk as a residual part of portfolio's assets may be invested in issuers with rating less than the Investment Grade.

Graph 24: Pioneer Obbligazionario Euro Corporate Etico Class A Annual Return



Source: Morningstar

Graph 25: Pioneer Obbligazionario Euro Corporate Etico Class B Annual Return



Source: Morningstar

The performances of Fund A and Fund B are calculated at net of tax until 30th June 2011 and gross of tax from 1st July 2011.

Expenses

Pioneer Obbligazionario Euro Corporate Etico a distribuzione expenses are described in the following table.

Table 44: Pioneer Obbligazionario Euro Corporate Etico a distribuzione Expenses

	Pioneer Obbligazionario Euro Corporate Etico a distribuzione	
	CLASS A	CLASS B
<i>One time expenses withdrawn before or after the investment</i>		
Subscription expenses	1.20%	0%
Reimbursement expenses	0%	2.10%
<i>Expenses withdrawn from the Fund in one year</i>		
Ongoing charges	1.28%	1.43%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>		
Performance fees	0%	0%
Switching costs	0%	0%
Contribution to sustainable projects		

Source: Pioneer Obbligazionario Euro Corporate Etico a distribuzione KIID

Subscription and Reimbursement expenses are different in the two funds' classes. Class A has subscription expenses but no reimbursement cost. Class B has no subscription expenses but asks an amount of 2.10% as reimbursement cost.

The Reimbursement fee is reduced of 0.175% each quarter since the subscription date. For example, after the first quarter the reimbursement fee is reduced to 1.925%, after the second quarter the fee is equal to 1.750% and after the third one is equal to 1.575% and so on. Each class requires an initial minimum investment of € 50.00.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 45: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>European Union</i>	89.06
<i>United States</i>	7.74
<i>United Kingdom</i>	6.84
<i>Channel Islands</i>	1.87
<i>Norway</i>	0.72
<i>Australia</i>	0.14
<i>Canada</i>	0.16
<i>Mauritius Islands</i>	0.09
<i>Brazil</i>	0.22

Source: Morningstar

Table 46: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Food</i>	4.29
<i>Insurance</i>	6.59
<i>Banking</i>	38.64
<i>Publishing</i>	0.25
<i>Cement</i>	3.2
<i>Chemical</i>	10.54
<i>Trading</i>	1.25
<i>Communication Services</i>	13.86
<i>Electronic</i>	5.7
<i>Finance</i>	2.13
<i>Real Estate</i>	3.45
<i>Automotive</i>	4.6
<i>Metal</i>	0.2
<i>Others</i>	4.45

Source: Morningstar

The portfolio is composed of 92.44% of bonds, 2.00% of liquidity, 5.57% of other. The portfolio does not include equities.

The top ten securities in the Portfolio are described in the following table.

Table 47: Top Ten Securities in Pioneer Obbligazionario Euro Corporate Etico a distribuzione Portfolio

Description		% in the Portfolio
Morgan Stanley 5.375%	UNITED STATES	2.85%
Total	FRANCE	1.99%
Intesa Sanpaolo 2%	ITALY	1.78%
Deutsche Bk Ag 1.5%	GERMANY	1.61%
Goldman Sachs Grp 1.375%	UNITED STATES	1.52%
Autostrade Per L'I. 1.625%	ITALY	1.49%
Amplifon 4.875%	ITALY	1.46%
Ubs Gr Fdg Switzer 1.75%	SWITZERLAND	1.46%
Holcim Us Fin 2.625%	LUXEMBOURG	1.15%
Coca Cola 1.625%	UNITED STATES	1.14%

Source: Morningstar

2.5 SELLA GESTIONI SGR

Sella Gestioni SGR is the Asset Management Company of Banca Sella Group. It was born in 1983 as Gestnord Fondi and then, in 2006, its name was changed in Sella Gestioni SGR. Sella Gestioni SGR is considered one of the first asset management companies which offered the innovative Investment Fund to the saver. Today, Sella Gestioni SGR offers mutual funds, sub-funds of a Luxemburg Sicav, pension fund and asset under advisory.

Investimenti Sostenibili is the company's sustainable fund and its objective is to guarantee a financial return aligned with sustainable progress of environment and economy. The fund supports sustainable growth of developed and emerging economies by investing in the efficient use of natural resources and in the fair access to sustainable products facilitating people's needs.

Investimenti Sostenibili is the first fund in Italy to adopt the impact investing approach and each year it donates a 0.5% share of *Investimenti Sostenibili* Class A to sustainable initiatives. Since 1999, when the fund was created, a total amount of € 1,707,000 has been donated in favour of different sustainable projects in Italy and abroad.

Sella Gestioni is a member of the Italian Sustainable Investment Forum and Assegestioni. It is actively involved in their working groups. In addition, it actively cooperates with financial operators to implement sustainability and ethical practises in the financial world.

Investimenti Sostenibili

Investimenti Sostenibili is the Sella Gestioni Sgr's sustainable fund and the first fund in Italy to adopt the impact investing approach. Its objective is to guarantee a financial return aligned with sustainable development of environment and economy.

Investimenti Sostestebilibili includes four different categories:

- Investimenti Sostenibili Class A;
- Investimenti Sostenibili Class C: class intended only for institutional investors;
- Investimenti Sostenibili Class LIFEGATE SG: this class can be subscribed only at the asset management company;
- Investimenti Sostenibili Class LIFEGATE: class intended only for listing on regulated markets. Hence, Class LIFEGATE shares can be purchased or sold only on ETFplus market, open UCITS segments, through Intermediaries qualified to work on those markets.

Table 48: Investimenti Sostenibili Main Data

Assogestioni Category: Obbligazionario Misto Mixed Bond)	ISIN: IT0001316261 (CLASS A) IT0005067480 (CLASS C) IT0005219859 (CLASS LIFEGATE SG) IT0005215709 (CLASS LIFEGATE)
Type of Investment: Investment in Bonds and Monetary instruments up to 100% of the total net value of the fund; Investment in Equity instruments up to a maximum of 30%.	Benchmark: 15% Bloomberg Barclays Euro Treasury Bills 0-3 MTR 15% Stoxx Global 1800 Total Return Net EUR 20% The BofA Merrill Lynch 1-10 Year US 50% The BofA Merrill Lynch 1-10 Year Euro Corporate
NAV (Net Asset Value): € 7.650 on 31/10/2017 (CLASS A) € 7.821 on 31/10/2017 (CLASS C) € 99.829 on 31/10/2017 (CLASS LIFEGATE SG) € 99.829 on 31/10/2017 (CLASS LIFEGATE)	Risk and Return Profile: 3/7 (CLASS A – C - LIFEGATE SG – LIFEGATE)
Fund Size: € 75.15 mln on 29/09/2017	Start Date: 29/03/1999 (CLASS A)

	02/01/2015 (CLASS C) 22/11/2016 (CLASS LIFE GATE SG) 22/11/2016 (CLASS LIFE GATE)
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Source: Morningstar

Investment policy

Investimenti Sostenibili is a Mixed Bond Fund which invests in financial instruments issued by companies or governments characterized by sustainable objectives. The Fund pursues the goal of a gradual increase of the invested capital through investments in financial instruments of any capitalisation issued in regulated markets mainly in Europe, America, Asia, Africa and Australia. The investment in debt and monetary instruments, issued by governments, local and regional entities, international organisations, may reach 100% of the total net value of assets. The investment in equity instruments is allowed up to 30%. Moreover, the fund may invest in UCITS up to 25% of its assets' value.

Investimenti Sostenibili Class A further contributes to ethical goals and donates the 0.50% of the total annual value of this class to sustainable initiatives.

The average duration of the bond component is between 1 and 4 years and the maximum duration is 6 years.

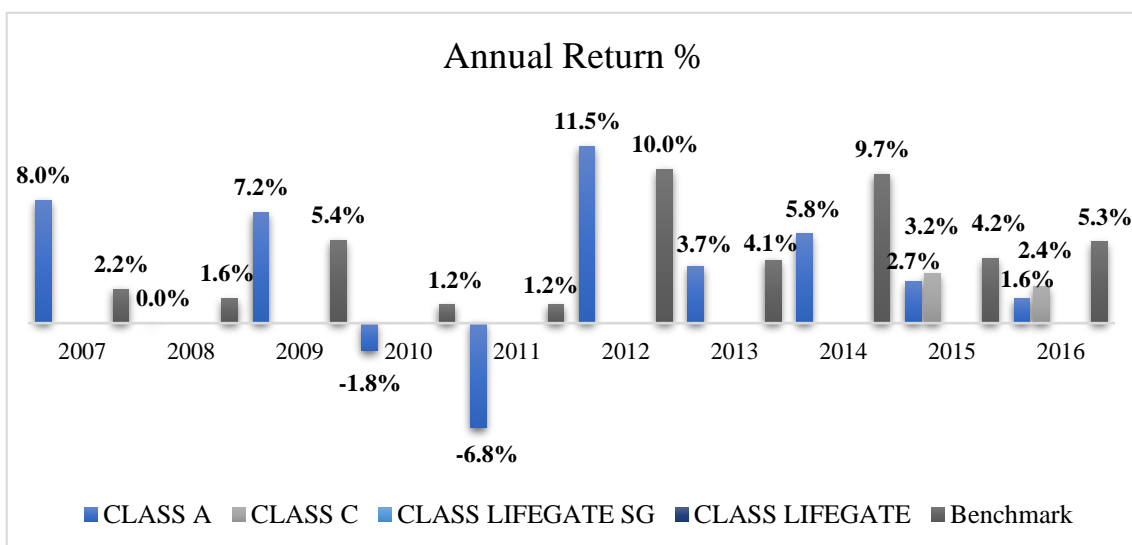
Destination of the income

All the classes of the Fund collect the proceeds. Therefore, earnings are not distributed to participants but reinvested.

Risk and Return Profile

All the Fund's classes are classified in the third category according to the fluctuation of financial instruments' past performance. In addition, the Fund appears to be primarily exposed to: rating risk, as the Fund may invest in financial instruments with rating lower than the Investment Grade up to 30% of total assets; capitalisation risk, as the Fund may invest in securities of any capitalisation; foreign exchange risk, as the Fund may invest up to 30% of assets' value in securities denominated in currencies different from Euro; emerging countries risk, as Investimenti Sostenibili may invest up to 30% of assets' value in emerging countries.

Graph 26: Investimenti Sostenibili Annual Return



Source: Investimenti Sostenibili KIID

Class Lifegate SG and Class Lifegate’s returns are not represented in the table as investments in these funds started in 2016.

Expenses

In the following table, the different classes’ expenses are compared:

Table 49: Investimenti Sostenibili Expenses

	CLASS A	CLASS C	CLASS LIFEGATE SG	CLASS LIFEGATE
<i>One time expenses withdrawn before or after the investment</i>				
Subscription expenses	2.00%	2.00%	2.00%	0%
Reimbursement expenses	0%	0%	0%	0%
<i>Expenses withdrawn from the Fund in one year</i>				
Ongoing charges	1.85%	1.06%	1.38%	1.39%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>				
Performance fees	10% of the extraperformance accrued during the calendar year			
Switching costs	0%	0%	0%	0%
Contribution to sustainable projects	0.50%	0%	0%	0%

Source: Investimenti Sostenibili KIID

The initial minimum investment required by the fund is equal to € 500.00 in Classes A, Lifegate SG and Lifegate, with the exemption of Class C which requires a minimum investment of € 5,000.00.

Investiemnti Sostenibili requires a 10% extraperformance fee. Extraperformance accrued during the calendar year is the positive difference between the percentage increase in the share value and the percentage increase in the benchmark value in the same period.

Investimenti Sostenibili Class A donates the 0.50% of its total annual value to sustainable initiatives.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 50: Financial instruments allocation based on the geographic area

Geographic Area	% of Assets
<i>United States</i>	47.36
<i>Canada</i>	3.03
<i>Latin and Central America</i>	1.38
<i>United Kingdom</i>	6.86
<i>West Europe - Euro</i>	18.53
<i>West Europe - No Euro</i>	10.69
<i>Africa</i>	0.49
<i>Japan</i>	4.83
<i>Australasia</i>	1.41
<i>Asia - Developed Countries</i>	1.29
<i>Asia - Emerging Countries</i>	4.14

Source: Morningstar

Table 51: Financial instruments allocation based on the economic activity

Economic Activity	% of Assets
<i>Raw Material</i>	10.18
<i>Cyclical Consumer Goods</i>	9.01
<i>Real Estate</i>	0.18
<i>Non-Cyclical Consumer Goods</i>	13.19
<i>Health</i>	13.08
<i>Public Utility Services</i>	8.95
<i>Industrial Goods</i>	32.77
<i>Technology</i>	12.65

Source: Morningstar

The portfolio is composed of 15.92% of equities, 72.02% of bonds, 10.99% of liquidity, 1.06% of other.

The top ten securities in the Portfolio are described in the following table.

Table 52: Top Ten Securities in Investimenti Sostenibili Portfolio

Description		% in the Portfolio
Parvest Climate Impact I C	LUXEMBOURG	3.37%
Swisscanto (LU) EF Gbl Water Inv JT EUR	LUXEMBOURG	3.36%
FP WHEB Sustainability C	UNITED KINGDOM	2.85%
Xylem 2.25%	UNITED STATES	2.84%
Parvest SMaRT Food I C	LUXEMBOURG	2.72%
Intesa Sanpaolo 0.875%	ITALY	2.69%
Intl Fin Fac For FRN	UNITED KINGDOM	2.26%
Apple 3%	UNITED STATES	2.25%
RobecoSAM Sustainable Hlthy Lvg C EUR	LUXEMBOURG	2.25%
Euro Bk Recon & Dev Euro Mtn 0.875%		2.22%

Source: Morningstar

2.6 UBI PRAMERIGA SGR

Established in 2001 in the Italian market, UBI Pramerica is the asset management company created as a joint venture between the two major players: UBI Banca and Pramerica Financial.

UBI Banca Group, the Union of Italian Banks, operates in the Italian market through subsidiaries and financial consultants specialized in the strategic areas of asset management, leasing, factoring and online banking. Pramerica Financial is one of the largest US financial institutions specialized in investment management worldwide.

Thanks to this business partnership, UBI Pramerica is able to maximize results combining the local capabilities of the Italian management team with the global professional expertise of Pramerica Financial. In addition, UBI Pramerica relies on the expertise and professional skills of three units specialized in asset management, based in the United

States and controlled by Pramerica Financial: Jannison Associates, PGIM Fixed Income, QMA (Quantitative Management Associates).

UBI Pramerica is controlled for 65% by UBI Banca Group and for 35% by Pramerica Financial.

UBI Pramerica SGR offers two ethical products:

- UBI Pramerica Azionario Etico;
- UBI Pramerica Obbligazionario Euro Corporate Etico.

UBI Pramerica Azionario Etico

UBI Pramerica Azionario Etico is UBI Pramerica Sgr's Equity Fund and it aims at a substantial growth of the invested capital satisfying sustainable criteria and without replying the benchmark composition. The Ethical Fund has an above average Morningstar Sustainability Rating.

Table 53: UBI Pramerica Azionario Etico Main Data

Assogestioni Category: Azionario Area Euro	ISIN: IT0003851034
Type of Investment: Investments in equity financial instruments up to 100% of the total net value of the fund	Benchmark: 95% ECIPI – Ethical Index Euro 5% The BofA Merrill Lynch Euro Treasury Bill Index
NAV (Net Asset Value): € 7.604 on 02/11/2017	Risk and Return Profile: 6/7
Fund Size: € 22.13 mln on 29/09/2017	Start Date: 16/09/2005

Source: Morningstar

Investment policy

The Fund mainly invests in equity financial instruments denominated in Euro issued by companies with medium or high capitalisation, stable growth prospects, sufficient liquidity and listed in the European Union regulated markets. Investments are diversified across different economic sectors.

On a residual basis, the Fund may invest in debt securities, bank deposits and in UCITS whose investment policy must be coherent with Fund's sustainable objectives.

UBI Pramerica Azionario Etico includes in the investment only those companies which are not involved in certain sectors. In particular, production and trade of weapons, pornographic material, alcohol, tobacco, exercise of gambling, research and development of nuclear power and production of GMO are excluded.

In addition, UBI Pramerica Sgr supports Entities and Associations which pursue sustainable and charitable initiatives through a donation, at the end of each year, equal to the 5% of the Fund’s management fee.

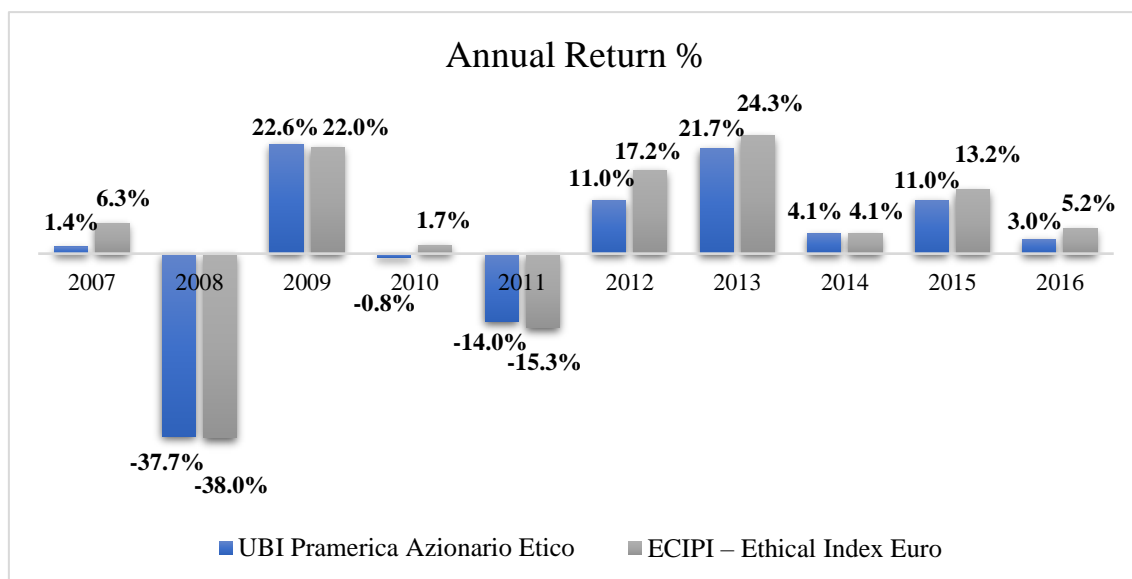
Destination of the income

The Fund collects the proceeds. Therefore, earnings are not distributed to participants but reinvested.

Risk and Return Profile

The Fund is classified in the sixth category according to the fluctuation of financial instruments’ past performance. Weekly return variability in the last five years was between 15% and 20%. In addition, the Fund appears to be primarily exposed to the low capitalisation risk, as a residual part of the investment may concern low capitalised companies.

Graph 27: UBI Pramerica Azionario Etico Annual Return



Source: UBI Pramerica Azionario Etico KIID

Expenses

UBI Pramerica Azionario Etico's costs are listed in the following table:

Table 54: UBI Pramerica Azionario Etico Expenses

	UBI Pramerica Azionario Etico
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	0%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	2.19%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	25% of the extraperformance accrued during the calendar year.
Switching costs	0%
Contribution to sustainable projects	5% of the management fee

Source: UBI Pramerica Azionario Etico KIID

UBI Pramerica SGR supports Entities and Associations which pursue sustainable and charitable initiatives through a donation, at the end of each year, equal to the 5% of the Fund's management fee.

Extraperformance is the positive difference between the percentage increase in the share value and the percentage increase in the benchmark value in the same period.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 55: Financial instruments allocation based on the geographic area

Geographic Area	% of Share
<i>United Kingdom</i>	1.96
<i>West Europe - Euro</i>	98.04

Source: Morningstar

Table 56: Financial instruments allocation based on the economic activity

Economic Activity	% of Share
<i>Raw Material</i>	9.00
<i>Cyclical Consumer Goods</i>	10.25
<i>Finance</i>	34.28
<i>Non-Cyclical Consumer Goods</i>	10.41
<i>Public Utility Services</i>	2.64
<i>Communication Services</i>	6.83
<i>Energy</i>	16.58
<i>Technology</i>	10.01

Source: Morningstar

The portfolio is composed of 90.76% of equities, 6.12% of liquidity, 3.12% of other. The portfolio does not include debt securities.

The top ten securities in the Portfolio are described in the following table.

Table 57: Top Ten securities in UBI Pramerica Azionario Etico Portfolio

Description		% in the Portfolio
Total SA	FRANCE	8.42%
Unilever NV DR	THE NETHERLANDS	5.65%
Deutsche Telekom AG	GERMANY	5.28%
Allianz SE	GERMANY	5.15%
Sampo Oyj A	FINLAND	5.05%
Prysmian SpA	ITALY	5.04%
Intesa Sanpaolo	ITALY	4.38%
Eni SpA	ITALY	4.37%
Industria De Diseno Textil SA	SPAIN	4.04%
Koninklijke Ahold Delhaize NV	THE NETHERLANDS	3.79%

Source: Morningstar

UBI Pramerica Obbligazionario Euro Corporate Etico

UBI Pramerica Obbligazionario Euro Corporate Etico is UBI Pramerica Sgr's sustainable Bond Fund and it aims at a substantial growth of the invested capital through an active Fund's management. The Ethical Fund has an above average Morningstar Sustainability Rating.

Table 58: UBI Pramerica Obbligazionario Euro Corporate Etico Main Data

Assogestioni Category: Obbligazionario Euro Corporate Investment Grade	ISIN: IT0005075590
Type of Investment: Investment in debt and monetary instruments up to 100% of the total net value of the fund	Benchmark: 100% ECPI - Ethical Euro Corporate Bond Index
NAV (Net Asset Value): € 5.194 on 03/11/2017	Risk and Return Profile: 3/7
Fund Size: € 42.43 mln on 29/09/2017	Start Date: 23/03/2015

Source: Morningstar

Investment policy

UBI Pramerica Obbligazionario Euro Corporate Etico is included in the "Obbligazionario Euro Corporate Investment Grade" fund category. The Fund mainly invests in bond securities and monetary instruments denominated in Euro issued by Italian and foreign issuers whose rating is higher or equal to the investment grade and which are listed in official or regulated markets. Moreover, the Fund may residually invest in bank deposits and in UCITS.

UBI Pramerica Obbligazionario Euro Corporate Etico includes in the investment only those companies which are not involved in certain sectors. In particular, production and trade of weapons, pornographic material, alcohol, tobacco, exercise of gambling, research and development of nuclear power and production of GMO are excluded.

In addition, UBI Pramerica Sgr supports Entities and Associations which pursue sustainable and charitable initiatives through a donation, at the end of each year, equal to the 5% of the Fund's management fee. The average duration of bond instruments in the portfolio is of 4.5 years.

Destination of the income

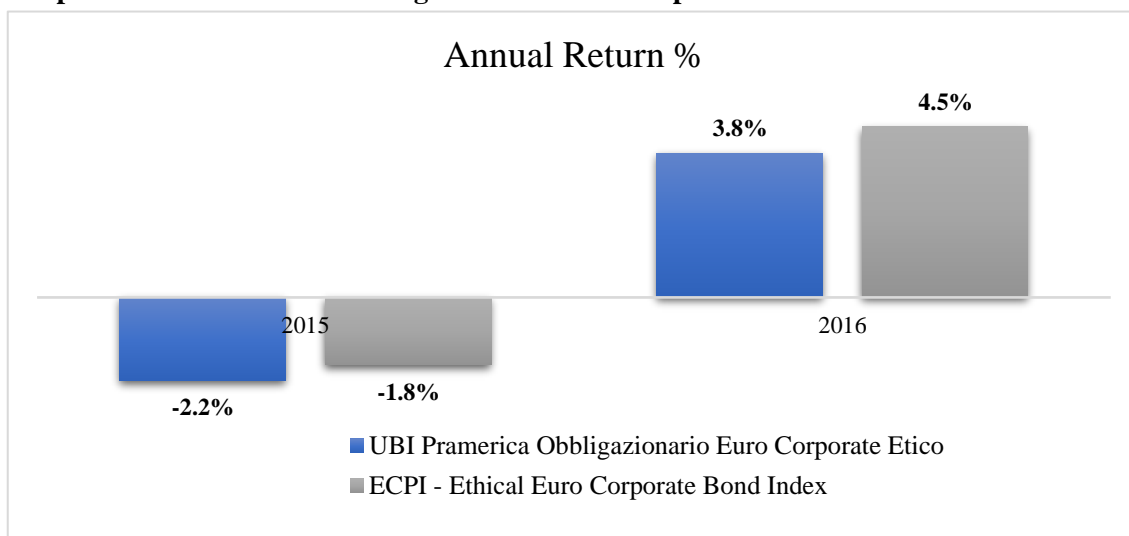
The Fund collects the proceeds. Therefore, earnings are not distributed to participants but reinvested.

Risk and Return Profile

The Fund is classified in the third category according to the fluctuation of financial instruments' past performance. Weekly return variability in the last five years was between 2% and 5%.

In addition, the Fund appears to be primarily exposed to: duration risk, as the average duration of the portfolio's bond component is 4 years; rating risk, as the Fund may invest a residual part of its assets in financial instruments issued by companies with rating lower than the investment grade.

Graph 28: UBI Pramerica Obbligazionario Euro Corporate Etico Annual Return



Source: UBI Pramerica Obbligazionario Euro Corporate Etico KIID

Expenses

UBI Pramerica Obbligazionario Euro Corporate Etico's costs are listed in the following table.

Table 59: UBI Pramerica Obbligazionario Euro Corporate Etico Expenses

	UBI Pramerica Obbligazionario Euro Corporate Etico
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	0%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	1.37%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	0%
Switching costs	0%
Contribution to sustainable projects	5% of the management fee

Source: UBI Pramerica Obbligazionario Euro Corporate Etico KIID

UBI Pramerica Sgr supports Entities and Associations which pursue sustainable and charitable initiatives through a donation, at the end of each year, equal to the 5% of the Fund’s management fee.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Bloomberg data and is described in the following tables.

Table 60: Financial instruments allocation based on the geographic area

Geographic Area	% of Share
<i>France</i>	19.92
<i>Netherlands</i>	15.38
<i>Italy</i>	13.36

Source: Bloomberg

Table 61: Financial instruments allocation based on the economic activity

Economic Activity	% of Share
<i>Banking</i>	33.00
<i>Auto Manufacture</i>	7.08
<i>Chemicals</i>	3.46
<i>Telecommunication</i>	6.14
<i>Electric Energy</i>	3.23
<i>Insurance</i>	6.56

Source: Bloomberg

The portfolio is composed of 84.95% of bonds, 13.92% of liquidity, 1.13% of other. The portfolio does not include equities.

The top ten securities in the Portfolio are described in the following table.

Table 62: Top Ten securities in UBI Pramerica Obbligazionario Euro Corporate Etico Portfolio

Description		% in the Portfolio
Rabobank 1.375%	THE NETHERLANDS	1.82%
Bqe Fed Cred Mut 2.625%	FRANCE	1.58%
Lloyds Bkg Gp 1%	UNITED KINGDOM	1.54%
Ing Groep N.V.	THE NETHERLANDS	1.49%
Ubs Gr Fdg Switzer 1.75%	SWITZERLAND	1.49%
Credit Agri (Ldn) 1.875%	FRANCE	1.47%
Svenska Handelsbkn	SWEDEN	1.46%
Ge Cap Eu Fdg Unli 0.8%	UNITED KINGDOM	1.45%
Santander Consumer 0.4168%	SPAIN	1.44%
Morgan Stanley 1%	UNITED STATES	1.44%

Source: Morningstar

2.7 BNP PARIBAS INVESTMENT PARTNERS SGR

BNP Paribas Investment Partners Sgr is the investment management arm of BNP Paribas Group, one of the world's major financial institutions. In June 2017, the company changed its name in BNP Paribas Asset Management to communicate in a simpler and more direct way the AMC's activity.

The asset management company has a capital of € 566 billion and operates in 30 different countries in the World (Europe, Asia, North-America, Latin America, Scandinavian Countries, Middle East and Africa). Its 700 professionals operate in investment sites located in the world’s largest financial markets, like London, New York, Paris, Hong Kong.

Since 2002, BNP Paribas Asset Management is one of the major players in the field of sustainable and responsible investment. Its objective is to reconcile the performance expected by clients with social and environmental challenges. To do this, BNP Paribas Asset Management works closely with a range of organisations dedicated to responsible investment with the aim of jointly promoting sustainability and improving its practices. The company offers a broad range of SRI products to both meet the needs of clients and make a positive impact on the environment and society.

BNL Azioni Europa Dividendo

“BNL Azioni Europa Dividendo” Fund is a feeder³³ of the Master Fund “Parvest Sustainable Equity High Dividend Europe”. Parvest SICAV is a division under Luxembourg law.

The Fund exclusively invests in Master Fund’s shares and may hold liquidity up to 15% of assets.

Table 63: BNL Azioni Europa Dividendo Main Data

Assogestioni Category: Azionario Europa	ISIN: IT0001468047
Type of Investment: Investment in Master Fund minimum 85% and maximum 100% of assets.	Benchmark: 100% Morgan Stanley Capital International Daily Total Return Net Europe Index in dollari USA, convertito in Euro
NAV (Net Asset Value): € 3.388 on 08/11/2017	Risk and Return Profile: 6/7
Fund Size: € 133.01 mln on 31/10/2017	Start Date: 03/07/2000

Source: Morningstar

³³ A Feeder is a Fund that invests at least 85% of its assets in the Master Fund’s shares. The Master Fund cannot be a Feeder Fund and cannot invest in Feeder Funds.

Investment policy

The objective of the Feeder Fund coincides with the Master Fund's one, such as to increase the value of activities over the medium term.

The Master Fund must invest at least 75% of its assets in shares issued by European companies which respect sustainable parameters and which distribute higher dividends with respect to the average in the European markets. The residual 25% may be invested in other securities, monetary instruments, derivatives, in debt securities within a limit of 15% of assets and in UCITS within a limit of 10% of assets.

The Feeder Fund must invest at least 85% of its assets in the Master Fund and the maximum investment can reach 100% of assets.

In addition to financial criteria, the investment policy takes into consideration in the decision process also: a) environmental, social and corporate governance practices; b) the sustainability of the dividend policy.

As the Fund exclusively invests in Master Fund's shares, its returns are closer to those of the Master Fund.

Destination of the income

The Fund distributes proceeds to participants each year. The income that may be distributed to participants appears under the item "Profit and Loss of the year", if positive. The AMC may distribute each year up to 100% of the profits.

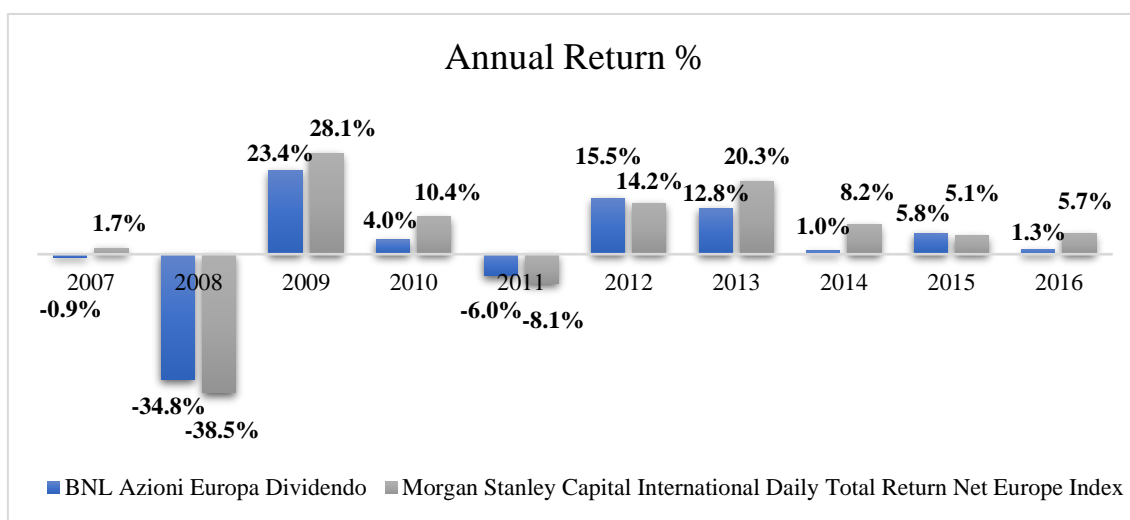
Whether the income is equal or less than € 5, it is not distributed but is included in the assets.

Risk and Return Profile

The Fund is classified in the sixth category of risk according to the fluctuation of financial instruments' past performance, also taking into account the historical volatility of Master Fund's returns.

The risks that need to be considered for their significant importance with respect to Feeder Fund are: liquidity risk and operational risk. Moreover, Master Fund needs to take into consideration also: counterparty risk; credit risk; liquidity risk.

Graph 29: BNL Azioni Europa Dividendo Annual Return



Source: BNL Azioni Europa Dividendo KIID

Since 29th November 2013, BNL Azioni Europa Dividendo has been the Feeder Fund of “Sustainable Equity High Dividend Europe”, the Parvest SICAV’s fund. Therefore, the results shown in the graph up December 2013 are obtain in different circumstances. Also the benchmark has changed over the years. The current one is in force since 9 September 2016.

Expenses

BNL Azioni Europa Dividendo costs are listed in the following table:

Table 64: BNL Azioni Europa Dividendo Expenses

	BNL AZIONI EUROPA DIVIDENDO
<i>One time expenses withdrawn before or after the investment</i>	
Subscription expenses	2%
Reimbursement expenses	0%
<i>Expenses withdrawn from the Fund in one year</i>	
Ongoing charges	2.56%
<i>Expenses withdrawn from the Fund based on certain specific conditions</i>	
Performance fees	0%
Switching costs	0-1.5% of the transaction amount
Contribution to sustainable projects	

Source: BNL Azioni Europa Dividendo KIID

The Feeder Fund, because of the investment in the Master Fund, is not subject to management or performance fees.

Asset Allocation and main securities

The financial instruments allocation based on the geographic area and economic activity is based on Morningstar data and is described in the following tables.

Table 65: Financial instruments allocation based on the geographic area

Geographic Area	% of Share
<i>United Kingdom</i>	23.17
<i>West Europe - Euro</i>	58.11
<i>West Europe - No Euro</i>	18.72

Source: Morningstar

Table 66: Financial instruments allocation based on the economic activity

Economic Activity	% of Share
<i>Raw Material</i>	6.10
<i>Cyclical Consumer Goods</i>	4.92
<i>Finance</i>	39.4
<i>Real Estate</i>	1.94
<i>Non-Cyclical Consumer Goods</i>	1.89
<i>Health</i>	13.11
<i>Public Utility Services</i>	8.58
<i>Communication Services</i>	6.92
<i>Energy</i>	8.62
<i>Industrial Goods</i>	8.52

Source: Morningstar

The portfolio is composed of 96.37% of equities, 3.56% of liquidity, 0.06% of other. The portfolio does not include debt securities.

The top ten securities in the Portfolio are described in the following table.

Table 67: Top Ten securities in BNL Azioni Europa Dividendo Portfolio

Description		% in the Portfolio
Total SA	FRANCE	5.78%
Novartis AG	SWITZERLAND	5.66%
ING Groep NV	THE NETHERLANDS	4.28%
Deutsche Telekom AG	GERMANY	4.11%
BNP Paribas	FRANCE	3.86%
Lloyds Banking Group PLC	UNITED KINGDOM	3.83%
GlaxoSmithKline PLC	UNITED KINGDOM	3.68%
Suez SA	FRANCE	3.35%
Basf SE	GERMANY	3.34%
Intesa Sanpaolo	ITALY	3.30%

Source: Morningstar

Chapter 3

THE QUALITATIVE ANALYSIS OF ITALIAN ETHICAL FUNDS

Summary: 3.1 Subjects Involved in the Securities' Selection Process – 3.2 The Securities' Selection Process – 3.3 The Engagement Policy – 3.4 Investment Processes in Comparison

3.1 SUBJECTS INVOLVED IN THE SECURITIES' SELECTION PROCESS

As we have already seen in the first chapter, Sustainable and Responsible Investment is an investment strategy with a medium long-term horizon that integrates, in the assessment of companies and institutions, the financial analysis with the environmental, social and governance factors in order to create value both for the investor and for society as a whole. According to this definition, SRI follows a long-term approach that allows for greater stabilization of the overall risk of the investment; in addition, it promotes positive policies such as equal opportunities for workers, compliance with health and safety, renewable energy and adequate working conditions.

To create financial, social and environmental value for the investor, the Asset Management Companies need to include specific players in the securities' selection process to assess the most sustainable countries and companies on the basis of their governance, social and environmental impact.

Etica Sgr

The social and responsible investment of Etica Sgr is characterized by a strict extra-financial analysis of securities. The AMC makes sure that the portfolio securities selection is consistent with the ethical principles which guide responsible investments. In addition, Etica Sgr performs shareholder engagement activity and exercises voting rights attached to the ownership of shares of issuers in which it invests. In this way, the AMC is also able to control and influence their sustainable and responsible behaviour.

Companies and countries in the eligible universe are selected through a system of socio-environmental assessment based on the analysis of governance, social and environmental impact and respect for human rights. After that, Anima Sgr, one of the most important

companies in the Italian asset manager industry, is entrusted with all the activities related to the portfolio management.

The selection procedures for eligible universes are certified and compliant with the ISO 9001:2015 quality management system standard³⁴.

The subjects involved in the securities' selection process are:

1. *Etica Sgr's ESG Analysis and Research Team*

The ESG Analysis is carried out by a team of analysts specialized in the Environmental, Social and Governance evaluation of countries and companies. The Team has to define the eligible universe that needs to be approved by the Board of Directors.

Simultaneously to the ESG Analysis, the Investment Committee and the Risk Management Service support the Board of Directors in the definition of the fund's investment policy and in the evaluation of the portfolio management.

2. *Etica Sgr's Ethics Committee*

The Ethics Committee is an independent and autonomous advisory body with a proactive and consulting role. Its members (9 members in charge for 3 years) are nominated by Banca Popolare Etica and are featured by a high ethical profile and with a strong experience in CSR field. Ethics Committee supports the ESG Analysis and Research Team through an activity of guidance and control. In particular, it analyses each company to be insert in or excluded from the eligible universe, defines the ESG criteria for companies and countries, defines the engagement and proxy voting activities, keeps in contact with Etica Sgr's bodies and investors according to its ethical role, and analyses ESG issues, initiatives and sectors.

3. *Etica Sgr's Board of Directors*

The Board of Directors approves the eligible universe defined by the ESG Analysis and Research Team with the recommendation suggested by the Ethics Committee. In Addition, the Board approves the research methodologies and the investment policy.

³⁴ ISO 9001:2015 specifies requirements for a quality management system when an organization:

- a) Needs to demonstrate its ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements, and
- b) Aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to customer and applicable statutory and regulatory requirements.

All the requirements of ISO 9001:2015 are generic and are intended to be applicable to any organization, regardless of its type or size, or the products and services it provides.

4. Delegated Asset Manager

The portfolio management function for the “Valori Responsabili Mutual Funds” is delegated to Anima Sgr that manages the funds actively, on the basis of the eligible universe and the investment policy provided by Etica Sgr. In particular, the Delegated Asset Manager carries out financial analysis, asset allocation, comparing the investment to market benchmarks.

Figure 3: Etica Sgr Securities’ selection process



Source: Etica Sgr Website

Eurizon Capital Sgr

Eurizon has adopted the Principles for Responsible Investment born from the partnership between the United Nations’ Environment Programme (UNEP-FI³⁵) and the Global Compact³⁶.

As a consequence, Eurizon refers to a financial instrument selection methodology which takes into account environmental, social and governance factors as part of the investment process. In this way, Eurizon is in line with the first Principle for Responsible Investment

³⁵ United Nations Environment Programme – Finance Initiative is a partnership between United Nations Environment and the global financial sector created in 1992 with the objective to promote sustainable finance.

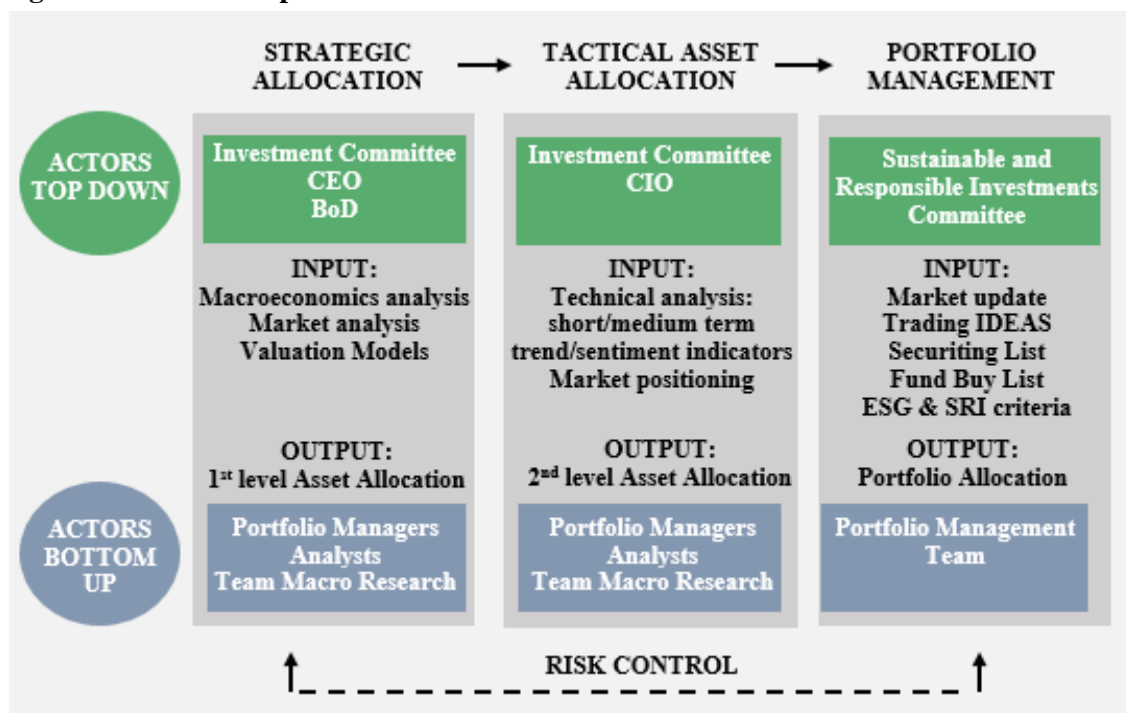
³⁶ UN Global Compact is a voluntary initiative based on CEO commitments to implement universal sustainability principals and to take steps to support UN goals.

according to which environmental, social and governance factors have to be incorporated in the investment analysis and in the decision-making process.

ESG and SRI principles are applied to all active management funds which include specialised ESG and ethical products. These products belong to the “Ethical System” which is composed of ethical funds that aim to increase the investments’ value over time applying an investment policy based on a sustainable issuers’ selection process.

The responsible investment process is divided into three phases: the strategic asset allocation, the tactical asset allocation and the portfolio management. Each phase includes the commitment of top-down and bottom-up actors. Top-down actors identify inputs to be used in the allocation of assets while bottom-up actors control the risk associated to the output of each phase. The following figure can easily display this process.

Figure 4: Eurizon Responsible Investment Process



Source: Eurizon Capital Sgr Website

More in detail, in these three stages Eurizon has the possibility: to identify those issuers which are more exposed to environmental, social and governance risks, or that do not meet sustainable and responsible investment principles; to identify those issuers with a high exposure to ESG risks and operating in sectors considered not socially responsible; to monitor investments through the compliance desk.

In particular, Eurizon has established a group of sustainability professionals responding to different divisions among Corporate Affairs and Investments, with the mission to take care of and to supervise all activities relating to Sustainable and Responsible Investments and to provide support to the Marketing and Commercial Development Division on the integration of ESG factors into the core processes of the Company.

Sustainability Committee, particularly, is an independent and autonomous body with respect to the asset management company and it guarantees that the management choices respond to the ethical principles. It is composed of professionals of heterogeneous extraction, with significant experience in various sectors of social responsibility concerning the management of products.

Pioneer Investments

To talk about Pioneer Investments' responsible investment process, we refer to Amundi, the Europe's leading asset management company which has recently acquired the ex-asset management arm of the Italian group UniCredit.

In order to support the responsible investment approach, Amundi refers to dedicated governance bodies subject to regular monitoring by Amundi's CEO³⁷:

- a) *ESG Committee*: chaired by a member of Amundi's Senior Management, this committee meets eight times a year to validate ESG ratings and provide opinions on the issuers whose ratings put them at risk of being excluded from Amundi's active management portfolios. ESG Committee's principal assignments are: to approve ratings on all issuers; to issue opinions on issuers flagged for exclusion from SRI portfolios (E and F ratings); to issue opinions on proposed exclusions of issuers from all portfolios managed by Amundi (G rating) and to present its recommendations to the Executive Management of Amundi.
- b) *Advisory Committee*: comprised mainly of external experts, the advisory committee's role is to monitor developments in social issues and emerging themes and to inform Amundi on points of policy and potential areas of controversy. The Committee issues opinions which are then communicated to the rating Committee

³⁷ ESG Integration, Governance, Polici & Strategy, 2017, Amundi and CSR Report 2016

for final decisions. The Committee can also refer to outside experts, for instance NGOs, on subjects like child labour or reasons for excluding countries.

- c) *Department dedicated to Responsible Investment*: performs the ESG analysis on over 4,000 issuers, applies the formalised engagement policy, and ensures relations with market groups and the promotions of these topics.
- d) *Corporate Governance and Quantitative Research Teams*: help to set the voting policy at general shareholders' meetings, dialogue with companies and devise research protocols to analyze the effect that ESG criteria have on funds' performance.
- e) *Outside contractors*: supply the extra-financial data. Amundi relies on the analysis of Vigeo-Eiris, the leading firm in Europe, MSCI, a North American agency with global coverage, and companies that specialize in certain subject areas.

Sella Gestioni Sgr

Sella Gestioni Sgr refers to Banca Sella Group's Ethics Committee in order to support its sustainable investment approach. The Ethics Committee within the Group has been working since 2003 and its tasks are to define, amend, update and disseminate the ethical principles in force within the Group, to check that they are complied with and to supervise their perception within the Group and outside it.

The Committee establishes the Corporate Social Responsibility Policies towards the different stakeholders while expressing opinions on whether it is suitable to finance specific sectors or make liberal donations, as well as drafting behavioural guidelines concerning all the Group's products and services.

The Banca Sella Group's Ethics Committee is composed of members coming from within the Group and chaired by the Chief Executive Officer.

UBI Pramerica Sgr

UBI Pramerica Sgr does not disclose information about subjects involved in the securities selection process of its funds. The reason is probably due to the fact that UBI Pramerica's funds invest in companies chosen from an investable universe selected by E-Capital

Partners, a leading independent ethical finance consulting firm, on the basis of specific excluded sectors.

UBI Banca Group refers to the Supervisory Board and to CSR Manager to co-ordinate ethical, social and environmental aspects of operations. In particular, the Supervisory Board as a whole analyses and approves the Sustainability Report but no mention is made about the actors involved in the securities' selection process.

BNP Paribas Investment Partners Sgr

BNP Paribas Investment Partners Sgr refers to more than 50 investment professionals with more than 15 years of experience, involved in developing and managing SRI funds. In particular, the ESG Research Team periodically screens investment universes in order to identify those issuers that are potentially in breach of UN Global Compact Principles and to identify the requirements that need to be applied to controversial sectors and products. This assessment is conducted on the basis of internal analysis and information provided by external experts, in consultation with BNP Paribas Group CSR Team.

In addition, the ESG Research Team has to prepare the exclusion list including those issuers that do not respect UN Global Compact Principles and the watch list including those issuers that are at risk of breaching ESG standards.

The Investment Team must take into consideration these lists in managing investments. The Investment Compliance Team finally ensures that exclusion lists are implemented by all relevant portfolios.

3.2 THE SECURITIES' SELECTION PROCESS

Each Asset Management Company is characterized also by the process used to determine which securities will be included in the portfolio. Since we are talking about ethical funds, the ESG principles are taken into consideration when selecting the securities, in addition to the risk and return factors.

The way in which the Socially Responsible Investment is implemented in the investment process determines the type of strategy chosen by the AMC that we have already explained in the sixth paragraph of chapter one.

In this paragraph, the investment strategies implemented by each Asset Management Company are going to be explained in order to compare the related investment selection processes.

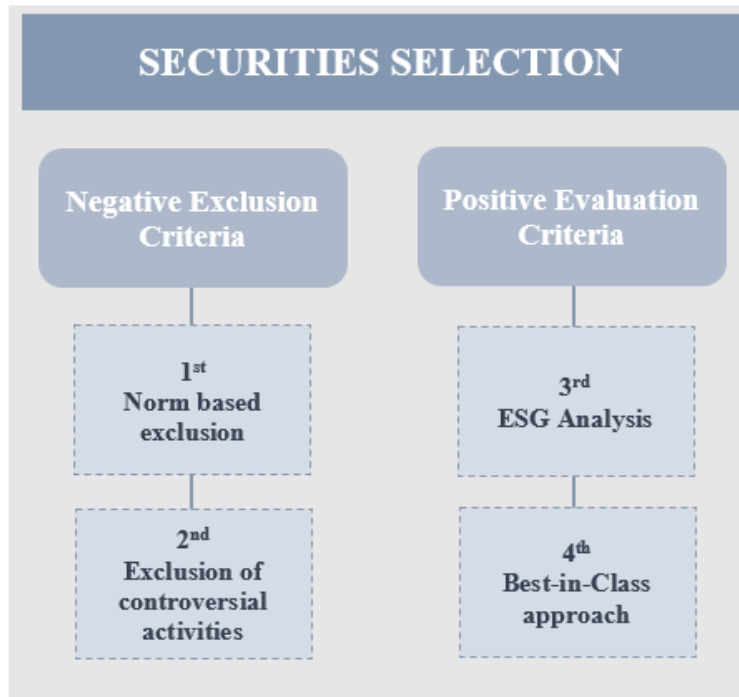
Etica Sgr

The sustainable and responsible investment of Etica Sgr is composed of two phases: the first concerns the selection of securities before the investment; the second concerns the regular and steady engagement with issuers after the investment.

In this paragraph, we concentrate our attention to the first phase while the second phase deals with the next paragraph.

Etica Sgr refers to different investment strategies included in a double screening system which involves the application of negative and positive criteria. Negative criteria exclude certain sectors or activities while positive criteria assess the governance, social, environmental and human rights fields. This analysis, carried out by the Research Team, aims to evaluate the specific features of each issuers as well as the contingencies of current events.

Figure 5: Etica Sgr’s Investment Strategies



Source: The process of ethical Investing: the case of Etica Sgr, Etica Sgr

As we can see from the figure, Etica Sgr excludes from its investments those companies that are involved in serious violation of Conventions or Principles internationally recognized. The main Conventions and Principles taken into consideration by Etica Sgr are:

- Convention Watch Anti-Personnel landmines;
- Convention Watch Cluster Munitions;
- International biodiversity principles, allegations of severe damage to ecosystems, natural habits or populations of species;
- International Code on Marketing of Breast Milk Substitutes in the Third World;
- Anti-Bribery Principles;
- ILO Standards on labour rights.

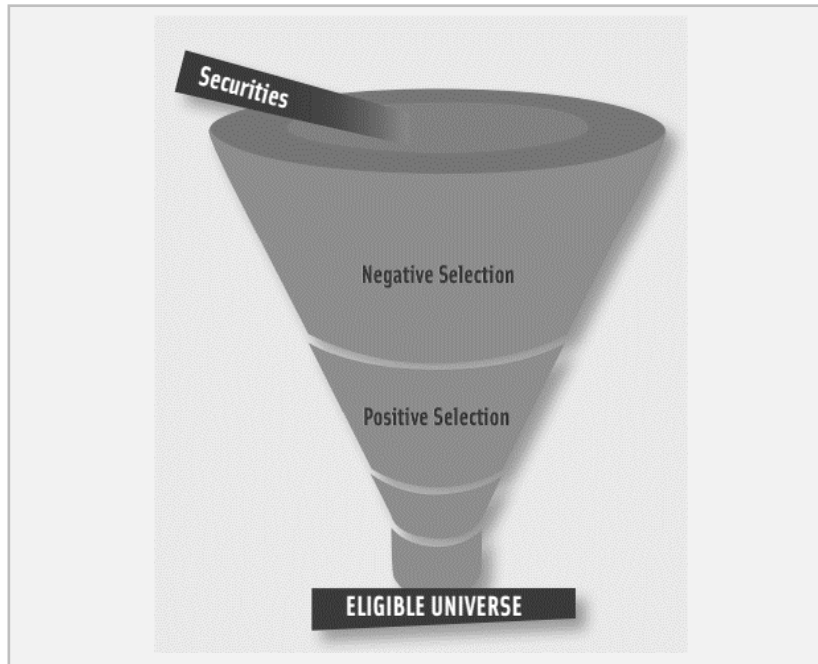
The second exclusion criterion concerns controversial activities that are not included in the eligible universe. In particular, a company is excluded if:

- Manufactures weapons (conventional and not conventional);
- Owns or runs nuclear power plant;
- Creates OGMs for non-medical use;
- Manufactures and/or sales tobacco;
- Manufactures and/or sales pesticides;
- Is involved in gambling;
- Sales furs;
- Is involved in cutting, manufacturing and selling wood from protected areas.
- Is involved in financial, oil or mining sectors.

In contrast, the positive selection supports investments in companies following CSR principles according to the ESG analysis and in the most virtuous countries from a social and environmental perspective. In particular, the issuers which have passed the initial selection are analysed in detail and evaluated according to environmental, social and governance parameters. Each issuer obtains a score based on the assessment of numerous indicators (65 for companies and 55 for countries).

Only those issuers with score higher than the threshold imposed by Etica Sgr and which are among the best of their peers in the relative sectors are selected.

Figure 6: Negative and Positive Selection



Source: Etica Sgr Website

The analyses of social and environmental responsibility of issuers conducted by Etica Sgr are based upon the use of different sources: specialised databases able to provide reliable and timely indicators; affiliated partners such as the ICCR (Interfaith Center on Corporate Responsibility), PRI (Principles for Responsible Investments), CDP (Carbon Disclosure Project) and EUROSIF (European Sustainable Investment Forum); information originating from NGOs such as Amnesty International and Legambiente, searches in specialist press, corporate documents published by companies (financial statements, sustainability reports, etc.) and information from direct dialogue with companies.

In the following tables, the detailed selection criteria are specified according to companies' and countries' selection criteria to have a completed and detailed overview. The companies' social and environmental evaluation is carried out by Etica Sgr on the basis of a specific database supplied by the English research society Eiris. This database includes social and environmental information about approximately 3,000 listed companies around the world.

In the following tables the most important social, environmental and governance indicators necessary for the companies' assessment are described.

a. Exclusion (Negative) Criteria for Companies

These are, in most of cases, absolute exclusion criteria. This means that if a company is involved in one of the listed practices or operates in one of these sectors, it is excluded from the eligible universe.

<ul style="list-style-type: none"> • Animal Testing 	<p>A company will be excluded if:</p> <ul style="list-style-type: none"> – Provides animal testing services; – In the last five years has tested its cosmetics products on animals or hasn't verified if its suppliers carried out these tests; – In the last five years has tested its cosmetics intermediates on animals or, if the company operates in the retail industry, has own-brand cosmetics tested on animals. <p>Companies that have tested their medicines on animals aren't excluded.</p>
<ul style="list-style-type: none"> • Military Production and Sale 	<p>Companies will be excluded if:</p> <ul style="list-style-type: none"> – Produce weapons (nuclear as well), parts of them or parts for weapons systems or if they provide services to weapons production, parts of them or weapons system; – Are formally accused or suspected (from main NGOs or other accredit sources) of involvement with the production or supply of cluster bombs or their key elements, in the last three years, and if they have not answered to that allegation; – Are formally accused or suspected (from main NGOs or other accredit

	sources) of involvement with production or the supply of anti-personnel landmines in the last three years or possess the technology to produce anti-personnel landmines in the last ten years and if they have not answered to that allegation (Ottawa Convention).
<ul style="list-style-type: none"> • Gambling 	A company will be excluded if any part of its turnover comes from gambling.
<ul style="list-style-type: none"> • Genetic engineering 	A company will be excluded if: <ul style="list-style-type: none"> – Genetically engineers vegetal crops (seeds, fruits, vegetables, etc); – Genetically engineers organisms (animal, etc.) in a contained setting not for healthcare purposes.
<ul style="list-style-type: none"> • Nuclear energy 	A company will be excluded if owns or operates nuclear power stations.
<ul style="list-style-type: none"> • Bribery and Corruption 	Companies will be excluded if formally are accused of breaking the International Anti-Bribery Convention and if they have not addressed the accusation.
<ul style="list-style-type: none"> • Money laundering and terrorism financing 	Companies will be excluded if they are formally accused of breaking the main International Conventions regarding money laundering and terrorism financing and if they have not answered to the accusation.
<ul style="list-style-type: none"> • Human and labour rights 	Companies will be excluded if they are formally accused of breaking International Labour Organization (ILO) standards or Human Rights Conventions

	(supply chain as well) and if they have not answered to that accusation.
<ul style="list-style-type: none"> • Environment 	<p>Companies will be excluded if:</p> <ul style="list-style-type: none"> – Are formally accused of breaking the International Convention on Biological Diversity and on air, water and soil pollution, and if they have not answered to that accusation; – Public oppose to Kyoto Protocol.
<ul style="list-style-type: none"> • Pesticides 	A company will be excluded if produces pesticides.
<ul style="list-style-type: none"> • Tobacco 	Companies will be excluded if they produce tobacco and if over 5% of their turnover comes from selling tobacco.
<ul style="list-style-type: none"> • Protected timber 	Companies will be excluded if they have been formally accused, in the last three years, of extracting, processing, using or selling protected timber, or illegally extracted one, and if they have not answered to that accusation.
<ul style="list-style-type: none"> • Fur 	Companies that sell fur products will be excluded.
<ul style="list-style-type: none"> • International Code of Marketing of Breast-milk Substitutes 	A company that does not comply with the Code of Marketing of Breast-milk Substitutes will be excluded.

In addition, a company that operates in one or more of these sectors is, usually, suspended:

- Banking sector;
- Financial sector;
- Insurance sector;
- Oil production and delivery sector;
- Mining sector.

Any proposals of inclusion of companies operating in these sectors will be evaluated one by one.

b. Companies’ Evaluation Criteria

Companies are analysed according to about 60 evaluation criteria in the following areas:

- Environment
- Corporate Governance
- Human Rights
- Stakeholder Relationships

ENVIRONMENT

<p><i>Policy, management and monitoring systems and reporting</i></p>	<ul style="list-style-type: none"> • Evaluation is conducted according to the quality and to the different environmental impact of sector activity; • Issues concern all the aspects of the respect for the environment (climate change, air, water and ground pollution, water resources, waste production and disposal, etc.).
<p><i>Environmental impact of products and production activities</i></p>	<ul style="list-style-type: none"> • Environmental performances (annual trends); • Attitude towards “climate change”; • Production of ozone using chemicals and other chemicals of concern; • Production or distribution of refrigerators containing CFCs; • Production or distribution of fertilizers, PVCs or phthalates; • Production and use of energy from renewable resources;

	<ul style="list-style-type: none"> • Engagement and improvement on the R&D of <i>environmental friendly</i> products and services; • Engagement and improvement on the reduction of environmental impact of products and services; • Sustainable timber use (according to volumes and international standards); • Sustainable water use; • Policies focused on the respect of biodiversity; • Accusation on severe damages in terms of air, water and ground pollution.
<i>Environmental laws breach</i>	<ul style="list-style-type: none"> • Accusation of severe damages to ecosystems, natural habitats or populations of species in natural surroundings in both protected areas and areas of high biodiversity value (International Convention on Biological Diversity).

CORPORATE GOVERNANCE

<i>Board Practices</i>	<ul style="list-style-type: none"> • Separation of the roles of Chairman and CEO; • More than 33% of independent non executive directors; • More than 50% of independent non executives members in Audit Committee;
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	<ul style="list-style-type: none"> • Number of stakeholder issues allocated to Board members; • Number of women in the Board.
<i>Directors' pay</i>	<ul style="list-style-type: none"> • Transparency in the disclosure of directors' pay.
<i>Ethical Code</i>	<ul style="list-style-type: none"> • Quality of the code; • Code implementation and communication.
<i>Bribery</i>	<ul style="list-style-type: none"> • Accusation of breaches of the International Anti-Bribery Conventions; • Quality of policies and systems to prevent and fight bribery.
<i>ESG risk management</i>	<ul style="list-style-type: none"> • Management of ethical, social and environmental risks, through a specific unit or role in the management.

HUMAN RIGHTS

<i>Policy, management and monitoring system and reporting</i>	<ul style="list-style-type: none"> • The analysis is conducted also according to the presence of the company in countries where the respect of human rights is a very disputed issue (supply chain as well).
<i>Human Rights Convention (UN) breach</i>	<ul style="list-style-type: none"> • Accusations of laws breach concerning equal opportunities, gender, religious, racial discriminations, indigenous people rights, etc. (supply chain as well).
<i>Labor Standard Convention (ILO) breach</i>	<ul style="list-style-type: none"> • Accusations of law breach concerning: forced labor, child labor, association freedom, work hours, health&safety

	system on job, etc. (supply chain as well).
<i>Presence in Myanmar (former Birmania)</i>	<ul style="list-style-type: none"> • Negative impact.

STAKEHOLDER RELATIONSHIPS

<i>Policies, management and monitoring system and reporting</i>	<ul style="list-style-type: none"> • Specific policies for all stakeholders; • Level of stakeholders involvement; • Quality of information for all stakeholders; • Reporting quality.
<i>Health&Safety on job place</i>	<ul style="list-style-type: none"> • Engagement in the protection of health&safety of employees (social certifications as OHSAS8001).
<i>Trade Unions relationship and employees' involvement</i>	<ul style="list-style-type: none"> • Quality of relationships with trade unions and employees; • Policies on job protection and stability.
<i>Equal opportunities</i>	<ul style="list-style-type: none"> • Policies in support of equal opportunities.
<i>Employees training</i>	<ul style="list-style-type: none"> • Quality of employees training and career improvement standard.
<i>Client relationship policies, management and monitoring systems</i>	<ul style="list-style-type: none"> • Quality of processes (i.e. certificazioni ISO 9001); • Customer satisfaction activities.
<i>Supply chain policies, management and monitoring systems</i>	<ul style="list-style-type: none"> • Suppliers selection according to ESG issues; • Development of sustainability policies for the supply chain. • Quality of suppliers relationships.
<i>Local community relationships</i>	<ul style="list-style-type: none"> • Support of the local communities, through charitable acts;

	<ul style="list-style-type: none"> • Support to the access to medicines in developing Countries by pharmaceutical companies.
<i>Positive impact on the community</i>	<ul style="list-style-type: none"> • Proportion of turnover coming from products and services in the healthcare, environmental technologies and public transport sector.

OTHER CONCERNS

<i>Animal welfare</i>	<ul style="list-style-type: none"> • Animal testing, in the last five years, of products different from medicines and cosmetics (supply chain as well).
<i>Money laundering and terrorism financing</i>	<ul style="list-style-type: none"> • Accusations of breaching the main International Conventions regarding money laundering and terrorism financing.

Figure 7: ESG Analysis for companies

ENVIRONMENT	SOCIAL	HUMAN RIGHTS	GOVERNANCE
<ul style="list-style-type: none"> ▪ Reduction pollutant emissions ▪ Environmental certifications ▪ Energy efficiency ▪ Efficient use of water resources ▪ Products with positive environmental impact ▪ Environmental reporting 	<ul style="list-style-type: none"> ▪ Health and safety on workplace ▪ Equal opportunities ▪ Employees training ▪ Employment contracts quality ▪ Customer satisfaction monitoring ▪ Supply chain monitoring and selection ▪ Positive impact on the community 	<ul style="list-style-type: none"> ▪ Policy and systems addressing human rights issues, mostly for companies that operate in countries of concern for human rights, and in high risk operations (ex. Cina, India, Russia, etc.) ▪ Human Right reporting 	<ul style="list-style-type: none"> ▪ Separation between the role of chairman and chief executive ▪ % of Company Board independent non-executives ▪ Women on the Board ▪ Presence and implementation of the Code of Ethics ▪ Transparent disclosure of the remuneration policy for the top management

Source: The process of ethical Investing: the case of Etica Sgr, Etica Sgr

c. Countries' Selection Criteria

Countries' commitment to social and environmental issues is assessed following the indicators reported in the tables below.

A Country will be excluded from the eligible universe of Etica Sgr's funds if there is:

- A violation of political freedom (for example: freedom of speech, of association and of organization) and a lack of civil rights (religious freedom, respect of human rights, freedom to participate in the life of the country, etc.): countries considered not-free or partially free;
- Death penalty: applied or provided by law.

In contrast, Countries are analysed according to about 50 positive criteria in the following areas:

- Environment
- Social
- Governance
- Other indicators

Positive criteria for each area are reported below.

ENVIRONMENT

<i>CO₂ Emissions</i>	<ul style="list-style-type: none">• Ratification of Kyoto Protocol and Montreal Protocol (<i>source: Kyoto e di Montreal Protocol secretariat</i>);• Achievement of the initial targets of Kyoto Protocol (<i>source: UNFCC – United Nations Framework Convention on Climate Change</i>);• CO₂ emissions compared to national GDP, population and to emissions trend itself (<i>source: World Resources Institute</i>);
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	<ul style="list-style-type: none"> • Pro-capita greenhouse gasses emissions different from CO₂ (<i>source: WRI</i>).
<i>Energy Production from renewable sources</i>	<ul style="list-style-type: none"> • Percentage of energy produced from renewable sources with on all the energy used by the country (<i>source: WRI</i>).
<i>Environment Protection</i>	<ul style="list-style-type: none"> • Ratification of Rio Convention and CITES (Convention on International Trade in Endangered Species). (<i>source: Rio Conventions and CITES secretariat</i>).
<i>Biodiversity protection: threatened animal species, protected natural habitats</i>	<ul style="list-style-type: none"> • Percentage of animal species in danger of extinction (<i>source: WRI</i>); • Percentage of protected natural habits on all the territory (<i>source: NIPR – New Ideas in Pollution Regulation – by the World Banca</i>); • Presence of an environmental protection agency (<i>source: WRI</i>).
<i>Water quality</i>	<ul style="list-style-type: none"> • Percentage of water used in the Country on all the water sources (<i>source: WRI</i>); • BOD (bio-oxygen demand), measure of how much the water use for civil and industrial reasons influences its quality (<i>source: WRI</i>); • BOD per worker, measure of how much the water use for civil and industrial reasons influences its quality (<i>source: WRI</i>);

	<ul style="list-style-type: none"> • Ratification of UNCLOS (UN Convention on the Law Of the Sea) (<i>source: UNCLOS Secretariat</i>).
<i>Use of fishery resources</i>	<ul style="list-style-type: none"> • Amount of fish caught, in tons (absolute value), (<i>source: World Development Indicators – WDI by the World Bank</i>); • Amount of fish caught, in tons (relative value, per capita), (<i>source: World Development Indicators – WDI by the World Bank</i>).
<i>Deforestation</i>	<ul style="list-style-type: none"> • Evolution of forest areas (<i>source: WRI</i>).
<i>Use of fertilizers</i>	<ul style="list-style-type: none"> • Amount of fertilizers used, in kilograms (relative value, per hectare) (<i>source: WRI</i>); • Fertilizers use trend (<i>source: WRI</i>).
<i>Waste Management</i>	<ul style="list-style-type: none"> • Amount of industrial and civil waste produced (<i>source: WRI</i>).

SOCIAL

<i>International Labour Organization (ILO) Conventions ratification</i>	<ul style="list-style-type: none"> • Ratification of the ILO Conventions (<i>source: ILO</i>);
<i>Human rights conventions ratification</i>	<ul style="list-style-type: none"> • Ratification of the seven key conventions on human rights (<i>source: Amnesty International</i>);
<i>Child labour</i>	<ul style="list-style-type: none"> • Relevance of child labour in the country;
<i>Unemployment</i>	<ul style="list-style-type: none"> • Unemployment rate;
<i>Female workforce</i>	<ul style="list-style-type: none"> • Percentage of women on all the workforce;

<i>National expenditure on education and healthcare</i>	<ul style="list-style-type: none"> • National expenditure on education as a percentage of GDP (<i>source: UNICEF</i>); • National expenditure on healthcare as a percentage of the GDP (<i>source UNICEF</i>);
<i>Infant mortality</i>	<ul style="list-style-type: none"> • Infant mortality rate (<i>source: World Health Organization</i>);
<i>Access to water and to medical care</i>	<ul style="list-style-type: none"> • Percentage of population that has access to medical care (<i>source: UNICEF</i>); • Percentage of population that has an adequate access to medical care (<i>source: UNICEF</i>);
<i>Human Development Index (HDI)</i>	<ul style="list-style-type: none"> • Level of human development, measured through the Human Development Index – HDI (<i>source: United Nations Development Programme – Human Development Index reports</i>);
<i>Economic Inequality</i>	<ul style="list-style-type: none"> • Economic inequality level of the country, measured through the “GINI coefficient” (<i>source: UNDP</i>).

GOVERNANCE

<i>Political rights</i>	<ul style="list-style-type: none"> • Respect for political rights in the country (<i>source: Freedom House</i>); • Possibility to participate to political life, measured through the Voice and Accountability Index (<i>source: World Bank</i>);
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<i>Political stability</i>	<ul style="list-style-type: none"> • Level of political stability (<i>source: World Bank</i>);
<i>Civil freedom</i>	<ul style="list-style-type: none"> • Respect for the civil freedom in the country (<i>source: Freedom House</i>); • Level of legality in the country (<i>source: World Bank</i>); • Govern effectiveness (<i>source: World Bank</i>); • Legislative quality (<i>source: World Bank</i>);
<i>Perception of corruption</i>	<ul style="list-style-type: none"> • Perception of corruption index (<i>source: Transparency International</i>); • Ratification of United Nation convention on corruption (<i>source: UNDP – HDI</i>); • Corruption control (<i>source: Banca Mondiale</i>);
<i>Gender empowerment measures (equal opportunities)</i>	<ul style="list-style-type: none"> • Measure for gender empowerment, equal opportunities (<i>source: UNDP – HDI</i>).

OTHER INDICATORS

- Production of nuclear energy (as a percentage of all produced energy);
- Military expenses (as a percentage of the GDP);
- Ratification of treaties against production and proliferation of weapons;
- Commitment to international cooperation (as a percentage of the GDP).

Table 8: ESG Analysis for Countries

GOVERNANCE	SOCIAL	ENVIRONMENT
<ul style="list-style-type: none"> ▪ Civil and press freedom (source: FH) ▪ Political Rights (source: WB) ▪ Perception of corruption index (source: TI) ▪ Political stability index (source: WB) ▪ Government effectiveness 	<ul style="list-style-type: none"> ▪ % women in workforce ▪ Public spending for instruction/education (compared to GDP) ▪ Health systems access ▪ Human development index ▪ Gini Index (Income inequality index) ▪ ILO and Human Rights conventions ratification 	<ul style="list-style-type: none"> ▪ CO₂ reduction ▪ Renewable energy ▪ Water quality (domestic and industrial use) ▪ Biodiversity protection policies ▪ Deforestation Index ▪ Ratification of Kyoto and Montreal Protocol

Source: The process of ethical Investing: the case of Etica Sgr, Etica Sgr

Eurizon Capital Sgr

Investments in Eurizon Capital’s ethical funds are selected on the basis of positive criteria (inclusive principles) and negative (exclusive principles). Positive criteria are applied in order to detect the presence of ethical characteristics in the companies and entities that are under analysis. Negative selection criteria, instead, detect the areas of activity which are considered in contrast to the ethical principles declared by the funds.

At the same time, the Best-in-Class principle is taken into consideration too. It allows positive and negative selection criteria to be used together, with the aim to identify those companies which, within certain risky markets (for example oil sector), stand out in any case thanks to merits earned on social and environmental topics.

As a consequence, the investment universe depends on the application of ESG criteria, positive and negative criteria and Best-in-Class principles. Positive and Negative criteria are following specified.

Whether the issuer is a Country, the positive criteria concern:

- Safeguard of Human rights (regardless the race, nationality, religion, gender, etc.);
- The commitment to resolve conflicts and to create conditions for a stable and pacific dialogue among countries and people;
- The commitment to help non-developed countries, and those affected by wars or natural disasters.

Whether the issuer is a Company, the positive criteria concern:

- The commitment to respect the environment in carrying out the activity;
- The commitment to projects and activities which may contribute to an improvement in the quality of life;
- The attention paid to the quality and safety of products, as well as the health and safety of workers.

Whether the issuer is a Country, the negative criteria concern:

- The presence of an oppressive regime;
- The involvement in military actions conducted without the support of supranational organizations.

Whether the issuer is a Company, the negative criteria concern:

- The case in which a substantial part of profits is realized through the production or promotion of weapons, tobacco, alcohol, genetically modified organisms, and all products which are detrimental to human dignity (for example pornography, etc.) and its health;
- The production of plants for the nuclear energy production.

With concern to negative criteria, the Eurizon's Long Term Sustainable Strategy Team, identifies two classes of issuers: "Critical Issuers" which have the lowest ESG sustainability rating and, consequently, a high exposure to ESG risks, and those issuers operating in "not socially responsible" sectors. In these cases, the Sustainable and Responsible Investment Committee encourages a specific activity of engagement with the company or the country. If sustainable improvements are made, the issuer may have

the possibility to be removed from the list of monitored issuers. If no improvements are made, the AMC may decide to disinvest or to extend the monitoring period.

The list of issuers is periodically updated, shared with the Investment Director and the Sustainability Desk, and submitted to the Sustainable and Responsible Investments Committee.

Pioneer Investments

Pioneer Investments refers to Amundi's Investment Strategies to select securities for its ethical funds. Amundi, in particular, has chosen to base its SRI strategy on the Best-in-Class approach, which consists of comparing the companies in one sector to each other in order to highlight the best practices.

More in detail, the Best-in-Class approach is a well-structured, rigorous ESG analysis that refers to an extra financial analysis to select companies that best comply with Environmental, Social and Governance (ESG) criteria in each sector. Only the most advanced companies are selected. This ESG analysis applies to all conventional asset classes: equities, bonds, money market, diversified solutions, as well as private equity, real estate and infrastructure.

This approach is applied both to corporate extra-financial analysis and to country extra-financial analysis:

- Corporate Extra-Financial Analysis is based on texts with a universal scope, for example the OECD's guiding principles on corporate governance, the International Labour Organization (ILO), etc. The analysis includes 37 criteria, of which 15 criteria are generic, such as are common to all companies regardless of their business sector, and 22 specific criteria based on the business sector.

Criteria are weighted according to the business sector, regional and legislative context. Hence, a criterion acquires a greater weight whether the risk associated to this criterion increases.

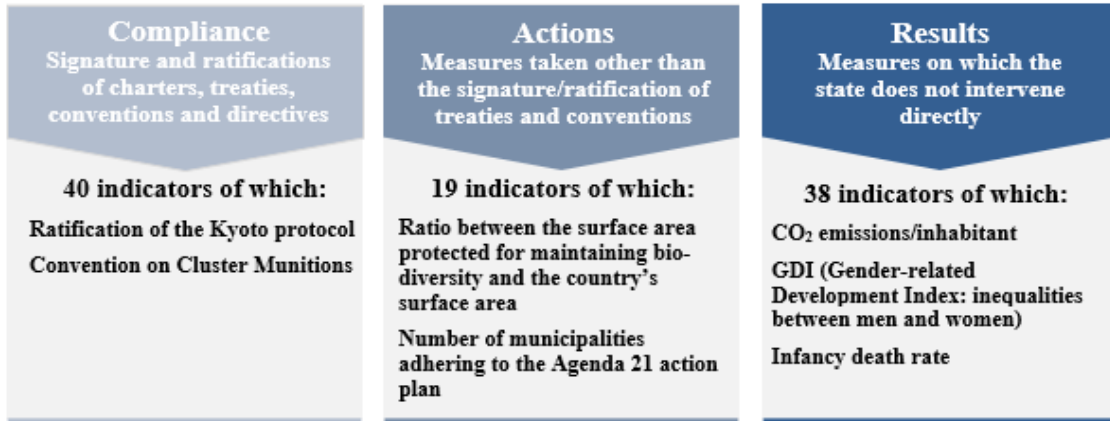
Table 68: Corporate Extra-Financial Analysis

	ENVIRONMENT	SOCIAL	GOVERNANCE
Examples among 15 generic criteria	Energy consumption Biodiversity, pollution and waste Emissions Water	Health & Security Local communities and human rights Working conditions and non-discrimination	Compliance and Control Independence of the Executive Board Remuneration Rights of shareholders
Examples among 22 specific criteria	Green Automobile (Automobile) Green Financing (Banking)	Access to medicine (pharmaceutical industry) Products security (telecommunications) Responsible marketing (banking, pharmaceutical industry, financial services, food and drinks)	

Source: Amundi Website

- Country Extra-Financial Analysis consists in assessing the extent to which the three criteria, Environmental, Social and Governance, are built into institutional systems and public policies. In this analysis, the criteria are divided into 3 classes of indicators: “Compliance”, “Actions” and “Results”.
 - a) Compliance includes signatures and ratifications of charters, treaties, conventions and directives and consists of 40 indicators, for example the ratification of the Kyoto protocol and the Convention on Cluster Munitions.
 - b) Actions include measures and the signature/ratification of treaties and conventions. This class presents 19 indicators including the ratio between the surface area protected for maintaining bio-diversity and the country’s area, and the number of municipalities adhering to the Agenda 21 action plan.
 - c) Results include the measures on which the state does not intervene directly and are made of 38 indicators including the CO₂ emissions, GDI (Gender Development Index) such as the inequalities between men and women, and infancy death rate.

Figure 9: Country Extra-Financial Analysis



Source: Amundi Website

This approach makes it possible to avoid setting financial performance against extra-financial criteria because it unites the two types for increased value creation.

In addition, in this securities' selection process, Amundi refers also to the ESG Integration strategy. Amundi signed the Principles of Responsible Investment (PRI) as soon as they were introduced in 2006 and includes the ESG analysis in the investment process to facilitate the better identification of risk and opportunities.

In particular, as we can see from the previous table, the ESG analysis of companies examines the corporate behaviour in three aspects: environmental, social and governance, and it is based on documents of universal application such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, those of the International Labour Organisation (ILO), etc. The ESG analysis of governments is intended to assess and compare the integration levels of the ESG criteria in institutional systems and public policies. It relies on one hundred or so indicators distributed over the three dimensions: Compliance, Actions and Results.

Amundi does not implement a general sectorial exclusion policy but prefers to apply the Best-in Class approach to each activity sector. However, it completely excludes from its investments:

- Companies involved in the production or sale of anti-personnel mines and cluster bombs, prohibited by the Ottawa and Oslo conventions;
- Companies involved in the production or sale of chemical, biological and depleted uranium weapons;

- Companies that violate, repeatedly and seriously, the ten principles of the Global Compact;
- Governments that violate human rights or make themselves guilty of the worst crimes like war crimes or crimes against humanity.

Moreover, since 2016, Amundi excludes also issuers whose revenue is determined by coal extraction for over 50%.

Sella Gestioni Sgr

Sella Gestioni Sgr bases its securities' selection process on the Impact Investing strategy. Impact Investing is a Sustainable and Responsible Investment strategy which aims to generate social and environmental impact alongside a financial return.

“Investimenti Sostenibili” and the Impact Investing approach embrace four elements: the financial return and the objective to gradually increase the capital invested; the intentionality to generate a positive environmental and social impact; eight impact themes and the related most urgent challenges; the impact measurement to quantify the environmental and social consequences in total transparency.

The selection process refers to the construction of a three-dimension investment. This process excludes financial instruments issued by companies that have a negative impact on the environment and society, and that do not respect human rights and individual freedom. The inclusion criteria instead are based on ESG and impact analysis.

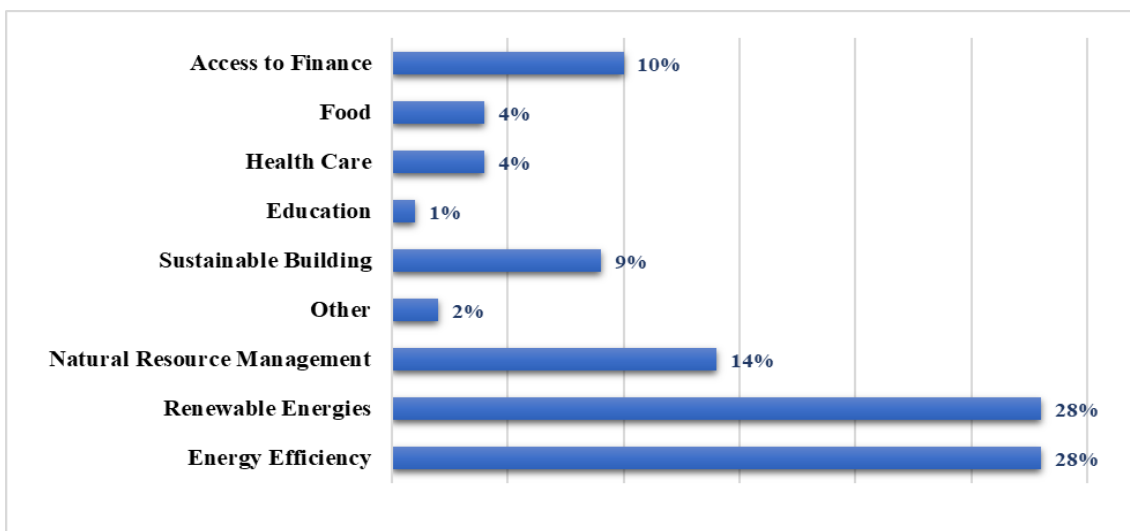
The ESG (Environmental, Social and Governance) analysis supports companies that operate in conformity with the environment and the community. As a consequence, Sella Gestioni Sgr invests: in Green and Social Bond issued with the objective to bring environmental and social benefits; in Shares and Bonds issued by companies with a major environmental and social impact which respect the ESG criteria and a relevant percentage of their profits comes from sustainable products or services; in Thematic Funds which invest in a particular market segment or business area. These guarantee a high impact allocation.

The impact analysis assesses the ability of financial instruments to generate sustainable value considering the following parameters: competition, inclusion, innovation, intentionality, additionality and measurability.

Investimenti Sostenibili identifies eight impact themes to support United Nations' sustainable objectives:

- Energy efficiency: to identify solutions, technologies and products that can drive energy efficiency and reduce CO₂ emissions to increase the use of renewable energies.
- Renewable energies: which take advantages of natural resources such as sun, wind, earth and water to satisfy the growing energy needs.
- Natural Resource Management: this theme identifies the need to manage natural resources and waste to reduce the resources exploitation and the environmental degradation.
- Access to Finance: facilitating access to financial services to low income people, micro-entrepreneurs and small and medium-sized enterprises to develop the economic prosperity and the long-term progress.
- Sustainable building: which uses ecodesigns, biocompatible materials, consumption reduction systems and emission control.
- Health care: all people should have the possibility of receiving adequate medical care.
- Food: to promote healthy eating and the implementation of sustainable farming practices to feed the world growing population.
- Education: which is necessary to fight disparities and promote progress.

Figure 10: Eight Impact Themes



Source: Sella Gestioni Website

In 2016, Energy efficiency, Renewable energies and Natural resources management have been the main thematic areas allocated in the portfolio. The main reason is that the investment needs to be a long-term investment to reach the environmental and social objectives. In addition, market opportunities are mainly related to environmental themes. The 2017 concentrates its attention also in Education and Food. The objective of this selection process is to build an efficient portfolio in three dimensions: Risk, Performance and Impact.

UBI Pramerica SGR

UBI Pramerica SGR offers to its investors ethical funds which invest in equities or bonds of issuers that comply with the ethical and social responsibility requirements that UBI Pramerica identifies with the support of E. Capital Partners, the leading European consulting firm for ethical finance.

Positive and negative criteria are considered by UBI Pramerica SGR in the selection process of financial instruments' issuers which will be included in the Fund. The issuers which will be included need to pay particular attention to sustainable development taking into account the respect of human rights, the environmental impact and the green economy. These issuers have to carry out activities that contribute to an improvement in the quality of life, for example the development of alternative or renewable energies. For this purpose, the achievement of relevant social and environmental goals, the attention and the development of sustainable initiatives, the respect of human rights, transparency and clear rules of governance are positively evaluated in the selection process.

On the other hand, investments in financial instruments are excluded if the issuer meets one or more negative criteria:

- The manufacture and/or trade of arms;
- The manufacture and/or trade of pornographic material;
- The manufacture and/or trade of contraceptive;
- The manufacture and/or trade of alcohol, drugs and tobacco;
- The promotion and exercise of gambling;
- The production of nuclear power plants;
- The involvement in the research, development and production of GMOs.

In addition, Financial Instruments are selected through macroeconomic analyses in the expectation of inflation rates, ECB's monetary policy, arbitrage opportunities, interest rate curves.

BNP Paribas Investment Partners

BNP Paribas Investment Partners' social and responsible investment portfolios are based on a combination of two different strategies: Best-in-Class and thematic strategies. The Best-in-Class approach invests in issuers in each sector that are assessed to be the best performers among their competitors in terms of environmental, social and governance practices. Thematic strategy invests in companies that operate in specific activities with a strong environmental and social impact.

BNP Paribas Asset Management has adopted ESG standards for its investments in corporate issuers based on the 10 principles of the United Nations Global Compact, recognized around the world and applied to all industry sectors. These principles concern human rights, labour standards, environment and anti-corruption.

In addition, specific sector policies and ESG requirements for controversial sectors and products are developed by the AMC. Companies that fail to comply with these policies are not included in the portfolio.

The Sustainability Research Team, on the basis of internal analysis and information provided by external experts, identify issuers that do not respect the Global Compact Principles and mandatory requirements and are, therefore, excluded.

As a result of this process, BNP Paribas Asset Management establishes two lists:

- An “exclusion list” of issuers that repeatedly do not respect Global Compact Principles and mandatory requirements related to controversial sectors and products.
- A “watchlist” of issuers that risk to violate ESG standards and with whom the company engages in a dialogue in order to encourage improvements.

The ESG standards related to investments in controversial sectors and products implemented by BNP Paribas Asset Management are consistent with sector policies adopted by the BNP Paribas Group and cover the following areas:

- Palm oil and Wood Pulp: BNP Paribas expects Palm Oil and Wood Pulp Companies to comply with existing applicable environmental and social laws and regulation, as well as with international conventions ratified by the countries in which they operate. In addition, BNP Paribas implemented an internal policy which sets specific criteria applicable to Palm Oil and Wood Pulp Companies and that is split in two categories: mandatory requirements and evaluation criteria. Mandatory requirements need to be met without exceptions, evaluation criteria allow to develop additional analyses of the companies' performance to decide whether or not providing financial products. BNP Paribas regularly reviews the performance of companies against the policy. If a company does not respect the requirements, a dialogue will be engaged with the client in order to find an acceptable solution to improve the situation. Whether the dialogue is unfruitful, BNP Paribas may decide to stop the investment. The objective is to encourage the production of sustainable palm oil and wood pulp by investing only in companies that meet minimum environmental and social standards. As a consequence, companies that do not respect these minimum standards and, for example convert protected areas into palm oil and wood plantations or use child labour, are excluded from the investment.
- Nuclear: BNP Paribas expects Nuclear Companies to comply with existing local laws as well as with international conventions ratified by countries in which they operate. In addition to these regulations, BNP Paribas sets additional criteria to be respected by Nuclear operators which could be mandatory or evaluation criteria. The objective is to ensure that BNP Paribas invests in companies that operate in countries with a proper legal framework, use appropriate technologies and adopt adequate health & safety monitoring and accident prevention measures.
- Coal-fired Power Generation: BNP Paribas requires CFPG companies to comply with applicable laws and regulations as well as international conventions. In addition, BNP Paribas sets additional mandatory requirements and evaluation criteria. In particular, they require CFPG companies to implement diversification strategies to reduce the generation of coal, and to periodically disclose environmental data, for example, the atmospheric emissions of carbon dioxide and other elements and water consumption.

The aim is to ensure investments in companies that decrease their CO₂ emissions by operating more efficiently and diversifying to cleaner sources of electricity generation.

- Controversial weapons: BNP Paribas will not provide financial products and services to, or invest in, companies assessed to be “involved in controversial weapons”. These include cluster ammunition and antipersonnel landmines, chemical and biological weapons, and nuclear uranium weapons. To be involved in controversial weapons happens when a company produces, trades, or stores controversial weapons or components, or when it provides assistance, technologies or services dedicated to controversial weapons.
- Asbestos: BNP Paribas has the objective to avoid the investment in companies which own or operate asbestos mines and asbestos fibre production facilities. Asbestos’ inhalation is dangerous as it can cause serious illnesses, such as asbestosis and cancer.

BNP Paribas aims to forbid the investment in companies involved in the extraction or production of asbestos fibres banned today in more than 50 countries.

- Mining: BNP Paribas, in addition to regulation and international conventions, encourages Mining Companies to move toward good industry practices regarding environmental, social and governance issues. Mining Companies must not use child or forced labor, have to provide information about health and safety at company level, water use and emissions, and have to implement a diversification strategy.

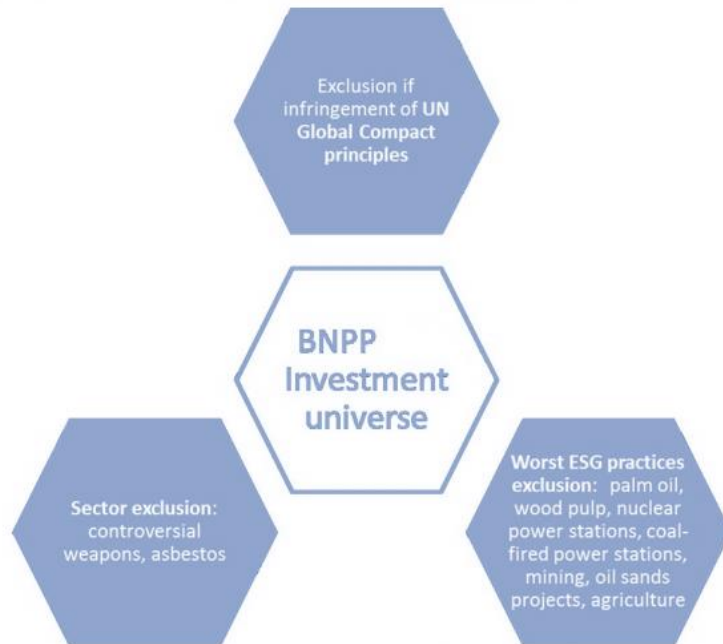
The objective is to ensure that BNP Paribas does not invest in companies that adopt low ESG standards and practices.

- Tobacco: BNP Paribas acknowledges that main environmental, social, and governance risks for companies operating in the tobacco sector are first of all public health issues, but also poor labour practices with dangerous working conditions, and controversial marketing and advertising practices. BNP Paribas believes that tobacco companies have a role in minimizing these risks linked to the tobacco production and consumption, and expects tobacco companies to act responsibly. BNP Paribas requires its clients to respect national laws and

encourages them to operate in line with international good practices. In particular, it expects tobacco companies to be fully transparent on the health risks associated with smoking with particular attention to young and vulnerable people.

- Agriculture: In addition to local laws and international conventions, BNP Paribas identifies additional requirements based on key environmental and social stakes and linked to the following fields: ecosystem and biodiversity to protect particular plant or animal species, water use and pollution, working conditions and human rights which forbid the child and forced labor and the employees discrimination, health and safety to protect workers' conditions, global food security minimizing food wastage during storage and transport, food safety and traceability and animal welfare too. BNP Paribas wants to invest in companies developing sustainable practices and that are committed to feed people with healthy and safe products without threatening the food supply of future generation.

Figure 11: BNP Paribas Investment Universe



Source: BNP Paribas Website

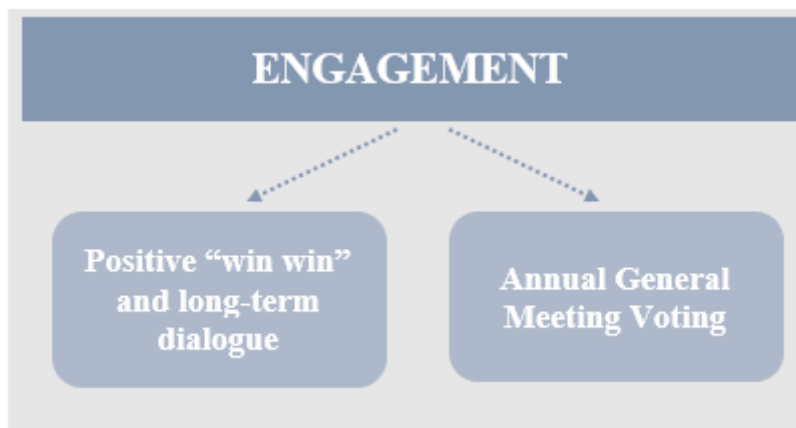
3.3 THE ENGAGEMENT POLICY

Etica Sgr

Etica Sgr considers Engagement as the most developed form of responsible investment as it requires constant and long-term commitment by the investor and in-depth knowledge of the issuer.

The asset management company refers to two engagement macro categories: soft engagement and hard engagement. The first is practiced through dialogue with management, planning opportunities for periodic unexpected meetings to discuss specific topics or conference calls, sending requests for more information on certain subjects or investment policies or sending guidelines; the second is implemented through the participation of investors at shareholders' meetings by exercising the vote on the items on the agenda, reading the interventions and submitting motions. Hard engagement is exercised by Etica Sgr with the objective to direct companies towards practices with greater focus on sustainability.

Figure 12: Etica Sgr's Engagement Policy



Source: The process of ethical Investing: the case of Etica Sgr, Etica Sgr

Moreover, the identification of win-win topics, such as of mutual interest, and dialogue with management during the shareholders' meeting allow Etica Sgr to implement an actively effective and long-lasting engagement.

Etica Sgr specifies the objectives of this double engagement within three points:

- To establish a constructive and medium to long-term dialogue with companies to stimulate the development of a real and sustainable economy;

- To fully exercise the potential of being engaged shareholders, using the experience and expertise of Etica Sgr's analysts to decide how to vote in the shareholders' meetings in the interest of their members and principals;
- To create documentation that describes the shareholder engagement strategy in accordance with existing regulations.

Eurizon Capital Sgr

Eurizon Capital Sgr adopts an active shareholder strategy, interacting directly with a number of large companies included in the portfolios.

The asset management company was one of the first companies to sign the Italian Stewardship Principles to exercise administrative and voting rights in the listed companies in which it has invested. Its policy includes to monitor the most significant corporate events relating to financial instruments in its portfolios and to focus on governance within the companies in which it invests.

Moreover, Eurizon Capital Sgr is part of a network of international investors working in collaboration with the UN to share a set of principles inspired by an understanding mechanism of the sustainability of investments through attention to ESG factors and their integration in the investment process.

This administrative and voting rights activity translates also in soft engagement practices involving direct communication with companies, putting questions and notes on topics of particular interest on social, environmental and corporate governance issues³⁸.

Pioneer Investments

Amundi's engagement policy promotes respect for international conventions on human rights, the International Labor Organization and the environment, and focuses on dialogue with companies to help them improving their practices.

Amundi's engagement process covers three areas: engagement for influence, data collection and voting policy.

- a) The engagement policy for influence encourages companies to adopt better practices on specific themes, in particular:
 - Respect for human rights in the mining and oil sectors;

³⁸ Intesa San Paolo, "The Sustainability Report", 2016.

- Combatting food waste in the agrifoods and retail sectors;
- Conflict minerals;
- Responsible lobbying by pharmaceutical companies and the automotive industry;
- The environmental impact associated with coal in the Utilities' sector;
- Child labour in the cocoa and tobacco industries.

The objective of this engagement policy is to influence public authorities to adopt incentive measures and encourage companies to improve their activities' management. The considered areas include climate change, water, deforestation and healthcare problems in developing countries.

- b) To improve the rating given by the ESG analysts, Amundi formed a partnership with eight extra-financial rating agencies. These extra financial analysts regularly arrange meetings with more than 200 companies selected on the basis of the fraction of equity owned by Amundi and on their weight in Amundi's portfolios or in the benchmark indexes.
- c) Amundi includes environmental and social criteria in its voting policy which is updated every year. Amundi's voting rights are exercised in the general shareholders' meetings of the companies in which its portfolio is invested. The voting policy has, in particular, three main objectives: protect the interest of shareholders, facilitate the dialogue with companies and contribute to the effectiveness of corporate governance and to the efficiency of the market. Shareholder dialogue consists in discussing Amundi's expectations as responsible investor providing constructive exchanges to reach, in addition, a greater transparency and better practices.

Sella Gestioni Sgr

Sella Gestioni Sgr carries out its activity of engagement through "Investimenti Sostenibili" and the issue of sustainable bond. The shareholder engagement policy imposes to Sella Gestioni Sgr to meet and dialogue with companies in the portfolio in order to receive more information about the companies' sustainable activities. Sella Gesioni pays particularly attention to good governance and sustainable reporting methods. As "Investimenti Sostenibili" is composed of debt securities and no capital has

been invested in shares during 2016, Sella Gestioni Sgr did not have possibilities to exercise voting rights during meetings. Nevertheless, the asset management company cyclically meet local representatives and foreign managers of funds in which the capital is invested.

UBI Pramerica Sgr

UBI Pramerica Sgr does not disclose information about shareholder engagement, while UBI Banca highlights in its Sustainability Report the importance of the consultation with stakeholders with no specification about the dialogue with companies included in its portfolios. UBI Banca Group believes in the value of communication and dialogue with stakeholders to identify solutions for economic, social and environmental problems. It uses the tool of dialogue as an integral part of its work to build strategies and manage and to contain risk.

BNP Paribas Investment Partners Sgr

BNP Paribas Investment Partners Sgr carries out a company dialogue and promotion of more environmental and social disclosure to enhance the long-term value of shareholders and to foster corporate governance best practices, social responsibility and environmental stewardship. The goals of the engagement policy are: 1. to promote good corporate governance practices and to prepare the next general meeting of the issuer; 2. to obtain additional information on voting proposal; 3. to express concerns about specific resolutions that are in contradiction with BNP Paribas' voting policy.

The process of dialogue with companies can be engaged on asset management company's initiative or after the request of the issuer.

3.4 INVESTMENT PROCESSES IN COMPARISON

Analysing the ethical investment policies of those asset management companies which offer Italian ethical funds, no many differences appeared. This conclusion was an expected result as all the asset management companies include in the investment process the same environmental, social and governance factors, respect the same regulation and

refer to the same European and international ethical organizations' principles, for example Eurosif and the United Nations' Principles for Investment.

What emerged from this research is mostly a transparency problem and difficulties in finding information in the asset management company's website or documents. In many occasions there have been the need to accurately analyse and looking for information in the parent company's documents where the topic was briefly analysed in few lines.

According to the type of information needed, and taking into consideration the theme of ethics and sustainability, Etica Sgr emerged for its enormous transparency towards its stakeholders and for the large number of documents and information available for each topic relevant for the client and stakeholder; in contrast, UBI Pramerica discloses little information about its sustainable investment process, the subjects involved and the followed engagement policy. This significant difference may be due to the distinction in the core business and in the mission of each asset management company. UBI Pramerica Sgr is, in fact, an asset management company which offers a wide range of investment solutions highlighting the importance of its knowledge and expertise; Etica Sgr, instead, manages exclusively socially responsible investments with the objective to include environmental and social issues in achieving its efficacy and economic effectiveness goals. This could be the reason why Etica Sgr is more interested in disclosing all the information related to the sustainable investment process while UBI Pramerica concentrates its attention to general strategies and tactical asset allocation where sustainability is included but not as the main element.

In Etica Sgr all the subject that operate within the management of the asset management company are involved in the development of a strict extra financial analysis of securities, in order to guarantee the sustainability of the investment from an environmental, social and governance point of view. This task is mainly carried out by two teams: the ESG Analysis and Research Team, that defines the eligible universe considering the ESG criteria, and the Ethics Committee, which defines the ESG criteria to be applied in the companies' and countries' assessment.

These two bodies are more or less present in the governance of each AMC, sometimes under different names but carrying out the same activities. Eurizon Capital Sgr refers to its Sustainability Committee to guarantee the integration of ESG factors into the investment processes of the company and to guarantee that the management choices are

coherent with the ethical principles. Pioneer Investments refers to an ESG Committee and to a Department dedicated to Responsible Investment to perform the ESG analysis on companies and countries. This activity is implemented by the Ethics Committee in Sella Gestioni Sgr and by the ESG Research Team in BNP Paribas Investment Partners Sgr. On the other hand, UBI Pramerica Sgr does not disclose information about the body that carries out this activity probably because the investable universe of its ethical funds is selected by ECPI Group, a leading independent ethical finance consulting firm.

Even regarding the securities' selection process, no many differences may be identified. The way in which the Socially Responsible Investment is implement in each asset management company is similar to each other. The main element that we can notice is that some AMCs apply multiple SRI strategies simultaneously in the investment selection process.

Etica Sgr, in particular, applies a double screening system with an inclusion and exclusion strategy: the exclusion strategy consists of a norm based exclusion for those who violate conventions and principles internationally recognized and of an exclusion of controversial activities; the inclusion strategy involves those companies and countries which pass the ESG analysis and the Best-in-Class approach. In addition, companies are assessed according to 60 evaluation criteria in the environmental, corporate governance, human rights and stakeholder relationships areas, while countries are analysed according to 50 positive criteria in the environmental, social, governance areas.

According to this research, Etica Sgr implements the greater number of investment selection strategies to select the most sustainable securities and offer real ethical products to its customers.

The inclusion and exclusion strategy, in addition to the Best-in-Class approach and the integration of ESG factors in financial analysis, are applied also by Eurizon Capital which is able, thanks to these strategies, to identify two types of critical issuers which might be excluded by the investment or simply controlled.

Pioneer Investments, instead, does not disclose the investment strategies that it implements to select securities for its ethical funds but refers to Amundi's one. Amundi basis its SRI strategy on the Best-in-Class approach and the integration of ESG criteria according to the Principles of Responsible Investment (PRI). In contrast, Amundi prefers

not to implement an exclusion policy even if specific activities are excluded from the investment.

The inclusion and exclusion policy is instead implemented by UBI Pramerica Sgr as unique SRI strategy in addition to the integration of ESG criteria while Sella Gestioni and BNP Paribas Investment Partners base their sustainable investments on the impact investing strategy identifying impact themes where the environmental and social impact and consequences are quantified. BNP Paribas applies also the Best-in-Class approach to its investment process.

Also the engagement strategy is an innovative approach approved by the majority of asset management companies. Even though traditional strategies such as Exclusions and Norms-based screenings still represent the largest amount of assets in Italy, an interesting growth can also be recorded on the more innovative approach “Impact Investing”³⁹.

According to the analysis, the soft and hard engagement are carried out by all the asset management companies with the exemption of UBI Pramerica Sgr which does not disclose information about the dialogue with companies highlighting only the importance of the dialogue with all the stakeholders.

³⁹ Eurosif, “*The European SRI study*”, press release, 2016.

Chapter 4

THE ANALYSIS OF ETHICAL FUNDS' COSTS

Summary: 4.1 The costs of Ethical Funds – 4.2 The Regulation of Ongoing Charges – 4.3 The Comparison of Ethical Funds' and Non-Ethical Funds' Ongoing Charges

4.1 THE COSTS OF ETHICAL FUNDS

There are essentially two factors that may reduce the economic performance of ethical funds. The first element is the cost of an ethical fund which could be more expensive than a traditional one, because the more rigorous screening activity may have a less favorable impact on the structure of costs than that of ordinary mutual funds; the second element concerns the profitability of the investments themselves which could be significantly reduced because of the constraints imposed to the portfolio.

Regarding the first element, the increase in costs may be justified by the ethical analysis which is required in addition to the traditional financial analysis in order to evaluate the securities from the sustainability's point of view. Moreover, the costs of ethical funds tend to increase because the asset management companies often refer to control or certification bodies such as ethics committee or external advisor which must be obviously remunerated.

“In the mutual fund field, costs assume a tremendous importance for the long-term investor. Other things held equal, lower costs mean higher returns.”⁴⁰ (John Bogle)

Running a mutual fund involves fees and expenses which may be incurred directly or indirectly by investors who hold mutual funds. In fact, some fees are paid from the fund's asset, some are paid directly by the investor, and some are deducted only for certain services or circumstances.

To simplify, ethical funds' costs may be divided into two categories: recurring expenses and one-time expenses. One-time expenses include the subscription and reimbursement

⁴⁰ John C. Bogle, *“Bogle on Mutual Funds: New Perspectives for the Intelligent Investor”*, Wiley, 2015.

expenses, such as those costs incurred by the investor in the moment of investment or disinvestment from the fund, and the switching costs, which must be paid by the investor (if required by the AMC) whether the whole or part of the investment is moved from one mutual fund to another within the same asset management company. The recurring expenses are mainly represented by the ongoing charges. The European Commission Regulation nr. 583 of 1st July 2010⁴¹, regarding key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website, introduced the concept of “ongoing charges” to substitute the concept of Total Expense Ratio (TER) in the mutual funds’ official documentation. This represents an attempt of the European Regulation to make clearer, more transparent and meaningful the comparison across different fund types of different countries.

The ongoing charges are the costs that an investor can reasonably expect to pay for the investment in the fund from one year to the next, under normal circumstances. As ongoing charges only look at the costs inside the investment company, it does not include the costs incurred buying the shares as stamp duty and dealing costs. One-off costs are excluded too, as all the costs incurred by the company in acquiring investments. Ongoing charges only include regular recurrent costs such as management fee, directors fee, audit fee and custody fee.

Performance fee, which is not included in ongoing charges, is a payment made to an investment manager for generating an extra performance and is considered an incentive for fund managers to generate positive returns and align the interest of fund managers and investors.

In the following table, the costs included in the ongoing charged are listed.

⁴¹ The Commission Regulation (EU) 583/2010 implements the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulation and administrative provisions relating to undertakings for collective investment in transferable securities. Through this regulation, the concept of KIID (Key Information Investor Document) has been introduces as a document which includes specific information and is comparable across different funds type.

Figure 13: What Ongoing Charges include

ONGOING CHARGES	
INCLUDED FEES	EXCLUDED FEES
<ul style="list-style-type: none"> ▪ <i>Investment management fees</i> ▪ <i>Accounting fees</i> ▪ <i>Valuation fees</i> ▪ <i>Trustee/depositary fees and expenses</i> ▪ <i>Audit fees</i> ▪ <i>Directors fees</i> ▪ <i>Custodian fees</i> ▪ <i>Regulator fees</i> ▪ <i>Register fees</i> ▪ <i>Payments to legal and professional advisers</i> 	<ul style="list-style-type: none"> ▪ <i>Subscription costs</i> ▪ <i>Reimbursement costs</i> ▪ <i>Switching costs</i> ▪ <i>Stamp duty</i> ▪ <i>Dealing costs</i> ▪ <i>Performance fees</i>

Source: Legal & General Website

4.2 THE REGULATION OF ONGOING CHARGES

In this chapter, we are going to compare ethical funds' and non-ethical funds' costs on the basis of the ongoing charges reported in the Key Investor Information Documents of the funds. The comparison is based on this cost because it is regulated at European level and includes the same expenses in each fund. In this way, costs are perfectly comparable across different types of fund.

For this reason, this paragraph is going to explain the importance of this cost, the reasons of the switch from the Total Expense Ratio to ongoing charges and how this cost is calculated.

In its technical advice to the European Commission on the Key Investor Information Document for UCITS (CESR/09-949), published on 28th October 2009, the CESR⁴² made

⁴² CESR is an independent Committee of European Securities Regulators. The role of the Committee is:

- To improve co-ordination among securities regulators;
- To act as an advisory group to assist the EU Commission;
- To work to ensure more consistent and timely day-to-day implementation of community legislation in the Member States.

a number of recommendations on an improved approach to charges disclosure, including a clearer separation of the different types of charge and a harmonised approach to their presentation. As part of this, CESR proposed that each UCITS disclose in its Key Investor Information Document a single figure representing all annual charges and other payments taken from the assets of the UCITS on a periodic basis. This figure, to be referred to as the “ongoing charges figure”, was suggested to be calculated using a harmonised methodology.

According to the Committee of European Securities Regulators “*the ongoing charges figure shall include all types of cost borne by the UCITS, whether they represent expenses necessarily incurred in its operation, or the remuneration of any party connected with it or providing services to it.*” (CESR/10-674) and all the following fees should be taken into account in the amount which is disclosed in the KIID:

- a) all payments to the following persons, including any person to whom they have delegated any function:
 - the management company of the UCITS;
 - directors of the UCITS if an investment company;
 - the depositary;
 - the custodian(s);
 - any investment adviser;
- b) all payments to any person providing outsourced services to any of the above:
 - providers of valuation and fund accounting services;
 - shareholder service providers, such as the transfer agent and broker dealers that are record owners of the UCITS’ shares and provide sub-accounting services to the beneficial owners of those shares;
- c) registration fees, regulatory fees and similar charges;
- d) audit fees;
- e) payments to legal and professional advisers;
- f) any costs of distribution.

The following charges and payments are not part of the amount disclosed as ongoing charges in the KIID:

- a) entry / exit charges or commissions, or any other amount paid directly by the investor or deducted from a payment received from or due to the investor;

- b) a performance-related fee payable to the management company or any investment adviser;
- c) interest on borrowing;
- d) payments to third parties to meet costs necessarily incurred in connection with the acquisition or disposal of any asset for UCITS' portfolio, whether those costs are explicit (e.g. brokerage charges, taxes and linked charges) or implicit (e.g. costs of dealing in fixed interest securities, market impact costs);
- e) payments incurred for the holding of financial derivative instruments (e.g. margin calls);
- f) the value of goods or services received by the management company or any connected person in exchange for placing of dealing orders (soft commissions or any similar arrangements).

Regarding the calculation of the ongoing charges, these costs represent the ratio of the total disclosable costs to the average net assets of the UCITS and it must be calculated at least once a year, on an ex-post basis.

$$\text{Ongoing Charges} = \frac{\text{Regular running costs}}{\text{Net asset value}} \%$$

Where it is considered unsuitable to use the ex-post figure because of a material change (e.g. an increase in management fees), an estimate may be used instead until reliable ex-post figures reflecting the impact of the material change become available.

4.3 THE COMPARISON OF ETHICAL FUNDS' AND NON-ETHICAL FUNDS' ONGOING CHARGES

In this paragraph, we are going to compare the costs of Italian Ethical funds analysed in chapter two with the costs of Non-Ethical Italian funds, taking into consideration the ongoing charges. The objective is to understand whether Italian ethical funds are more or less expensive than non-ethical funds and to see which position are able to gain in the overall ranking.

Firstly, the table of Italian Ethical Funds' ongoing charges is reported below.

Table 69: Italian Ethical Funds' Ongoing Charges

ASSET MANAGEMENT COMPANY	ETHICAL FUND	ASSOGESTIONI'S CATEGORY	ONGOING CHARGES
ETICA SGR	<i>Etica Azionario</i> CLASS R CLASS I	Azionario Internazionale	2.00% 1.06%
	<i>Etica Bilanciato</i> CLASS R CLASS I	Bilanciato	1.90% 1.00%
	<i>Etica Rendita Bilanciata</i> CLASS R CLASS RD CLASS I	Bilanciato Obbligazionario	1.58% 1.59% 0.81%
	<i>Etica Obbligazionario Misto</i> CLASS R CLASS I	Obbligazionario Misto	1.25% 0.64%
	<i>Etica Obbligazionario Breve Termine</i> CLASS R CLASS I	Obbligazionario Euro Governativo Breve Termine	0.66% 0.36%
EURIZON CAPITAL SGR	<i>Eurizon Azionario Internazionale Etico</i>	Azionario Altre Specializzazioni	2.02%
	<i>Eurizon Obbligazionario Etico</i>	Obbligazionario Altre Specializzazioni	0.94%
	<i>Eurizon Diversificato Etico</i>	Obbligazionario Misto	1.04%
PIONEER INVESTMENT	<i>Pioneer Obbligazionario Euro Corporate</i> CLASS A	Obbligazionario Euro Corporate Investment Grade	1.28%
	<i>Etica a Distribuzione</i> CLASS B		1.43%
SELLA GESTIONI SGR	<i>Investimenti Sostenibili</i>	Obbligazionario Misto	CLASS A 1.85%
			CLASS C 1.06%
			CLASS LIFEGATE SG 1.38%
			CLASS LIFEGATE 1.39%
UBI PRAMERICA SGR	<i>UBI Pramerica Azionario Etico</i>	Azionario Area Euro	2.19%

	<i>UBI Pramerica Obbligazionario Euro Corporate Etico</i>	Obbligazionario Euro Corporate Investment Grade	1.37%
BNP PARIBAS INVESTMENT PARTNERS SGR	<i>BNL Azioni Europa Dividendo</i>	Azionario Europa	2.56%

Source: Data from Morningstar

Secondly, the non-ethical Italian funds have been chosen from Assogestioni's list of all Italian funds on the basis of their Assogestioni's Category so that they could be perfectly comparable to the ethical ones. The whole list, directly provided by Assogestioni, is reported in the appendix at the end of this thesis (appendix A).

The analysis concerns the creation of two pivot tables in Excel, one for Italian ethical funds and one for non-ethical funds divided according to their Assogestioni's category. For each category, the Italian ethical funds have been compared to the non-ethical ones, analysing their position in the total Italian list of funds on the basis of their ongoing charges.

In the following table, the non-ethical funds are combined according to their Assogestioni's category with the average ongoing charges of the related category.

Table 70: Italian Non-Ethical Funds' Average Ongoing Charges per Category

ASSOGESTIONI'S CATEGORY	AVERAGE ONGOING CHARGES (2017)
AZ. ALTRE SPECIAL.	4.04 %
AZ. AREA EURO	1.90 %
AZ. EUROPA	1.96 %
AZ. INTERNAZIONALI	2.19 %
BILANCIATI	2.05 %
BILANCIATI OBBLIGAZIONARI	1.43 %
OBBL. ALTRE SPECIALIZZAZIONI	1.05 %
OBBL. EURO CORP. INV.GRADE	1.04 %
OBBL. EURO GOV. BREVE T.	0.66 %
OBBL. MISTI	1.29 %
Total Average	1.44 %

Source: Data from Morningstar

Creating the same table for ethical funds, taking for each category an average of the different classes' ongoing charges of 2017, we are able to obtain a first general overview about differences between ethical and non-ethical funds' costs.

Table 71: Italian Ethical Funds' Average Ongoing Charges per Category

ASSOGESTIONI'S CATEGORY	AVERAGE ONGOING CHARGES (2017)
AZ. ALTRE SPECIAL.	2.02 %
AZ. AREA EURO	2.19 %
AZ. EUROPA	2.56 %
AZ. INTERNAZIONALI	1.53 %
BILANCIATI	1.45 %
BILANCIATI OBBLIGAZIONARI	1.33 %
OBBL. ALTRE SPECIALIZZAZIONI	0.94 %
OBBL. EURO CORP. INV. GRADE	1.36 %
OBBL. EURO GOV. BREVE T.	0.51 %
OBBL. MISTI	1.23 %
Total Average	1.36 %

Source: Data from Mornigstar

According to the tables, in seven categories out of ten, the ethical funds' average ongoing charges are lower than the non-ethical ones. In particular, “Azionari Altre Specializzazioni”, “Azionari Internazionali”, “Bilanciati”, “Bilanciati Obbligazionari”, “Obbligazionari Altre Specializzazioni”, “Obbligazionari Euro Governativi Breve Termine” and “Obbligazionari Misti” have lower average ongoing charges in the case of ethical funds, while “Azionari Area Euro”, “Azionari Europa” and “Obbligazionari Euro Corporate Investment Grade” have lower average ongoing charges in the case of non-ethical funds. As a consequence, also the total average of ethical funds' ongoing charges per category is lower than the non-ethical funds' one.

More in detail, if we consider each category separately from each other we have the possibility to assess the position of each ethical fund compared to non-ethical funds on the basis of the related ongoing charges.

Azionari Altre Specializzazioni

The category “*Azionario Altre Specializzazioni*” includes two non-ethical funds and one ethical fund. The ethical fund is in the first position with the lowest ongoing charges with respect to the non-ethical funds. In particular, Eurizon Azionario Internazionale Etico’s cost is reduced of 0.84% compared to Agora Materials R and of 3.17% compared to Alpi Value.

Table 72: Azionari Altre Specializzazioni’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	EURIZON CAPITAL SGR	EURIZON AZIONARIO INTERNAZIONALE ETICO	2.02%
2	AGORA INVESTMENTS SGR	AGORA MATERIALS R	2.88%
3	ALPI FONDI SGR SpA	ALPI VALUE	5.19%

Source: Data from Morningstar

Azionari Area Euro

As observed before, the average ongoing charges are lower for non-ethical funds in the category “*Azionari Area Euro*”. Consequently, the ethical fund *UBI Pramerica Azionario Etico* obtains the tenth position in a total of 11 funds with a cost of 2.19% over a minimum of 1.30% for *Symphonia Azionario Euro I* and a maximum of 2.43% for *Equity I*.

Table 73: Azionari Area Euro’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	SYMPHONIA SGR SpA	SYMPHONIA AZIONARIO EURO I	1.30%
2	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZIONARIO EURO	1.64%
3	EPSILON ASSOCIATI SGR SpA	EPSILON QEQUITY	1.69%
4	8A+ SGR	GRAN PARADISO R	1.71%
5	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO AZIONARIO	1.94%

6	EURIZON CAPITAL SGR SpA	EURIZON AZIONI AREA EURO	2.01%
7	SYMPHONIA SGR SpA	SYMPHONIA AZIONARIO EURO	2.03%
8	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EURO	2.06%
9	8A+ SGR	EIGER R	2.18%
10	UBI PRAMERICA SGR	UBI PRAMERICA AZIONARIO ETICO	2.19%
11	FINANZIARIA INTERNAZIONALE INVEST. SGR SpA	EQUITY I	2.43%

Source: Data from Morningstar

Azionari Europa

In the category “Azionari Europa”, the same reasoning has to be replayed. Since the average ongoing charges are lower for non-ethical funds than for ethical funds, *BNL Azioni Europa Dividendo* is in position number 29 out of a total of 32 funds, with a cost of 2.56% over a maximum of 3.81% for Consultinvest Asset Management SGR and a minimum of 0.97% for Anima SGR.

Table 74: Azionari Europa’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	ANIMA SGR SpA	ANIMA GEO EUROPA Y	0.97%
2	ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA F	0.98%
3	ANIMA SGR SpA	ANIMA GEO EUROPA PMI Y	0.99%
4	ACOMEA SGR SpA	AcomeA EUROPA A2	1.01%
5	ACOMEA SGR SpA	AcomeA EUROPA Q2	1.03%
6	SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA C	1.05%
7	ANIMA SGR SpA	ANIMA EUROPA F	1.07%
8	INVESTITORI SGR SpA	INVESTITORI EUROPA	1.10%
9	EPSILON ASSOCIATI SGR SpA	EPSILON QVALUE	1.64%
10	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL EUROPA	1.84%

11	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ.VALORE EUROPA A	1.93%
12	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA A	1.93%
13	ARCA FONDI SGR SPA	ARCA AZIONI EUROPA	1.98%
14	SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA A	1.99%
15	EURIZON CAPITAL SGR SpA	EURIZON AZIONI EUROPA	1.99%
16	EURIZON CAPITAL SGR SpA	EURIZON AZIONI PMI EUROPA	2.02%
17	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE I ACC	2.05%
18	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EUROPA	2.07%
19	ACOMEA SGR SpA	AcomeA EUROPA A1	2.11%
20	ANIMA SGR SpA	ANIMA EUROPA A	2.12%
21	ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA A	2.13%
22	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ.VALORE EUROPA B	2.17%
23	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA B	2.17%
24	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ AZIONI EUROPA	2.29%
25	ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA B	2.36%
26	ANIMA SGR SpA	ANIMA EUROPA B	2.36%
27	ANIMA SGR SpA	ANIMA GEO EUROPA B	2.47%
28	ANIMA SGR SpA	ANIMA GEO EUROPA PMI A	2.50%
29	BNP PARIBAS INVESTMENT PARTNERS SGR	BNL AZIONI EUROPA DIVIDENDO	2.56%
30	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO EQUITY EUROPE	2.89%
31	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE C ACC	3.80%
32	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE A ACC	3.81%

Source: Data from Morningstar

Azionari Internazionali

In the category “Azionari Internazionali”, the ethical fund *Etica Azionario Class R* and *Class I* obtains a satisfying position. In particular, *Etica Azionario* for institutional investors is second in the total ranking with a cost of 1.06%, immediately after *Anima Geo Globale Y*, the cheapest fund for institutional investors in this category with its 0.98% of ongoing charges. *Etica Azionario* for retail investors obtains the thirteenth position with 2.00% of ongoing charges, less than the average ongoing charges of non-ethical funds in the category (2.19%), and out of a total of 27 funds where the most expensive non-ethical fund reaches a cost of 3.89%

Table 75: Azionari Internazionali’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	ANIMA SGR SpA	ANIMA GEO GLOBALE Y	0.98%
2	ETICA SGR	ETICA AZIONARIO I	1.06%
3	ACOMEA SGR SpA	AcomeA GLOBALE A2	1.12%
4	ANIMA SGR SpA	ANIMA VALORE GLOBALE F	1.12%
5	ACOMEA SGR SpA	AcomeA GLOBALE Q2	1.13%
6	SOPRARNO SGR SpA	SOPRARNO ESSE STOCK B	1.32%
7	ZENIT SGR SpA	ZENIT MEGATREND I	1.73%
8	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE C	1.73%
9	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZION. INT.LE	1.74%
10	SOPRARNO SGR SpA	SOPRARNO ESSE STOCK A	1.87%
11	GENERALI INVESTMENTS EUROPE SGR SpA	FONDOALTO INTERN. AZION.	1.94%
12	EURIZON CAPITAL SGR SpA	EURIZON AZIONI INTERNAZIONALI	1.97%
13	ETICA SGR	ETICA AZIONARIO R	2.00%
14	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL I ACC	2.04%
15	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI GLOBALI	2.06%
16	ARCA FONDI SGR SPA	ARCA AZIONI INTERNAZIONALI	2.10%

17	ANIMA SGR SpA	ANIMA VALORE GLOBALE	2.12%
18	ANIMA SGR SpA	ANIMA VALORE GLOBALE B	2.35%
19	ACOMEA SGR SpA	AcomeA GLOBALE A1	2.37%
20	ERSEL ASSET MANAGEMENT SGR SpA	TALENTO GLOBAL EQUITY	2.47%
21	ANIMA SGR SpA	ANIMA GEO GLOBALE A	2.47%
22	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE A	2.74%
23	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI90	3.13%
24	ZENIT SGR SpA	ZENIT MEGATREND R	3.22%
25	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE E	3.36%
26	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL C ACC	3.81%
27	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL A ACC	3.89%

Source: Data from Morningstar

Bilanciati

The category “*Bilanciati*” includes 36 funds between ethical and non-ethical funds. *Etica Bilanciato Class I* has the third position in the total ranking with a cost of 1.00% and a difference of 0.06% from the second and 0.41% from the first, considering that *Etica Bilanciato Class I* refers to institutional investors. *Etica Bilanciato Class R* obtains the seventeenth position with ongoing charges equal to 1.90% and a difference of 2.01% from the most expensive fund in the category.

Table 76: Bilanciati’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI C	0.59%
2	ANIMA SGR SpA	ANIMA VISCONTEO PLUS F	0.94%

3	ETICA SGR	ETICA BILANCIATO I	1.00%
4	SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO C	1.05%
5	ANIMA SGR SpA	ANIMA FORZA 4 Y	1.29%
6	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 3 D	1.48%
7	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 3 A	1.48%
8	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2021	1.60%
9	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO BILANCIATO	1.67%
10	ANIMA SGR SpA	ANIMA VISCONTEO PLUS A	1.69%
11	ANIMA SGR SpA	ANIMA VISCONTEO PLUS AD	1.71%
12	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI C	1.79%
13	NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS BILANCIATO	1.80%
14	ARCA FONDI SGR SPA	ARCA BB	1.82%
15	SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI A	1.84%
16	UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO DINAMICO	1.87%
17	ETICA SGR	ETICA BILANCIATO R	1.90%
18	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL	1.92%
19	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM BILANCIATO	1.94%
20	DUEMME SGR SpA	DUEMME GCC MARKETS	1.96%
21	SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO A	1.99%
22	ANIMA SGR SpA	ANIMA FORZA 4 B	2.00%
23	ANIMA SGR SpA	ANIMA FORZA 4 A	2.03%
24	UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIFUND 50	2.11%
25	UBI PRAMERICA SGR SpA	UBI PRAMERICA EUROPE MULTIFUND	2.16%
26	ARCA FONDI SGR SPA	ARCA MULTIASET BALANCED	2.19%
27	EURIZON CAPITAL SGR SpA	EURIZON BILANCIATO EURO MULTIMANAGER	2.21%

28	SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI E	2.32%
29	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 40	2.35%
30	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI50	2.49%
31	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO BALANCED	2.73%
32	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 60	2.73%
33	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI A	2.79%
34	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI E	3.40%
35	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO C ACC	3.82%
36	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO A ACC	3.91%

Source: Data from Morningstar

Bilanciati Obbligazionari

As in the previous category, also in “Bilanciati Obbligazionari” the ethical fund of Etica Sgr for institutional investors, *Etica Rendita Bilanciata Class I*, is the less expensive fund for institutional investors and is in the third position out of a total of 59 funds. The other two classes of the ethical fund, Class R and Class RD, are slightly more expensive and obtain the 40 and 41 positions with ongoing charges respectively equal to 1.58% and 1.59%, little more expensive than the non-ethical funds’ average ongoing charges for the category, which is equal to 1.43%.

Table 77: Bilanciati Obbligazionari’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	ANIMA SGR SpA	ANIMA SVILUPPO GLOBALE 2022	0.36%
2	AMUNDI SGR SpA	AMUNDI LIBRA A	0.55%
3	ETICA SGR	ETICA RENDITA BILANCIATA I	0.81%

4	ANIMA SGR SpA	ANIMA VISCONTEO F	0.81%
5	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX GIUGNO 2020	0.85%
6	DUEMME SGR SpA	DUEMME SAN PATRIGNANO I	1.00%
7	DUEMME SGR SpA	DUEMME SAN PATRIGNANO I	1.00%
8	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ITALIA	1.06%
9	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA NOVEMBRE 2022	1.08%
10	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA MAGGIO 2023	1.08%
11	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA FEBBRAIO 2023	1.08%
12	ANIMA SGR SpA	ANIMA FORZA 3 Y	1.18%
13	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI DUE	1.19%
14	DUEMME SGR SpA	DUEMME COMITATO MARIA LETIZIA VERGA I	1.21%
15	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI	1.23%
16	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 GLOBALE	1.28%
17	ANIMA SGR SpA	ANIMA CEDOLA 2021 ALTO POTENZIALE	1.28%
18	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 MARCHI GLOBALI E LUSO	1.29%
19	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 2 D	1.30%
20	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 SILVER AGE	1.31%
21	ANIMA SGR SpA	ANIMA SVILUPPO EUROPA 2022	1.32%
22	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30 F	1.33%
23	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 2	1.34%

24	ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 II	1.35%
25	ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 III	1.39%
26	DUEMME SGR SpA	DUEMME SAN PATRIGNANO C	1.40%
27	DUEMME SGR SpA	DUEMME SAN PATRIGNANO C	1.40%
28	ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 II	1.41%
29	ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 III	1.42%
30	ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2022 I	1.43%
31	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ALPHA ITALIA	1.44%
32	ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022	1.44%
33	ANIMA SGR SpA	ANIMA TARGET CEDOLA 2022	1.45%
34	ANIMA SGR SpA	ANIMA VISCONTEO AD	1.46%
35	ANIMA SGR SpA	ANIMA VISCONTEO	1.46%
36	ANIMA SGR SpA	ANIMA PROGETTO EUROPA 2021 CEDOLA	1.51%
37	UBI PRAMERICA SGR SpA	UBI PRAMERICA MULTIASSET ITALIA	1.52%
38	UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIASSET	1.52%
39	DUEMME SGR SpA	DUEMME COMITATO MARIA LETIZIA VERGA C	1.55%
40	ETICA SGR	ETICA RENDITA BILANCIATA R	1.58%
41	ETICA SGR	ETICA RENDITA BILANCIATA RD	1.59%
42	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI20	1.60%
43	ANIMA SGR SpA	ANIMA OBIETTIVO CEDOLA 2022	1.60%
44	ANIMA SGR SpA	ANIMA PROGETTO GLOBALE 2022 CEDOLA	1.63%
45	ANIMA SGR SpA	ANIMA PROGETTO FLESSIBILE 2021	1.63%

46	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 PICCOLE E MEDIE IMPRESE	1.63%
47	UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO MODERATO	1.64%
48	AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 MERCATI EMERGENTI	1.64%
49	UBI PRAMERICA SGR SpA	UBI PRAMERICA OBIETTIVO CONTROLLO	1.66%
50	ANIMA SGR SpA	ANIMA FORZA 3 B	1.74%
51	AMUNDI SGR SpA	AMUNDI LIBRA B	1.75%
52	ANIMA SGR SpA	ANIMA FORZA 3 A	1.78%
53	UBI PRAMERICA SGR SpA	UBI PRAMERICA BILANCIATO EURO A RISCHIO CONTROLLAT	1.83%
54	ANIMA SGR SpA	ANIMA PROGETTO FLESSIBILE 2020	1.93%
55	ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 MULTI-ASSET	1.94%
56	ARCA FONDI SGR SPA	ARCA TE	2.05%
57	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30 A	2.21%
58	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE FLESSIBILE ALLOCAZIONE GLOBALE	2.36%
59	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30 N	2.41%

Source: Data from Morningstar

Obbligazionari Altre Specializzazioni

“*Obbligazionari Altre Specializzazioni*” is the largest category taken into analysis as it includes 62 funds. *Eurizon Obbligazionario Etico*, the only ethical fund included in the category, is in the 24th position in the overall ranking. The fund’s ongoing charges are 0.94% with a difference of 0.67% from the first and cheapest fund, *Anima ProntoDeposito X* (considering that “class X” refers to institutional investors), and of 1.00% from the most expensive fund, *Obbligazionario Euro Medio/Lungo Termine E*. Consequently, Eurizon Capital Sgr’s ethical fund has a good position in the overall

ranking with a cost which is lower than the category's average ongoing charges for non-ethical funds (1.05%).

Table 78: Obbligazionari Altre Specializzazioni's Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	ANIMA SGR SpA	ANIMA PRONTODEPOSITO X	0.27%
2	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO OTTOBRE 2017	0.29%
3	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL SHORT TERM ASSET	0.33%
4	ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE B	0.41%
5	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO SETTEMBRE 2016	0.49%
6	ANIMA SGR SpA	ANIMA RISERVA GLOBALE F	0.53%
7	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA DICEMBRE - 2020	0.57%
8	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA MARZO - 2022	0.60%
9	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA MARZO - 2021	0.60%
10	ANIMA SGR SpA	ANIMA RISERVA EMERGENTE F	0.65%
11	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA REALE MARZO - 2021	0.70%
12	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA REALE DICEMBRE - 2020	0.73%
13	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE MARZO - 2020	0.73%
14	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2019	0.75%

15	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO GIUGNO 2017	0.75%
16	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO DICEMBRE 2017	0.75%
17	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2020	0.76%
18	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE DICEMBRE - 2019	0.76%
19	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA MARZO - 2019	0.76%
20	AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE D	0.76%
21	AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE C	0.79%
22	ANIMA SGR SpA	ANIMA RISERVA GLOBALE A	0.82%
23	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI C	0.91%
24	EURIZON CAPITAL SGR	EURIZON OBBLIGAZIONARIO ETICO	0.94%
25	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA II - 2017	0.94%
26	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA I - 2016	0.94%
27	ANIMA SGR SpA	ANIMA RISERVA EMERGENTE A	0.95%
28	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA III - 2017	0.97%
29	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V - 2018	0.98%
30	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA DICEMBRE - 2018	0.98%
31	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV - 2018	0.99%

32	ANIMA SGR SpA	ANIMA FORZA 1 Y	1.04%
33	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE C	1.06%
34	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE C	1.12%
35	ANIMA SGR SpA	ANIMA FORZA 2 Y	1.14%
36	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA SETTEMBRE - 2019	1.15%
37	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2019	1.15%
38	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE A	1.16%
39	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA MARZO - 2019	1.16%
40	UBI PRAMERICA SGR SpA	UBI PRAMERICA OBBLIGAZIONI DOLLARI	1.21%
41	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA D	1.26%
42	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA A	1.26%
43	ARCA FONDI SGR SPA	ARCA RR DIVERSIFIED BOND	1.26%
44	ANIMA SGR SpA	ANIMA FORZA 1 B	1.30%
45	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE B	1.31%
46	BNP PARIBAS INVESTMENT PARTNERS SGR SpA	BNL OBBLIGAZIONI GLOBALI	1.32%
47	ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE A	1.32%
48	ANIMA SGR SpA	ANIMA FORZA 1 A	1.32%

49	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V OPPORTUNITÀ - 2018	1.37%
50	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2018	1.37%
51	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA III OPPORTUNITÀ - 2017	1.37%
52	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV OPPORTUNITÀ - 2018	1.39%
53	ANIMA SGR SpA	ANIMA RISERVA EMERGENTE H	1.45%
54	ANIMA SGR SpA	ANIMA FORZA 2 B	1.49%
55	ANIMA SGR SpA	ANIMA FORZA 2 A	1.51%
56	AZIMUT CAPITAL MANAGEMENT SGR SpA	AZIMUT TREND TASSI	1.60%
57	DUEMME SGR SpA	Duemme CoCo Credit Fund	1.68%
58	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI A	1.69%
59	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE A	1.73%
60	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE E	1.76%
61	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE A	1.79%
62	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE E	1.94%

Source: Data from Morningstar

Obbligazionari Euro Corporate Investment Grade

“*Obbligazionari Euro Corporate Investment Grade*” is one of the three categories in which the average ongoing charges for ethical funds is higher than the non-ethical one. Indeed, Pioneer Investments’ and UBI Pramerica’s funds are among the last places in the

ranking. *Pioneer Obbligazionario Euro Corporate Etico a distribuzione Class A* is in position number 14 with ongoing charges equal to 1.28% while *Class B* is in position number 17 with ongoing charges equal to 1.43%. *UBI Pramerica Obbligazionario Euro Corporate Etico* is, instead, in the sixteenth position, with a cost of 1.37%. In this category, ethical funds are not as competitive as non-ethical ones but the reduced number of included funds has to be considered. In addition, the difference between ethical funds' ongoing charges and the cheapest non-ethical fund is always lower than 0.90% which cannot be considered an excessive additional cost.

Table 79: Obbligazionari Euro Corporate Investment Grade's Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE C	0.61%
2	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE F	0.61%
3	ANIMA SGR SpA	ANIMA FIX IMPRESE Y	0.61%
4	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO CORPORATE I	0.84%
5	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE BREVE TERMINE	1.00%
6	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE EURO AGGREGATE	1.11%
7	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE A	1.14%
8	ARCA FONDI SGR SPA	ARCA BOND CORPORATE	1.20%
9	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE AD	1.21%
10	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE A	1.21%
11	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO CORPORATE	1.24%

12	ANIMA SGR SpA	ANIMA FIX IMPRESE A	1.26%
13	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE	1.27%
14	PIONEER INVESTMENTS	PIONEER OBBLIGAZIONARIO EURO CORPORATE ETICO A DISTRIBUZIONE A	1.28%
15	UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO CORPORATE	1.31%
16	UBI PRAMERICA SGR	UBI PRAMERICA OBBLIGAZIONARIO EURO CORPORATE ETICO	1.37%
17	PIONEER INVESTMENT	PIONEER OBBLIGAZIONARIO EURO CORPORATE ETICO A DISTRIBUZIONE B	1.43%

Source: Data from Morningstar

Obbligazionari Euro Governativi Breve Termine

“Obbligazionari Euro Governativi Breve Termine” includes 36 non-ethical funds and one ethical fund. Etica Sgr offers to its investor the fund *Etica Obbligazionario Breve Termine Class I* and *Class R*. Class I is in the fourth position with 0.36% of ongoing charges. This reconfirms the competitiveness of Etica Sgr’s funds. Class R is, instead, in the 17th position (together with *Acomea Breve Termine A1*), which is definitely a good position considering the fact that the category is composed of 37 funds and that many funds with lower ongoing charges are addressed to institutional investors as they are classified as “I” or “Y”.

Table 80: Obbligazionari Euro Governativi Breve Termine’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE B	0.07%
2	SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE A	0.25%

3	ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA B	0.32%
4	ETICA SGR	ETICA OBBLIGAZIONARIO BT I	0.36%
5	ACOMEA SGR SpA	ACOMEA BREVE TERMINE Q2	0.36%
6	ACOMEA SGR SpA	ACOMEA BREVE TERMINE A2	0.37%
7	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE C	0.41%
8	ANIMA SGR SpA	ANIMA SALVADANAIO F	0.43%
9	ANIMA SGR SpA	ANIMA FIX EURO Y	0.46%
10	ANIMA SGR SpA	ANIMA FIX EURO I	0.46%
11	ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT Y	0.47%
12	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BREVE TERMINE C ACC	0.48%
13	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO EURO BREVE TERMINE	0.49%
14	GENERALI INVESTMENTS EUROPE SGR SpA	GI FOCUS EURO GOVERNATIVO BREVE TERMINE	0.55%
15	ZENIT SGR SpA	ZENIT BREVE TERMINE I	0.58%
16	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL REDDITO	0.59%
17	ETICA SGR	ETICA OBBLIGAZIONARIO BT R	0.66%
18	ACOMEA SGR SpA	ACOMEA BREVE TERMINE A1	0.66%
19	ANIMA SGR SpA	ANIMA FIX EURO A	0.69%
20	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOB. CONSERVATIVO	0.72%
21	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE B	0.75%

22	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE A	0.75%
23	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO RENDITA	0.78%
24	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO BREVE TERMINE	0.79%
25	GENERALI INVESTMENTS EUROPE SGR SpA	ALTO EURO GOVERNATIVO BREVE TERMINE	0.81%
26	MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO LA	0.82%
27	MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO L	0.82%
28	ANIMA SGR SpA	ANIMA SALVADANAIO A	0.82%
29	ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA A	0.83%
30	ZENIT SGR SpA	ZENIT BREVE TERMINE R	0.88%
31	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE D	0.90%
32	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE A	0.90%
33	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE A	0.91%
34	ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT A	0.92%
35	UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO B.T.	0.94%
36	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE B	1.01%
37	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM RISPARMIO	1.23%

Source: Data from Morningstar

Obbligazionari Misti

“Obbligazionari Misti” is the second category which includes the highest number of funds. Etica Sgr, Eurizon Capital Sgr and Sella Gestioni Sgr offer funds that are included in this category. Class I of Etica Sgr is always definitely competitive and *Etica Obbligazionario Misto Class I* obtains the second position with a cost of 0.64% in a total ranking of 61 funds. Class R of the same fund is the number 28 (together with *Gestielle Cedola Multi Target* and *Anima Sforzesco*) with ongoing charges equal to 1.25%. *Eurizon Diversificato Etico* is number 8 and has doubtless a good position too with a cost of 1.04%. Immediately below, *Investimenti Sostenibili Class C* obtains the position number 9 with ongoing charges equal to 1.06%. The other classes of Sella Gestioni’s ethical fund are slightly less competitive: Class LIFEGATE SG has a cost of 1.38% in the position number 45 while Class LIFEGATE is immediately below with a cost of 1.39%. *Investimenti Sostenibili Class A* is positioned among the most expensive funds of the category, in place 57, with a cost of 1.85%. Nevertheless, also in this category ethical funds are extremely competitive.

Table 81: Obbligazionari Misti’s Ongoing Charges

	ASSET MANAGEMENT COMPANY	FUND	ONGOING CHARGES
1	ANIMA SGR SpA	ANIMA TRAGUARDO 2021 GLOBALE	0.37%
2	ANIMA SGR SpA	ANIMA SFORZESCO F	0.60%
3	ETICA SGR	ETICA OBBLIGAZIONARIO MISTO I	0.64%
4	ANIMA SGR SpA	ANIMA SFORZESCO PLUS F	0.71%
5	ACOMEA SGR SpA	AcomeA PERFORMANCE A2	0.79%
6	ACOMEA SGR SpA	AcomeA PERFORMANCE Q2	0.82%
7	ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO I	0.90%
8	EURIZON CAPITAL SGR	EURIZON DIVERSIFICATO ETICO	1.04%
9	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI C	1.06%

10	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15 F	1.07%
11	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1 D	1.14%
12	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1	1.14%
13	ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA AMERICA	1.15%
14	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA PIU ITALIA A	1.17%
15	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS II	1.19%
16	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX	1.19%
17	NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS OBBLIGAZIONARIO MISTO	1.20%
18	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET II A	1.20%
19	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS	1.20%
20	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE II	1.20%
21	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE	1.20%
22	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX II	1.21%
23	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS A	1.22%
24	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALLEANZA OBBLIGAZ.	1.22%
25	ANIMA SGR SpA	ANIMA TRAGUARDO CRESCITA ITALIA	1.23%
26	ANIMA SGR SpA	ANIMA TRAGUARDO DINAMICO	1.24%
27	ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA EUROPA	1.24%
28	ETICA SGR	ETICA OBBLIGAZIONARIO MISTO R	1.25%
29	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET A	1.25%
30	ANIMA SGR SpA	ANIMA SFORZESCO AD	1.25%

31	ANIMA SGR SpA	ANIMA SFORZESCO A	1.25%
32	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 MULTI-ASSET	1.27%
33	UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO PRUDENTE	1.30%
34	ARCA FONDI SGR SPA	ARCA OBBLIGAZIONI EUROPA	1.30%
35	UBI PRAMERICA SGR SpA	UBI PRAMERICA OBIETTIVO STABILITÀ	1.31%
36	EURIZON CAPITAL SGR SpA	EURIZON RENDITA D	1.32%
37	EURIZON CAPITAL SGR SpA	EURIZON RENDITA A	1.32%
38	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE III	1.32%
39	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE	1.32%
40	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE II	1.33%
41	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET III A	1.35%
42	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ALTO POTENZIALE	1.36%
43	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS B	1.37%
44	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE	1.37%
45	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI LIFEGATE SG	1.38%
46	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE II	1.38%
47	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI LIFEGATE	1.39%
48	ACOMEA SGR SpA	AcomeA PERFORMANCE A1	1.39%

49	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE III	1.39%
50	ANIMA SGR SpA	ANIMA SFORZESCO PLUS AD	1.40%
51	ANIMA SGR SpA	ANIMA SFORZESCO PLUS A	1.40%
52	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE	1.43%
53	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE II	1.44%
54	ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO R	1.50%
55	PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO CL.A	1.64%
56	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 10	1.64%
57	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI A	1.85%
58	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	2.01%
59	PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO CL.B	2.04%
60	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15 N	2.11%
61	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE TR FLEX VALUE	2.25%

Source: Data from Morningstar

In conclusion, it may be affirmed that no many differences appear between ethical funds' and non-ethical funds' ongoing charges and, in most of cases, ethical funds show optimal results. In the categories “Azionari Altre Specializzazioni”, “Azionari Internazionali”, “Bilanciati”, “Obbligazionari Altre Specializzazioni” and “Obbligazionari Euro Governativi Breve Termine” the ethical funds' ongoing charges are always lower than the average ongoing charges of non-ethical funds in the categories. The competitiveness of Etica Sgr is evident, in particular, in “Azionari Internazionali”, “Bilanciati”, “Obbligazionari Euro Governativi Breve Termine” and “Obbligazionari Misti” where its

funds are always positioned among the first half of the overall rankings. In addition, also Eurizon Capital Sgr has an optimal performance in terms of costs in those categories in which its funds are offered, in particular, in “*Azionario Altre Specializzazioni*” where *Eurizon Azionario Internazionale Etico* is the less expensive fund of the category.

As a consequence, since ethical funds can be considered competitive from the ongoing charges’ point of view, and since their investment policy forces to exclude investments in unethical and detrimental activities, we can conclude that investment in ethical funds is worthwhile and advantageous since it supports sustainable and ethical activities with more or less the same cost of non-ethical investments.

Chapter 5

THE ANALYSIS OF ETHICAL FUNDS' PERFORMANCE

Summary: 5.1 The Performance of Ethical Funds – 5.2 The Risk-Adjusted Performance Measures – 5.3 The Comparison of Ethical Funds' and Non-Ethical Funds' Returns and Sharpe Ratio – 5.4 Interview to Paolo Capelli

5.1 THE PERFORMANCE OF ETHICAL FUNDS

While social responsible investors integrate the environmental and social values in the investment decision-making process, the return on investment remains of important concern to them. According to this, some analysts strongly believe that the screening process, which identifies companies and countries that do not respect international sustainable principles, has a negative effect on the financial performance of the ethical funds. Ethical funds, in fact, exclude many companies from their portfolio and avoid investments in certain industries, regardless if such investments might provide high returns or not. For example, ethical funds do not invest in tobacco companies, which are considered to be among the biggest holdings of the mutual funds, and to guarantee relatively high returns. In addition, most of the funds do not put money in companies with low quality corporate governance or those which are not concerned about CSR. As a consequence, the general belief considers ethical investments to be less diversified and, hence, riskier for investors than traditional investments. This phenomenon is known as “*ethical sacrifice*”. This is why some analysts assume that ethical funds, in general, show poorer financial performance than conventional funds. Nevertheless, research showed that a portfolio of 30 stocks is sufficient to eliminate the systematic risk and overcome the problem of lower diversification⁴³. Hence, if a fund's manager is able to create a well-diversified portfolio, the ethical fund's securities will be exposed only to market risk (β) and ethical sacrifice will tend to disappear.

Moreover, it is argued, as well, that ethical funds charge higher management fees than conventional funds, since the screening process involves higher transactional costs for the

⁴³ H. Markowitz, “*Modern Portfolio Theory*”, March 1952.

ethical funds, but we have already seen in the previous chapter that it is not completely true.

In contrast, there are some expectations that ethical funds do financially better than conventional funds. The main reason behind these expectations is that ethical funds screen companies and choose those which are concerned about corporate social responsibility (CSR). There is some evidence that CSR behaviour has a positive effect on the market value of firms. In addition, ethical funds mainly invest in companies with low dimension and high growth prospects, leading to economic benefits in the long term. There exists, in fact, a “*learning phase*” such as a period of about four or five years in which SR instruments underperform the traditional competitors because:

1. asset management companies need a certain period to learn to manage these instruments;
2. companies included in the portfolio tends to create value in the long term.

Consequently, ethical funds are subject to an “*age effect*”, according to which SRIs need a certain amount of time to guarantee good returns: only after few years, therefore, ethical funds should present returns in line with non-ethical competitors, or exceed them.

There is a number of reasons to expect the positive effect of CSR on the corporate financial performance. First of all, companies with the high standard of sustainability avoid paying the consequences of the non-ethical behaviour, such as lawsuit judgements, government fees and others, as happened in case of Enron, Parmalat and Worldcom⁴⁴. Second, CSR is believed to create the intrinsic motivation for the employees, which is proved to be associated with the more efficient performance⁴⁵. Good relations with employees, the guarantee of a safe workplace, an appropriate incentive plan and good contracts increase the productivity of employees and reduce mistakes. The employee becomes loyal to the company which is able, in this way, to reduce turnover and recruitment costs. Moreover, keeping good relations, not only with employees but also with all stakeholders, allows the company to build a solid reputation: the positive relationship with the company brings, for example, customers to contribute to increase

⁴⁴ L. Becchetti, “*Corporate Social Responsibility and Shareholders’ Value: An Event Study Analysis*”, Working Paper, January 22, 2009

⁴⁵ A. Millington, B. Rayton, “*The Contribution of Corporate Social Responsibility to Organizational Commitment*”, Working Paper, October 2007

revenues. The constant attention to “*customer satisfaction*” is, in fact, fundamental because it keeps customers’ loyalty and attracts new ones.

5.2 THE RISK-ADJUSTED PERFORMANCE MEASURES

Risk-adjusted Performance measures (RAPs) assess the performance of a portfolio of securities in which two main elements prevail: the risk and the return. These measures may vary in detail depending on the context they are used in, but all risk-adjusted performance measures have one thing in common: they compare the return on capital to the risk taken to earn this return.

An impulsive investor may observe only the historical returns of the assets in which he would invest, forgetting a fundamental theorem of the financial market according to which a greater risk corresponds to a greater gain. This means that securities which had a greater return in the past are also those characterized by greater volatility in prices and are riskier for the investor than those characterized by a low yield. Therefore, the additional return is often a sort of risk premium that is paid to the investor. Consequently, when the investor needs to evaluate the performance of his portfolio, measures that take into account both the risk and the return are needed. These measures are the risk-adjusted performance measures.

In this paragraph, the main risk-adjusted performance measures are presented, according to Assogestioni’s considerations about the best systems to assess the trade-off “*risk-return*”⁴⁶. Before analysing RAPs, the concept of standard deviation and beta are explained.

Standard Deviation is one of the key fundamental system to assess risk as it measures the dispersion of returns from their mean. It is calculated as the square root of variance according to the following formula:

$$SD = \sigma = \sqrt{\frac{1}{N} \sum_{i=1}^N (x_i - \mu)^2}$$

Where:

⁴⁶ Assogestioni, “*Guida al Risparmio Gestito*”, *factbook*, chapter 18, 2013

SD: is the Standard Deviation of the fund;

N: is the number of subperiod within the evaluation period;

x_i : is the return of each period;

μ : is the average return of the evaluation period.

The expression under the root is the variance which is usually used as risk measure as standard deviation. In particular, the investor needs to take into consideration two components of the risk:

- Specific Risk
- Systematic Risk

The first risk is measured by standard deviation and represents the total variability of returns while the second highlights the sensitivity of the fund to the market. The specific risk may be eliminated with the diversification while the systematic risk cannot be eliminated.

Beta is a measure of the systematic risk of a security or a portfolio in comparison to the market as a whole. The Beta measures the sensitivity of a stock to the variations occurring in the market portfolio to identify whether the fund is more or less risky than the market. The Beta of a portfolio is calculated through the following formula:

$$\beta = \frac{cov(R_i, R_T)}{\sigma_T^2}$$

where $cov(R_i, R_T)$ is the covariance between the return of the fund and the return of the market portfolio, while σ_T^2 is the variance of the market portfolio's return. If the investor prefers to compare the fund to a benchmark, the return of market portfolio must be replaced with the return of benchmark within the covariance and variance.

Now, the main risk-adjusted performance measures are presented.

Sharpe Ratio

The first and most frequently used performance measure is the Sharpe Ratio. This measure was developed in 1996 by the Nobel- prize winner William F. Sharpe under the name "*Reward to Variability Ratio*". The Sharpe Ratio can be calculated with the following formula.

$$\text{Sharpe Ratio} = \frac{(\bar{R} - \bar{R}_f)}{\sigma(R_t)}$$

Where $(R - R_f)$ is the excess return, or risk premium, and $\sigma(R_t)$ is the standard deviation of the fund in the evaluation period.

As risk-averse investors prefer high returns and low volatility, the alternative with the highest Sharpe Ratio should be chosen when assessing investment possibilities⁴⁷. Consequently, the fund with the higher Sharpe Ratio is the one that produced the highest return on the basis of the same level of volatility.

The Sharpe Ratio of the fund may be compared to the Sharpe Ratio of the Benchmark. If the first one is higher than the second, this means that the manager of the fund obtained higher results on the basis of the trade-off risk-return.

Modigliani Risk-Adjusted Performance

In 1997, Nobel-prize winner Franco Modigliani and his granddaughter, Leah Modigliani, developed the Modigliani Risk-Adjusted Performance measure with the objective to identify an easily understandable measure since the Sharpe Ratio was considered to be difficult to comprehend by the average investor.

Modigliani Risk-Adjusted performance or Modigliani-Modigliani measure of M^2 measures the returns of the fund, adjusted for the risk of the fund relative to that of some benchmark. Basically, for each investment fund with a specific risk and return, Modigliani-Modigliani measure identifies the return that this fund could have obtained if it had the same level of risk of the benchmark.

This RAP has the significant advantage of being expressed in units of percent return (as opposed to the Sharpe Ratio), which makes it more intuitive to interpret. In addition, the investor may compare the modified return of the fund directly to the benchmark's return or other funds' return and easily assess the results. The fund with the highest M^2 measure is the best. The Modigliani-Modigliani measure can be calculated with the following formula.

⁴⁷ Robert C. Scott, Philip A. Horvath, "On the Direction of Preference for Moments of Higher Order than the Variance", September 1980

$$RAP_M = (\bar{R} - \bar{R}_f) * \frac{\sigma_B}{\sigma_F} + \bar{R}_f$$

Where $(\bar{R} - \bar{R}_f)$ is the excess return of the fund, σ_B is the standard deviation of the benchmark in the evaluation period, σ_F is the standard deviation of the fund in the evaluation period, \bar{R}_f is the average risk-free rate for the period in question.

It is interesting to note that Modigliani measure is exactly equal to the Sharpe Ratio multiplied by the standard deviation of the benchmark and, consequently, the ranking of investment funds defined with the two methods does not change. The only difference is that the Modigliani measure is represented by a percentage value.

Tracking Error

Portfolio performance is usually evaluated against a prespecified benchmark portfolio. One most frequently used measure is Tracking Error (TE), sometimes defined as differences between portfolio returns and the benchmark portfolio returns.

$$TE_t = R_t - R_{Bt}$$

Consequently, TE measures how consistently a fund tracks its index/benchmark over a given period of time. In reality, no indexing strategy can perfectly match the performance of the index or benchmark, and the tracking error quantifies the degree to which the strategy differed from the index or benchmark. For example, if a manager is realizing low average returns and has a large tracking error, it is a sign that there is something significantly wrong with the investment and the investor should find a replacement.

Information Ratio

The information ratio (IR) is often referred to as a variation or generalized version of the Sharpe Ratio. It evolved as users of the Sharpe Ratio began substituting passive benchmarks for the risk-free rate⁴⁸. The Information Ratio tells an investor how much excess return is generated from the amount of excess risk taken relative to the benchmark.

⁴⁸ D. Kidd, "Investment Performance Measurement: The Sharpe Ratio and the Information Ratio", CFA Institute, 2011

The higher the Information ratio, the higher the excess return of the portfolio, given the amount of risk taken.

This RAP measure is calculated by dividing the portfolio's mean excess return to its benchmark (Tracking Error) by the variability of that excess return:

$$IR_p = \frac{\bar{R}_p - \bar{R}_B}{\sigma_{p-B}} = \frac{\overline{TE}}{\sigma(TE_t)}$$

Where the variable \bar{R}_p represents the return of the portfolio for the time period under measurement, \bar{R}_B represents the return of the benchmark and the term σ_{p-B} is the standard deviation of the difference in returns between the portfolio and its benchmark. Equally, \overline{TE} is the average tracking error of the fund and $\sigma(TE_t)$ is the tracking error's standard deviation.

The Information Ratio, like the Sharpe Ratio, is based on the Markowitz mean-variance paradigm and is applicable to portfolios with normal expected return distributions. An information ratio can tell whether a manager outperformed his or her benchmark on a risk-adjusted basis, but it cannot tell specifically how the outperformance was achieved. On the basis of this ratio, a fund which is actively managed would be a good fund if it is able to maximize its return with respect to the benchmark and minimize the risk.

Treynor Ratio

Developed by Jack Treynor, the Treynor Ratio, also known as the “*Reward-to-Volatility Ratio*”, attempts to measure how well an investment has compensated its investors given its level of risk. In essence, it is a risk-adjusted measurement which measures returns that exceed those that might have been gained on a risk-less investment, per each unit of market risk.

The Treynor Ratio shares similarities with the Sharpe Ratio. The difference between the two metrics is that Treynor Ratio uses Beta, or market risk, to measure volatility instead of using total risk, or standard deviation, as the Sharpe Ratio.

$$T = \frac{(\bar{R}_i - \bar{R}_f)}{\beta_i}$$

The Treynor Ratio allows for an understanding of how each investment within a portfolio is performing and gives also the investor an idea of how efficiently capital is being used. In fact, when the value of the ratio is high, good performance efficiency has been generated.

Jensen's Alpha

In 1968 the economist Michael Jensen developed a risk-adjusted performance measure to assess the ability of the fund's manager to forecast stocks' future price and identify the undervalued securities.

This measure is known as Jensen's Alpha (α) and it is used to determine the abnormal return of a security or portfolio of securities over the theoretical expected return. The most common model used to predict theoretical stock yield for Jensen's Alpha is the Capital Asset Pricing Model (CAPM) which takes into account the stock's risk by looking at its past volatility compared to the markets as a whole.

Jensen's Alpha is calculated by subtracting the predicted yield of a stock (obtained from CAPM) from the actual yield.

$$\alpha_p = \bar{R} - \bar{R}_{CAPM}$$

Where \bar{R} is the average return of the fund, and \bar{R}_{CAPM} is the average return that the fund should have generated on the basis of the CAPM.

CAPM, in fact, predicts the performance of a stock (for example Stock i) by subtracting the risk-free rate (R_f) from the expected market return (R_M) and multiplying by beta of stock i (β_i), then adding that to the risk-free rate (R_f).

$$\bar{R}_{CAPM} = \bar{R}_f + \beta_i * (\bar{R}_M - \bar{R}_f)$$

Therefore, a positive alpha value represents a stock that outperformed its predicted performance, a negative alpha represents a stock that underperformed its predicted performance, while an alpha equal to zero means that the selected stock performed exactly as predicted.

In addition, the Jensen's Alpha is a percentage measure and for this reason is easily understandable. However, the formula must be applied to medium-long period as in the short period produces information which is not much meaningful.

5.3 THE COMPARISON OF ETHICAL FUNDS' AND NON-ETICAL FUNDS' RETURNS AND SHARPE RATIO

In this paragraph, ethical and non-ethical funds are going to be compared on the basis of their three-year returns and Sharpe Ratio. In this way, after the ongoing charges' comparison, we are going to obtain a more completed overview which is useful to assess the differences between ethical and non-ethical funds. The objective is to evaluate together costs and returns of Italian mutual funds to definitely assess whether ethical funds may be a valid and worthwhile option to non-ethical funds.

In the following table, Italian ethical funds' 3-year returns and Sharpe Ratio are shown.

Table 82: Italian Ethical Funds' 3-year Return and Sharpe Ratio

<i>ASSET MANAGEMENT COMPANY</i>	<i>ETHICAL FUND</i>	<i>ASSOGESTIONI'S CATEGORY</i>	<i>3-YEAR RETURN</i>	<i>SHARPE RATIO</i>	
ETICA SGR	<i>Etica Azionario</i>	CLASS R	Azionario Internazionale	6.10%	0.75
		CLASS I		7.11%	0.84
	<i>Etica Bilanciato</i>	CLASS R	Bilanciato	4.36%	0.71
		CLASS I		5.30%	0.82
	<i>Etica Rendita Bilanciata</i>	CLASS R	Bilanciato	-	-
		CLASS RD	Obbligazionario	-	-
		CLASS I		-	-
	<i>Etica Obbligazionario Misto</i>	CLASS R	Obbligazionario Misto	0.96%	0.50
		CLASS I		1.56%	0.67
	<i>Etica Obbligazionario Breve Termine</i>	CLASS R	Obbligazionario Euro Governativo Breve Termine	-0.13%	0.48
CLASS I			0.17%	1.12	

EURIZON CAPITAL SGR	<i>Eurizon Azionario Internazionale Etico</i>		Azionario Altre Specializzazioni	5.40%	0.57
	<i>Eurizon Obbligazionario Etico</i>		Obbligazionario Altre Specializzazioni	1.14%	0.60
	<i>Eurizon Diversificato Etico</i>		Obbligazionario Misto	1.18%	0.58
PIONEER INVESTMENT	<i>Pioneer Obbligazionario Euro Corporate Etica a</i>	CLASS A	Obbligazionario Euro Corporate Investment Grade	0.94%	0.43
	<i>Distribuzione</i>	CLASS B		0.78%	0.38
SELLA GESTIONI SGR	<i>Investimenti Sostenibili</i>	CLASS A	Obbligazionario Misto	0.31%	0.36
		CLASS C		1.10%	-
		CLASS LIFEGATE SG		-	-
		CLASS LIFEGATE		-	-
UBI PRAMERICA SGR	<i>UBI Pramerica Azionario Etico</i>		Azionario Area Euro	6.40%	0.54
	<i>UBI Pramerica Obbligazionario Euro Corporate Etico</i>		Obbligazionario Euro Corporate Investment Grade	-	-
BNP PARIBAS INVESTMENT PARTNERS SGR	<i>BNL Azioni Europa Dividendo</i>		Azionario Europa	2.39%	0.33

Source: Data from Morningstar

The 3-Year Return and Sharpe Ratio are data directly collected by Morningstar. The 3-year return has been chosen to make more comparable the comparison since most of funds are relatively young and a comparison based on the 5-year return would have excluded many ethical and non-ethical funds from the discussion.

The table showing the 3-year return and Sharpe Ratio of non-ethical funds is reported in the appendix (appendix B), at the end of the thesis. For the analysis, the same Assogestioni's list of non-ethical funds used in the comparison of ongoing charges has

been considered. However, the funds relatively young, for which it has not been possible to assess its returns in the previous three years, have been excluded.

Similarly to ongoing charges' analysis, two pivot tables have been created to compare the average 3-year return and average Sharpe Ratio of non-ethical funds with the ethical funds' ones.

In the following table, the non-ethical funds have been combined according to their Assogestioni's category with the average 3-year return and Sharpe Ratio of the related categories.

Table 83: Italian Non-Ethical Funds' Average 3-year return and Sharpe Ratio per Category

ASSOGESTIONI'S CATEGORY	AVERAGE 3-YEAR RETURN (2017)	AVERAGE SHARPE RATIO (2017)
AZ. ALTRE SPECIAL.	13.52 %	0.48
AZ. AREA EURO	7.02 %	0.49
AZ. EUROPA	7.19 %	0.60
AZ. INTERNAZIONALI	7.49 %	0.66
BILANCIATI	3.80 %	0.57
BILANCIATI OBBLIGAZIONARI	2.81 %	0.59
OBBL. ALTRE SPECIALIZZAZIONI	0.95 %	0.54
OBBL. EURO CORP. INV.GRADE	1.67 %	0.63
OBBL. EURO GOV. BREVE T.	0.12 %	-0.002
OBBL. MISTI	1.40 %	0.57
Total Average	2.95 %	0.50

Source: Data from Morningstar

Creating the same table for ethical funds, taking for each category an average of the different classes' 3-year return and Sharpe Ratio of 2017, we are able to obtain a first comparison between ethical and non-ethical funds' performance.

Table 84: Italian Ethical Funds' Average 3-year return and Sharpe Ratio per Category

ASSOGESTIONI'S CATEGORY	AVERAGE 3-YEAR RETURN (2017)	AVERAGE SHARPE RATIO (2017)
AZ. ALTRE SPECIAL.	5.40 %	0.57
AZ. AREA EURO	6.40 %	0.54
AZ. EUROPA	2.39 %	0.33
AZ. INTERNAZIONALI	6.61 %	0.80
BILANCIATI	4.83 %	0.77
BILANCIATI OBBLIGAZIONARI	-	-
OBBL. ALTRE SPECIALIZZAZIONI	1.14 %	0.60
OBBL. EURO CORP. INV. GRADE	0.86 %	0.41
OBBL. EURO GOV. BREVE T.	0.02 %	0.80
OBBL. MISTI	1.02 %	0.53
Total Average	2.65 %	0.61

Source: Data from Morningstar

As we can see from the tables, the average 3-year return is slightly higher for Italian non-ethical funds' categories (2.95%), while, in contrast, ethical funds' categories' average Sharpe Ratio exceeds the non-ethical one of 0.11 (0.61 - 0.50). In particular, the categories “*Bilanciati*” and “*Obbligazionari Altre Specializzazioni*” present higher average 3-year return and average Sharpe Ratio in the case of ethical funds. The category “*Bilanciati Obbligazionari*” is excluded from the analysis as the ethical funds included in the category are relatively young and, therefore, it has not been possible to assess its returns in the previous three years.

What we can observe from this first generic analysis is that ethical funds have lower average returns per category than non-ethical funds, but with higher average Sharpe Ratio. This means that ethical funds have better and adequately compensated investors for the risk they have assumed such as that they have obtained a largest return per unit of risk assumed.

Now, we are going to observe more deeply the position of ethical funds in the overall ranking, category per category, on the basis of their 3-year return and Sharpe ratio.

Azionari Altre Specializzazioni

For the category “Azionario Altre Specializzazioni”, only one non-ethical fund is included in the performance analysis, since the 3-year return could not be calculated for the others. *Eurizon Azionario Internazionale Etico* is in the second position for what concerns the 3-year return but its Sharpe Ratio is slightly higher. This means that ethical investors have obtained a larger return per unit of risk assumed.

Table 85: Azionari Altre Specializzazioni’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	AGORA INVESTMENTS SGR	AGORA MATERIALS R	13.52%	0.48	2
2	EURIZON CAPITAL SGR	EURIZON AZIONARIO INTERNAZIONALE ETICO	5.40%	0.57	1

Source: Data from Morningstar

Azionari Area Euro

Ubi Pramerica Azionario Etico obtains the fifth position both for returns and Sharpe Ratio. The ethical fund has an intermediate position in a category composed of 8 funds and this could be assessed as a good result considering that its Sharpe Ratio (0.54) is higher than the average Sharpe Ratio of non-ethical funds in the category (0.49).

Table 86: Azionari Area Euro’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	EPSILON ASSOCIATI SGR SpA	EPSILON QEQUITY	10.80%	0.79	1
2	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZIONARIO EURO	10.16%	0.72	2
3	8A+ SGR	EIGER R	9.10%	0.58	3
4	EURIZON CAPITAL SGR SpA	EURIZON AZIONI AREA EURO	7.96%	0.58	4
5	UBI PRAMERICA SGR	UBI PRAMERICA AZIONARIO ETICO	6.40%	0.54	5

6	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO AZIONARIO	6.33%	0.53	6
7	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EURO	5.11%	0.44	7
8	8A+ SGR	GRAN PARADISO R	-0.29%	-0.21	8

Source: Data from Morningstar

Azionari Europa

Ethical funds are not as competitive as non-ethical funds in the category “Azionari Europa”. Indeed, *BNL Azioni Europa Dividendo* has the last position in the overall ranking with a 3-year return of 2.39% and a Sharpe Ratio equal to 0.33 which is quite low compared to non-ethical funds.

Table 87: Azionari Europa’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ANIMA SGR SpA	ANIMA GEO EUROPA PMI Y	12.37%	1.04	1
2	ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA F	12.12%	1.01	2
3	ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA A	11.06%	0.94	3
4	ANIMA SGR SpA	ANIMA GEO EUROPA PMI A	10.71%	0.92	4
5	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE	9.23%	0.59	9
6	ACOMEA SGR SpA	AcomeA EUROPA Y	9.21%	0.61	7
7	ACOMEA SGR SpA	AcomeA EUROPA A2	8.15%	0.55	15
8	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ AZIONI EUROPA	7.97%	0.69	5
9	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE I ACC	7.77%	0.49	18
10	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE B	7.44%	0.48	23
11	EURIZON CAPITAL SGR SpA	EURIZON AZIONI PMI EUROPA F	7.00%	0.61	8
12	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA	6.94%	0.59	10
13	ARCA FONDI SGR SPA	ARCA AZIONI EUROPA A	6.85%	0.58	12

14	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA C	6.72%	0.58	13
15	ANIMA SGR SpA	ANIMA GEO EUROPA A1	6.61%	0.62	6
16	SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA	6.47%	0.56	14
17	ANIMA SGR SpA	ANIMA EUROPA A	6.30%	0.59	11
18	EPSILON ASSOCIATI SGR SpA	EPSILON QVALUE C ACC	5.93%	0.49	19
19	INVESTITORI SGR SpA	INVESTITORI EUROPA	5.9%	0.55	16
20	SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA A	5.5%	0.49	20
21	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ.VALORE EUROPA A	5.37%	0.48	24
22	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ.VALORE EUROPA A	5.36%	0.49	21
23	ANIMA SGR SpA	ANIMA EUROPA A ACC	5.29%	0.51	17
24	ANIMA SGR SpA	ANIMA GEO EUROPA B	5.03%	0.49	22
25	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO EQUITY EUROPE	4.97%	0.44	25
26	EURIZON CAPITAL SGR SpA	EURIZON AZIONI EUROPA	4.62%	0.43	26
27	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EUROPA	3.17%	0.32	27
28	BNP PARIBAS INVESTMENT PARTNERS SGR	BNL AZIONI EUROPA DIVIDENDO	2.39%	0.33	28

Source: Data from Morningstar

Azionari Internazionali

Etica Sgr obtains a satisfactory result in the category “*Azionari Internazionali*” where the ethical fund *Etica Azionario Class I* obtains the thirteenth position in the 3-year return’s ranking with a return of 7.11%, and the fourth position in the Sharpe Ratio’s ranking with its 0.84. Class R of the same fund obtains a good position too with a Sharpe Ratio equal to 0.75 (position number 9) and a 3-year return equal to 6.10% (position number 19).

Both Class I and Class R of Etica Azionario have a Sharpe Ratio which is higher than the average one of non-ethical funds in the category.

Table 88: Azionari Internazionali's 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ANIMA SGR SpA	ANIMA GEO GLOBALE Y	10.95%	0.86	2
2	ANIMA SGR SpA	ANIMA VALORE GLOBALE F	10.02%	0.80	5
3	ANIMA SGR SpA	ANIMA GEO GLOBALE A	9.31%	0.75	8
4	UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI GLOBALI	9.04%	0.79	6
5	SOPRARNO SGR SpA	SOPRARNO ESSE STOCK B	9.03%	0.89	1
6	ANIMA SGR SpA	ANIMA VALORE GLOBALE	9.00%	0.73	11
7	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZION. INT.LE	8.85%	0.74	10
8	SOPRARNO SGR SpA	SOPRARNO ESSE STOCK A	8.50%	0.84	3
9	ARCA FONDI SGR SPA	ARCA AZIONI INTERNAZIONALI	8.34%	0.76	7
10	ACOMEA SGR SpA	AcomeA GLOBALE A2	7.47%	0.65	16
11	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI90	7.40%	0.66	13
12	EURIZON CAPITAL SGR SpA	EURIZON AZIONI INTERNAZIONALI	7.31%	0.60	18
13	ETICA SGR	ETICA AZIONARIO I	7.11%	0.84	4
14	ERSEL ASSET MANAGEMENT SGR SpA	TALENTO GLOBAL EQUITY	7.07%	0.69	12
15	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE C	7.02%	0.65	17
16	GENERALI INVESTMENTS EUROPE SGR SpA	FONDOALTO INTERN. AZION.	6.82%	0.66	14
17	ZENIT SGR SpA	ZENIT MEGATREND I	6.38%	0.66	15

18	ACOMEA SGR SpA	AcomeA GLOBALE A1	6.25%	0.55	20
19	ETICA SGR	ETICA AZIONARIO R	6.10%	0.75	9
20	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL I ACC	6.09%	0.46	22
21	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE A	6.08%	0.58	19
22	ZENIT SGR SpA	ZENIT MEGATREND R	4.93%	0.51	21
23	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL A ACC	4.49%	0.34	23
24	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL C ACC	4.45%	0.34	24

Source: Data from Morningstar

Bilanciati

Etica Sgr obtains the best results in the category “*Bilanciati*” where both the classes of the ethical fund *Etica Bilanciato* are included in the first ten positions in a category which includes 24 funds. Etica Bilanciato Class I obtains the third position both in the return’s and in the Sharpe Ratio’s ranking with a return of 5.30% and a Sharpe Ratio of 0.82; Class R is in position number 8 for what concerns returns with its 4.36% and in position number 7 in the Sharpe Ratio’s ranking with its 0.71. Both classes have returns and Sharpe Ratio higher than the average non-ethical funds’ returns and Sharpe Ratio in the category.

Table 89: Bilanciati’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ANIMA SGR SpA	ANIMA FORZA 4 Y	5.78%	0.83	2
2	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI C	5.51%	0.84	1
3	ETICA SGR	ETICA BILANCIATO I	5.30%	0.82	3
4	ANIMA SGR SpA	ANIMA FORZA 4 B	5.02%	0.73	4
5	ANIMA SGR SpA	ANIMA FORZA 4 A	5.02%	0.73	5
6	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 60	4.98%	0.62	10

7	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI A	4.49%	0.72	6
8	ETICA SGR	ETICA BILANCIATO R	4.36%	0.71	7
9	UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIFUND 50	4.32%	0.62	11
10	ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI50	4.32%	0.65	9
11	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO BILANCIATO	4.21%	0.68	8
12	SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO C	4.09%	0.56	16
13	UBI PRAMERICA SGR SpA	UBI PRAMERICA EUROPE MULTIFUND	4.06%	0.58	14
14	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 40	3.68%	0.62	12
15	ARCA FONDI SGR SPA	ARCA BB	3.62%	0.54	17
16	EURIZON CAPITAL SGR SpA	EURIZON BILANCIATO EURO MULTIMANAGER	3.61%	0.54	18
17	UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO DINAMICO	3.44%	0.57	15
18	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO A ACC	3.42%	0.36	21
19	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO C ACC	3.27%	0.35	22
20	SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO A	3.13%	0.44	19
21	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL	2.78%	0.62	13
22	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO BALANCED	2.41%	0.44	20
23	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM BILANCIATO	1.75%	0.35	22
24	NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS BILANCIATO	0.60%	0.18	23

Source: Data from Morningstar

Obbligazionari Altre Specializzazioni

The category “*Obbligazionario Altre Specializzazioni*” includes 40 funds and the ethical one, *Eurizon Obbligazionario Etico*, obtains an intermediate position, place number 20, both in the 3-year return’s and Sharpe Ratio’s rankings. It is an acceptable position, taking into consideration the fact that both the return and the Sharpe Ratio are definitely higher than the average return and Sharpe ratio of non-ethical funds in the category which are respectively 0.95% and 0.54. In addition, the last ten funds have negative returns and the last four also negative Sharpe Ratio. Eurizon Capital Sgr has been able to maintain positive returns during last three years and also a positive Sharpe Ratio.

Table 90: Obbligazionari Altre Specializzazioni’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE B	5.28%	1.35	1
2	ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE A	4.47%	1.15	2
3	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI C	3.42%	0.72	15
4	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI A	2.65%	0.59	21
5	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA MARZO - 2019	2.39%	0.94	6
6	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V OPPORTUNITÀ - 2018	2.22%	0.89	8
7	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2018	2.11%	0.74	14
8	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA SETTEMBRE - 2019	1.96%	0.79	12
9	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV OPPORTUNITÀ - 2018	1.77%	0.88	9

10	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2019	1.73%	1.13	3
11	ANIMA SGR SpA	ANIMA FORZA 2 Y	1.67%	0.78	13
12	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA MARZO - 2019	1.53%	0.95	5
13	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA DICEMBRE - 2018	1.44%	0.92	7
14	ANIMA SGR SpA	ANIMA RISERVA EMERGENTE F	1.34%	0.35	30
15	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V - 2018	1.29%	0.82	11
16	ANIMA SGR SpA	ANIMA FORZA 2 A	1.28%	0.64	18
17	ANIMA SGR SpA	ANIMA FORZA 2 B	1.27%	0.64	19
18	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE C	1.22%	0.52	23
19	ANIMA SGR SpA	ANIMA RISERVA EMERGENTE A	1.22%	0.34	32
20	EURIZON CAPITAL SGR	EURIZON OBBLIGAZIONARIO ETICO	1.14%	0.60	20
21	ANIMA SGR SpA	ANIMA FORZA 1 Y	1.10%	0.85	10
22	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE C	0.93%	0.42	27
23	ANIMA SGR SpA	ANIMA FORZA 1 B	0.80%	0.69	16
24	ANIMA SGR SpA	ANIMA FORZA 1 A	0.80%	0.69	17
25	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA D	0.71%	0.50	24
26	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA A	0.71%	0.50	25
27	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE A	0.62%	0.35	31
28	AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE C	0.49%	0.41	28

29	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV - 2018	0.48%	0.54	22
30	AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE D	0.48%	0.40	29
31	SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE E	0.33%	0.34	33
32	ARCA FONDI SGR SPA	ARCA RR DIVERSIFIED BOND	0.30%	0.29	34
33	BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA II - 2017	0.16%	0.48	26
34	ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL SHORT TERM ASSET	-0.12%	1.09	4
35	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE A	-0.14%	0.14	36
36	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE B	-0.29%	0.10	37
37	UBI PRAMERICA SGR SpA	UBI PRAMERICA OBBLIGAZIONI DOLLARI	-0.80%	0.29	35
38	ANIMA SGR SpA	ANIMA RISERVA GLOBALE F	-0.82%	0.06	38
39	AZIMUT CAPITAL MANAGEMENT SGR SpA	AZIMUT TREND TASSI	-0.99%	-0.30	41
40	ANIMA SGR SpA	ANIMA RISERVA GLOBALE A	-1.15%	-0.04	40
41	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO DICEMBRE 2017	-2.43%	-0.70	42
42	BNP PARIBAS INVESTMENT PARTNERS SGR SpA	BNL OBBLIGAZIONI GLOBALI	-2.48%	-0.02	39

Source: Data from Morningstar

Obbligazionari Euro Corporate Investment Grade

Even with positive 3-year return and Sharpe Ratio, Pioneer Investments is not able to be particularly competitive in the category “*Obbligazionari Euro Corporate Investment*”

Grade”. The ethical fund obtains the twelfth position with Class A and the thirteenth position with Class B in both rankings. Class A has a 3-year return equal to 0.94% and a Sharpe Ratio of 0.43; Class B has a 3-year return equal to 0.78% and a Sharpe Ratio of 0.38.

Table 91: Obbligazionari Euro Corporate Investment Grade’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ANIMA SGR SpA	ANIMA FIX IMPRESE Y	3.09%	0.96	1
2	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE F	3.01%	0.94	2
3	ANIMA SGR SpA	ANIMA FIX IMPRESE A	2.65%	0.83	3
4	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE A	2.56%	0.83	4
5	ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE AD	2.54%	0.82	5
6	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE C	1.60%	0.66	6
7	ARCA FONDI SGR SPA	ARCA BOND CORPORATE	1.43%	0.56	7
8	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO CORPORATE	1.35%	0.54	9
9	UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO CORPORATE	1.28%	0.56	8
10	SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE A	1.10%	0.49	10
11	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE	1.04%	0.49	11
12	PIONEER INVESTMENTS	PIONEER OBBLIGAZIONARIO EURO CORPORATE ETICO A DISTRIBUZIONE A	0.94%	0.43	12

13	PIONEER INVESTMENTS	PIONEER OBBLIGAZIONARIO EURO CORPORATE ETICO A DISTRIBUZIONE B	0.78%	0.38	13
14	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE BREVE TERMINE	0.05%	0.22	15
15	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE EURO AGGREGATE	-0.02%	0.33	14

Source: Data from Morningstar

Obbligazionari Euro Governativi Breve Termine

The bond categories have not produced high returns during the last three years. In particular, the category “*Obbligazionari Euro Governativi Breve Termine*” is composed of 37 funds but almost half of them have a negative 3-year return. *Etica Obbligazionario Breve Termine Class R* is one of them and is located in position number 23 with a negative 3-year return but with a positive Sharpe Ratio equal to 0.48 which obtains the satisfactory position number 16 in the overall ranking of Sharpe Ratio. More competitive in the overall ranking is *Etica Obbligazionario Breve Termine Class I* in position number 16 with a 3-year return (0.17%) which is higher than the average 3-year return of non-ethical funds in the category (0.12%). Moreover, Class I has an excellent Sharpe Ratio which is equal to 1.12 in position number 6.

Table 92: Obbligazionari Euro Governativi Breve Termine’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ACOMEA SGR SpA	ACOMEA BREVE TERMINE A2	2.52%	0.80	10
2	CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BREVE TERMINE C ACC	2.25%	0.78	11
3	ACOMEA SGR SpA	ACOMEA BREVE TERMINE A1	2.22%	0.71	13
4	ZENIT SGR SpA	ZENIT BREVE TERMINE I	0.67%	0.84	9

5	FONDACO SGR SpA	FONDACO EURO CASH B	0.65%	2.27	3
6	SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE B	0.52%	3.95	1
7	MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO I	0.52%	0.75	12
8	ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT Y	0.41%	0.97	7
9	SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE A	0.36%	3.13	2
10	ZENIT SGR SpA	ZENIT BREVE TERMINE R	0.35%	0.60	15
11	ANIMA SGR SpA	ANIMA SALVADANAIO F	0.22%	1.14	5
12	FONDACO SGR SpA	FONDACO EURO CASH A	0.21%	1.63	4
13	MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO L	0.20%	0.46	18
14	MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO LA	0.19%	0.46	19
15	SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO BREVE TERMINE	0.18%	0.70	14
16	ETICA SGR	ETICA OBBLIGAZIONARIO BT I	0.17%	1.12	6
17	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE C	0.16%	0.97	8
18	ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA B	0.00%	0.47	17
19	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE D	-0.03%	0.30	25
20	EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE A	-0.03%	0.30	26

21	ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT A	-0.04%	0.38	21
22	GENERALI INVESTMENTS EUROPE SGR SpA	GI FOCUS EURO GOVERNATIVO BREVE TERMINE	-0.12%	0.40	20
23	ETICA SGR	ETICA OBBLIGAZIONARIO BT R	-0.13%	0.48	16
24	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE B	-0.14%	0.32	23
25	SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE A	-0.14%	0.32	24
26	ANIMA SGR SpA	ANIMA SALVADANAIO A	-0.15%	0.35	22
27	UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO B.T.	-0.28%	0.08	27
28	EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOB. CONSERVATIVO	-0.29%	-0.02	28
29	GENERALI INVESTMENTS EUROPE SGR SpA	ALTO EURO GOVERNATIVO BREVE TERMINE	-0.35%	-0.02	29
30	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO EURO BREVE TERMINE	-0.37%	-0.37	30
31	ANIMA SGR SpA	ANIMA FIX EURO Y	-0.45%	-1.20	32
32	ANIMA SGR SpA	ANIMA FIX EURO I	-0.45%	-1.24	33
33	ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA A	-0.51%	-0.44	31
34	ANIMA SGR SpA	ANIMA FIX EURO A	-0.68%	-2.95	35
35	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE A	-1.03%	-2.67	34
36	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE B	-1.13%	-3.12	36
37	FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM RISPARMIO	-1.33%	-11.12	37

Source: Data from Morningstar

Obbligazionari Misti

The category “*Obbligazionari Misti*” is composed by 50 funds including also three ethical funds of different asset management companies: Etica Sgr, Eurizon Capital Sgr and Sella Gestioni Sgr. *Etica Obbligazionario Misto Class I* is extremely competitive as both the 3-year return (1.56%) and the Sharpe Ratio (0.67) are higher than the average return and Sharpe Ratio of non-ethical funds included in the category which are respectively 1.40% and 0.57. *Etica Obbligazionario Misto Class R* is a little bit less competitive in position number 35, but has good return and Sharpe Ratio considering the category. Also *Eurizon Diversificato Etico* and *Investimenti Sostenibili C* are quite competitive having an intermediate position both in the return’s and Sharpe Ratio’s ranking. A little less competitive is *Investimenti Sostenibili A* at position number 47 with a 3-year return of 0.31% and a Sharpe Ratio of 0.36.

Table 93: Obbligazionari Misti’s 3-year Return and Sharpe Ratio

	ASSET MANAGEMENT COMPANY	FUND	3-YEAR RETURN	SHARPE RATIO	
1	ANIMA SGR SpA	ANIMA TRAGUARDO CRESCITA ITALIA	3.95%	0.79	6
2	ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA AMERICA	3.55%	0.96	1
3	ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA EUROPA	3.10%	0.69	11
4	ARCA FONDI SGR SPA	ARCA OBBLIGAZIONI EUROPA	2.65%	0.67	15
5	ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO I	2.63%	0.82	4
6	NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS OBBLIGAZIONARIO MISTO	2.55%	0.87	3
7	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET A	2.44%	0.78	7
8	ANIMA SGR SpA	ANIMA SFORZESCO F	2.20%	0.80	5
9	ACOMEA SGR SpA	AcomeA PERFORMANCE A2	2.07%	0.33	45

10	ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO R	2.05%	0.68	12
11	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15 F	2.05%	0.73	8
12	ANIMA SGR SpA	ANIMA TRAGUARDO 2021 GLOBALE	2.03%	0.71	9
13	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA PIU ITALIA A	1.75%	0.95	2
14	ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET II A	1.70%	0.49	32
15	ANIMA SGR SpA	ANIMA SFORZESCO A	1.63%	0.65	20
16	ETICA SGR	ETICA OBBLIGAZIONARIO MISTO I	1.56%	0.67	16
17	ACOMEA SGR SpA	AcomeA PERFORMANCE A1	1.55%	0.28	47
18	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE	1.31%	0.68	13
19	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE II	1.30%	0.68	14
20	GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALLEANZA OBBLIGAZ.	1.29%	0.33	46
21	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS B	1.25%	0.53	26
22	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 MULTI-ASSET	1.24%	0.70	10
23	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE	1.22%	0.66	19
24	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE II	1.21%	0.62	22
25	PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO CL.A	1.20%	0.52	29
26	PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS A	1.19%	0.54	25
27	EURIZON CAPITAL SGR	EURIZON DIVERSIFICATO ETICO	1.18%	0.58	24
28	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI C	1.10%	-	

29	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15 A	1.09%	0.44	34
30	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX	1.08%	0.67	17
31	ANIMA SGR SpA	ANIMA TRAGUARDO DINAMICO	1.07%	0.61	23
32	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS II	1.01%	0.65	21
33	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS	1.01%	0.67	18
34	ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15 N	0.99%	0.41	37
35	ETICA SGR	ETICA OBBLIGAZIONARIO MISTO R	0.96%	0.50	30
36	ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX II	0.83%	0.53	27
37	PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO CL.B	0.79%	0.43	35
38	EURIZON CAPITAL SGR SpA	EURIZON RENDITA D	0.70%	0.41	38
39	EURIZON CAPITAL SGR SpA	EURIZON RENDITA A	0.70%	0.40	39
40	BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1	0.66%	0.40	40
41	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE III	0.59%	0.53	28
42	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE II	0.53%	0.39	41
43	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE	0.53%	0.50	31
44	EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 10	0.49%	0.34	43
45	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ALTO POTENZIALE	0.45%	0.42	36
46	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE II	0.41%	0.45	33

47	SELLA GESTIONI SGR	INVESTIMENTI SOSTENIBILI A	0.31%	0.36	42
48	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE III	0.30%	0.27	48
49	UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO PRUDENTE	0.28%	0.34	44
50	ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE	0.25%	0.26	49

Source: Data from Morningstar

The initial generic analysis outlined that ethical funds tend to have lower returns than non-ethical funds but are better compensated for the risk assumed. In particular, in 6 categories out of 9, ethical funds' Sharpe Ratio is higher than the average Sharpe Ratio of non-ethical funds in the related category while in 2 categories, ethical funds' 3-year return is higher than the average one for non-ethical funds in the category.

Etica Sgr obtains excellent results in each category where its funds are included. In particular, it obtains its best results in the category "*Bilanciati*" where both Class I and Class R of *Etica Bilanciato* obtain top positions with high 3-year returns and Shape Ratio. The asset management company reaches good results also in the categories "*Azionari Internazionali*" and "*Obbligazionari Euro Governativi Breve Termine*" with halfway 3-year return and Sharpe Ratio higher than the non-ethical funds' average ones in the categories.

BNP Paribas Investment Partners and Pioneer Investments are not as competitive as non-ethical funds respectively in the categories "*Azionari Europa*" and "*Obbligazionari Euro Corporate Investment Grade*" where their returns and Sharpe ratio are lower than the non-ethical funds' average returns and Sharpe Ratio in the categories.

In the same way, Sella Gestioni Sgr is not able to be particularly competitive in terms of performance in the category "*Obbligazionari Misti*" where *Investimenti Sostenibili C* reaches an intermediate position but its returns are lower than the average one in the category.

Eurizon Capital obtains good results in the category "*Obbligazionari Altre Specializzazioni*" where the fund *Eurizon Obbligazionario Etico* reaches a satisfactory

position both in the returns' and Sharpe Ratio's rankings. Good results in terms of Sharpe Ratio have been reached also by the fund *Eurizon Azionario Internazionale Etico* in the category "Azionario Altre Specializzazioni" and by the fund *Eurizon Diversificato Etico* in the category "Obbligazionari Misti" where the Sharpe Ratio is, also in this case, higher than the non-ethical funds' average one.

Also UBI Pramerica obtains satisfactory results with an intermediate position for its fund *UBI Pramerica Azionario Etico* in the category "Azionari Area Euro".

In conclusion, the overall analysis shows that ethical funds' 3-year returns are close to the average returns of non-ethical funds and their Sharpe Ratios are higher in most cases. Since the Sharpe Ratio better assesses the funds' portfolio as it compares the return to the risk assumed, we can conclude that, even if returns are slightly lower, ethical funds are able to better repay the investor for the risk he or she assumes during the investment period.

5.4 INTERVIEW TO PAOLO CAPELLI

Paolo Capelli, Head of risk management at Etica Sgr, kindly provided some considerations and observations about the main aspects developed in this thesis on the basis of his knowledge and experience.

Talking about the investment strategies adopted by asset management companies in the ethical securities' selection processes, he affirms that there are no significant differences. However, even though the investment universe selection process refers to the same macro-category, it differs in the substance. Etica Sgr, for example, will never have the same eligible universe of those companies which claim to apply the same investment strategies. This depends on the ESG score that each asset management company assigns to potential companies or sectors in which they want to invest. According to Paolo Capelli, Etica Sgr, in particular, has a rigorous, strict and conservative process, certified in procedures, to assess companies and states which may be included in the eligible universe.

As a consequence, some companies that are included in the investment universe of some AMC, are not included in that of Etica Sgr which may have, in this way, an eligible universe smaller than others. In the end, this may make a great difference because, in

terms of investment at sector level, Etica Sgr may be overexposed in certain sectors and underexposed in others. For example, the financial sector is suspended in Etica Sgr, while other companies carry out a selection of companies operating in this sector and invest in those which have a good ESG score. This produces a great difference in terms of investment universe.

In conclusion, ethical selection strategies are repeated in different asset management companies but the analysis needs to focus on how these strategies are applied by each company as this is the significant difference that determines the composition of the investment universe and, therefore, of the portfolio.

The second topic discussed with Paolo concerns costs and returns. Regarding costs, he affirms that, generally, ethical funds may guarantee lower costs than non-ethical funds because they do not apply performance fees, which are generally very high. Regarding returns and Sharpe Ratio, ethical funds tend to have good Sharpe Ratio levels because they have lower levels of volatility. As a matter of fact, ethical funds exclude or limit investments in sectors characterized by high level of volatility. Etica Sgr, as already mentioned, does not invest in financial and oil sectors which are extremely volatile, while other companies carry out a good selection of those companies operating in these sectors, investing only in those having good ESG scores and, therefore, which are less volatile. These considerations translate into fairly high levels of Sharpe Ratio.

In the analysis carried out in this thesis, it is more correct to look at Sharpe Ratio to assess the performance of funds, because, in order to perfectly assess funds' performance on the basis of returns, we should also consider benchmarks' performance. *Etica Azionario*, for example, is perfectly aligned to its benchmark in terms of returns, and there is no guarantee that a fund, in the same category, which has higher 3-year return is also aligned with its benchmark. Indeed, the objective of ethical funds is to produce higher Sharpe Ratios.

In any case, the performance of an ethical fund depends on how the portfolio is structured and whether it is effectively ethical or not. If the investment universe is well constructed, the fact that it may be limited by the ethical investment strategies does not affect the performance of the fund. Hence, the investment universe can be much smaller than the original investment universe, but if it is well-constructed and includes those stocks which function as drivers of the index, it can easily replicate the benchmark. Etica Sgr, for

example, has an investment universe which is definitely smaller than the benchmark but its returns are almost in line with it. So, it is not true that a reduced eligible universe limits performance or fails to equal the benchmark. In contrast, it can equal or even overcome it with a lower level of risk. The goal of an ethical fund is, in fact, to obtain the same return of the benchmark, or beat it, with a lower level of risk.

The current Italian scenario of ethical funds is the last topic discussed with Paolo Capelli. According to his opinion, in the last five years ethical funds have achieved excellent performance, often exceeding their own benchmarks, so they are completely in line, and often better, than the non-ethical competitors. In this way, the prejudice that investing in an ethical fund leads to a limited performance has been overcome. In addition, there is an increasing number of international pushes towards more sustainable investments, mainly for what concerns the environmental aspect. This leads to an increase in the supply of ethical funds also from companies that in recent years offered only traditional funds. As a result, a large number of asset management companies turn their attention to ethical and sustainable themes and offer a wide range of sustainable products to interested investors. This is possible also because asset management companies have realized that they can invest in a more sustainable way without reducing performance. Consequently, the number of ethical products offered to the public is expected to increase also because international companies, which offer ethical and sustainable products abroad, are now entering the desirable Italian market.

CONCLUSIONS

Socially Responsible Investing (SRI) has been practiced for more than a century and is today a fast-growing segment of the financial landscape.

The growth of the SRI market has been driven by a desire to redefine the relationship between corporations and society. Investors feel the need to invest money in a way that does not conflict with their personal values and objectives and want to actively support and encourage improvements in others' quality of life or in the environment for future generations.

Consequently, sustainable investing may be considered as an opportunity to make money and make a difference in the world. The problem is that many people still feel like they have to choose between their money and their values.

As a matter of fact, a common concern about socially responsible investing is that there is a premium to be paid for being socially responsible that necessarily reduces the investment returns. The answer to this problem is central to the future growth of SRI: if SRI produces lower returns, then it will never be more than a niche market, appealing only those investors with strong convictions about the types of companies they want to hold; if, in contrast, it can be shown that SRI produces superior investment returns, then it will move further into the mainstream and traditional investment managers increasingly will integrate SRI principles into their investment processes in order to rise returns; finally, if research shows that there is no difference between the investment performance of SRI funds and traditional investment funds, then SRI will be considered a legitimate investment alternative for those investors who believe that companies should be responsible for their social and environmental practices.

Through the analysis of the current scenario of Italian ethical funds, this thesis tries to give an answer to this problem, faced by many researchers today.

Even though sustainable investing is a growing market, according to Assogestioni's list of mutual funds, in Italy there are only six asset management companies which offer thirteen Italian ethical funds. These ethical funds have been deeply analysed in each their characteristic and compared to the wide range of Italian traditional mutual funds on the basis of their Assogestioni's category. As already specified in the introduction, the objective of this thesis is not to carry out a statistic analysis of the comparison between

costs and returns to identify which funds better perform in the category because, given the low number of Italian ethical funds, the statistic results would not be very significant. The objective is, instead, to present to the reader a precise and meticulous research about the characteristics and the performance of Italian ethical funds, assessing their position in the overall ranking of Italian mutual funds on the basis of their ongoing charges, 3-year return and Sharpe Ratio.

The analysis of ethical investment policies of those asset management companies offering Italian ethical funds reveals that there are no many differences. This is due probably to the fact that all the asset management companies include in their investment processes the same environmental, social and governance factors, respect the same regulation and refer to the same European and international ethical organizations' principles.

As we can look from the following summary table, the ethics committee is present in the governance of each AMC, except for UBI Pramerica Sgr which does not disclose information about the body probably because the investable universe of its ethical funds is selected by ECPI Group, a leading independent ethical finance consulting firm.

Even regarding the securities' selection process, no many differences may be identified. The way in which the Socially Responsible Investment is implemented in each asset management company is similar to each other. The main element that we can notice is that AMCs apply multiple SRI strategies simultaneously in the investment selection process and, in particular, Etica Sgr applies four SRI strategies in the same selection process.

In addition, according to the analysis, the soft and hard engagement are carried out by all the asset management companies with the exemption of UBI Pramerica Sgr which does not disclose information about the dialogue with companies highlighting only the importance of the dialogue with all the stakeholders.

Therefore, the main difference that emerged from the analysis is a discrepancy in terms of transparency since some asset management companies are characterized by a good disclosure of ethical information, in particular Etica Sgr, while other companies are characterized by a lower level of ethical transparency, in particular UBI Pramerica Sgr.

Table 94: Qualitative Analysis Summary

<i>Asset Management Company</i>	<i>Ethics Committee</i>	<i>Investment Selection Process</i>	<i>Engagement Strategy</i>
<i>ETICA SGR</i>	✓	<ul style="list-style-type: none"> ● Norm- Based Exclusion ● Exclusion of Controversial Activities ● ESG Integration ● Best-in-Class Approach 	✓
<i>EURIZON CAPITAL SGR</i>	✓	<ul style="list-style-type: none"> ● Positive and Negative Criteria ● Best-in-Class Approach ● ESG Integration 	✓
<i>PIONEER INVESTMENTS</i>	✓	<ul style="list-style-type: none"> ● Best-in-Class Approach ● ESG Integration 	✓
<i>SELLA GESTIONI SGR</i>	✓	<ul style="list-style-type: none"> ● Impact Investing ● ESG Integration 	✓
<i>UBI PRAMERICA SGR</i>	-	<ul style="list-style-type: none"> ● ESG Integration ● Positive and Negative Criteria 	-
<i>BNP PARIBAS INVESTMENT PARTNERS</i>	✓	<ul style="list-style-type: none"> ● ESG Integration ● Best-in-Class Approach ● Thematic Strategy 	✓

As explained by Paolo Capelli in the interview, a fundamental difference in the ethical selection process is the way in which the investment strategy is implemented and the ESG score that each asset management company assigns to potential companies or sectors in which they may invest. Therefore, even if the investment strategy is the same, the different implementation determines the composition of the portfolio.

Regarding the cost of ethical funds, it may be affirmed that no many differences appear between ethical funds' and non-ethical funds' ongoing charges and, in most of cases, ethical funds show optimal results, appearing between the funds with the lowest ongoing charges in most categories. This contradicts the false belief according to which the implementation of sustainable securities' selection processes increases the funds' cost. Moreover, as confirmed by Paolo Capelli, ethical funds are expected to cost less than non-ethical funds as, generally, they do not apply the performance fee which heavily impact the cost of traditional funds.

Opponents of SRI argue also that the application of non-financial considerations, such as environmental, social, and governance (ESG) factors, to the investment process must

result in lower investment returns because the number of investment opportunities is reduced. The Modern Portfolio Theory says, in fact, that investment portfolios constructed from an investment universe including a higher number of companies will be more efficient than portfolios constructed from an investment universe including a lower number of companies. In other words, since SRI works with a smaller investment universe, therefore, will generate lower returns.

These considerations cannot be considered true as the performance of a fund depends on how the portfolio is structured. If an investment universe is well constructed and includes those stocks which function as drivers of the index, the fact that it may be limited by the ethical investment strategies does not affect the performance of the fund which can easily replicate the benchmark.

In addition, the analysis of Sharpe Ratio proved that in six categories out of nine, ethical funds' Sharpe Ratio is higher than the average Sharpe Ratio of non-ethical funds in the related categories. Indeed, ethical funds are supposed to have higher levels of Sharpe Ratio since they are characterized by lower volatility. Thanks to the implementation of sustainable investment strategies, ethical funds exclude investments in sectors characterized by high level of volatility or limit the investment to those companies having good ESG scores and, therefore, are less volatile. In this way, a well-constructed ethical fund can reach its objective to obtain the same return of its benchmark, or beat it, with a lower level of risk.

Finally, it is important to note that the question of whether or not SRI reduces investment returns will never be completely answered, but since:

- ethical investment policies exclude investments in unethical, detrimental and volatile activities;
- ethical investments mainly have lower ongoing charges and Sharpe Ratio;
- the integration of ESG factors into the investment process reduces the investment universe but does not produce a material loss of efficiency in portfolios constructed from that universe;

we can affirm that the investment in ethical funds is worthwhile and produces benefit for the community, as it supports sustainable and ethical activities, in favour of the common well-being, with a benefit in terms of costs and risk, and without a loss of efficiency.

APPENDIX A

Assogestioni's list of Non-Ethical Italian Funds considered in the costs' analysis in chapter four.

ASSET MANAGEMENT COMPANY	FUND	CLASS	ASSOGESTIONI'S CATEGORY	ONGOING CHARGES
8A+ SGR	EIGER	R	AZ. AREA EURO	2.18%
8A+ SGR	GRAN PARADISO	R	AZ. AREA EURO	1.71%
ACOMEA SGR SpA	ACOMEA BREVE TERMINE	A2	OBBL. EURO GOV. BREVE T.	0.37%
ACOMEA SGR SpA	ACOMEA BREVE TERMINE	Q2	OBBL. EURO GOV. BREVE T.	0.36%
ACOMEA SGR SpA	ACOMEA BREVE TERMINE	A1	OBBL. EURO GOV. BREVE T.	0.66%
ACOMEA SGR SpA	AcomeA EUROPA	Q2	AZ. EUROPA	1.03%
ACOMEA SGR SpA	AcomeA EUROPA	A1	AZ. EUROPA	2.11%
ACOMEA SGR SpA	AcomeA EUROPA	A2	AZ. EUROPA	1.01%
ACOMEA SGR SpA	AcomeA GLOBALE	A2	AZ. INTERNAZIONALI	1.12%
ACOMEA SGR SpA	AcomeA GLOBALE	Q2	AZ. INTERNAZIONALI	1.13%
ACOMEA SGR SpA	AcomeA GLOBALE	A1	AZ. INTERNAZIONALI	2.37%
ACOMEA SGR SpA	AcomeA PERFORMANCE	A1	OBBL. MISTI	1.39%
ACOMEA SGR SpA	AcomeA PERFORMANCE	A2	OBBL. MISTI	0.79%
ACOMEA SGR SpA	AcomeA PERFORMANCE	Q2	OBBL. MISTI	0.82%
AGORA INVESTMENTS SGR	AGORA MATERIALS	R	AZ. ALTRE SPECIAL.	2.88%
ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA	A	OBBL. EURO GOV. BREVE T.	0.83%
ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA	B	OBBL. EURO GOV. BREVE T.	0.32%
ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET	A	OBBL. MISTI	1.25%

ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET II	A	OBBL. MISTI	1.20%
ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET III	A	OBBL. MISTI	1.35%
ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA PIU ITALIA	A	OBBL. MISTI	1.17%
ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE	A	OBBL. ALTRE SPECIALIZZAZIONI	1.32%
ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONARIO CORPORATE	B	OBBL. ALTRE SPECIALIZZAZIONI	0.41%
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ AZIONI EUROPA		AZ. EUROPA	2.29%
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI20		BILANCIATI OBBLIGAZIONARI	1.60%
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI50		BILANCIATI	2.49%
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI90		AZ. INTERNAZIONALI	3.13%
ALPI FONDI SGR SpA	ALPI VALUE		AZ. ALTRE SPECIAL.	5.19%
AMUNDI SGR SpA	AMUNDI LIBRA	B	BILANCIATI OBBLIGAZIONARI	1.75%
AMUNDI SGR SpA	AMUNDI LIBRA	A	BILANCIATI OBBLIGAZIONARI	0.55%
AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE	CLASSE D	OBBL. ALTRE SPECIALIZZAZIONI	0.76%
AMUNDI SGR SpA	AMUNDI OBBLIGAZIONARIO BREVE TERMINE	C	OBBL. ALTRE SPECIALIZZAZIONI	0.79%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI		BILANCIATI OBBLIGAZIONARI	1.23%

AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI DUE		BILANCIATI OBBLIGAZIONARI	1.19%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 MARCHI GLOBALI E LUSSO		BILANCIATI OBBLIGAZIONARI	1.29%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ALPHA ITALIA		BILANCIATI OBBLIGAZIONARI	1.44%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 GLOBALE		BILANCIATI OBBLIGAZIONARI	1.28%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ITALIA		BILANCIATI OBBLIGAZIONARI	1.06%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 MERCATI EMERGENTI		BILANCIATI OBBLIGAZIONARI	1.64%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 PICCOLE E MEDIE IMPRESE		BILANCIATI OBBLIGAZIONARI	1.63%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 SILVER AGE		BILANCIATI OBBLIGAZIONARI	1.31%
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2021		BILANCIATI	1.60%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	A	OBBL. MISTI	2.01%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	F	OBBL. MISTI	1.07%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	N	OBBL. MISTI	2.11%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	A	BILANCIATI OBBLIGAZIONARI	2.21%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	F	BILANCIATI OBBLIGAZIONARI	1.33%
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	N	BILANCIATI OBBLIGAZIONARI	2.41%

ANIMA SGR SpA	ANIMA CEDOLA 2021 ALTO POTENZIALE		BILANCIATI OBBLIGAZIONARI	1.28%
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 II		BILANCIATI OBBLIGAZIONARI	1.41%
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 III		BILANCIATI OBBLIGAZIONARI	1.42%
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2022 I		BILANCIATI OBBLIGAZIONARI	1.43%
ANIMA SGR SpA	ANIMA EUROPA	A	AZ. EUROPA	2.12%
ANIMA SGR SpA	ANIMA EUROPA	F	AZ. EUROPA	1.07%
ANIMA SGR SpA	ANIMA EUROPA	B	AZ. EUROPA	2.36%
ANIMA SGR SpA	ANIMA FIX EURO	A	OBBL. EURO GOV. BREVE T.	0.69%
ANIMA SGR SpA	ANIMA FIX EURO	I	OBBL. EURO GOV. BREVE T.	0.46%
ANIMA SGR SpA	ANIMA FIX EURO	Y	OBBL. EURO GOV. BREVE T.	0.46%
ANIMA SGR SpA	ANIMA FIX IMPRESE	A	OBBL. EURO CORP. INV.GRADE	1.26%
ANIMA SGR SpA	ANIMA FIX IMPRESE	Y	OBBL. EURO CORP. INV.GRADE	0.61%
ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT	A	OBBL. EURO GOV. BREVE T.	0.92%
ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT	Y	OBBL. EURO GOV. BREVE T.	0.47%
ANIMA SGR SpA	ANIMA FORZA 1	A	OBBL. ALTRE SPECIALIZZAZIONI	1.32%
ANIMA SGR SpA	ANIMA FORZA 1	B	OBBL. ALTRE SPECIALIZZAZIONI	1.30%
ANIMA SGR SpA	ANIMA FORZA 1	Y	OBBL. ALTRE SPECIALIZZAZIONI	1.04%
ANIMA SGR SpA	ANIMA FORZA 2	A	OBBL. ALTRE SPECIALIZZAZIONI	1.51%
ANIMA SGR SpA	ANIMA FORZA 2	B	OBBL. ALTRE SPECIALIZZAZIONI	1.49%

ANIMA SGR SpA	ANIMA FORZA 2	Y	OBBL. ALTRE SPECIALIZZAZIONI	1.14%
ANIMA SGR SpA	ANIMA FORZA 3	A	BILANCIATI OBBLIGAZIONARI	1.78%
ANIMA SGR SpA	ANIMA FORZA 3	B	BILANCIATI OBBLIGAZIONARI	1.74%
ANIMA SGR SpA	ANIMA FORZA 3	Y	BILANCIATI OBBLIGAZIONARI	1.18%
ANIMA SGR SpA	ANIMA FORZA 4	A	BILANCIATI	2.03%
ANIMA SGR SpA	ANIMA FORZA 4	B	BILANCIATI	2.00%
ANIMA SGR SpA	ANIMA FORZA 4	Y	BILANCIATI	1.29%
ANIMA SGR SpA	ANIMA GEO EUROPA	A	AZ. EUROPA	2.47%
ANIMA SGR SpA	ANIMA GEO EUROPA	Y	AZ. EUROPA	0.97%
ANIMA SGR SpA	ANIMA GEO EUROPA PMI	A	AZ. EUROPA	2.50%
ANIMA SGR SpA	ANIMA GEO EUROPA PMI	Y	AZ. EUROPA	0.99%
ANIMA SGR SpA	ANIMA GEO GLOBALE	A	AZ. INTERNAZIONALI	2.47%
ANIMA SGR SpA	ANIMA GEO GLOBALE	Y	AZ. INTERNAZIONALI	0.98%
ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA	A	AZ. EUROPA	2.13%
ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA	F	AZ. EUROPA	0.98%
ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA	B	AZ. EUROPA	2.36%
ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE	A	OBBL. EURO CORP. INV.GRADE	1.21%
ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE	F	OBBL. EURO CORP. INV.GRADE	0.61%
ANIMA SGR SpA	ANIMA OBBLIGAZIONARIO CORPORATE	AD	OBBL. EURO CORP. INV.GRADE	1.21%

ANIMA SGR SpA	ANIMA OBIETTIVO CEDOLA 2022		BILANCIATI OBBLIGAZIONARI	1.60%
ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022		BILANCIATI OBBLIGAZIONARI	1.44%
ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 II		BILANCIATI OBBLIGAZIONARI	1.35%
ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 III		BILANCIATI OBBLIGAZIONARI	1.39%
ANIMA SGR SpA	ANIMA PROGETTO DINAMICO 2022 MULTI-ASSET		BILANCIATI OBBLIGAZIONARI	1.94%
ANIMA SGR SpA	ANIMA PROGETTO EUROPA 2021 CEDOLA		BILANCIATI OBBLIGAZIONARI	1.51%
ANIMA SGR SpA	ANIMA PROGETTO FLESSIBILE 2020		BILANCIATI OBBLIGAZIONARI	1.93%
ANIMA SGR SpA	ANIMA PROGETTO FLESSIBILE 2021		BILANCIATI OBBLIGAZIONARI	1.63%
ANIMA SGR SpA	ANIMA PROGETTO GLOBALE 2022 CEDOLA		BILANCIATI OBBLIGAZIONARI	1.63%
ANIMA SGR SpA	ANIMA PRONTODEPOSITO	X	OBBL. ALTRE SPECIALIZZAZIONI	0.27%
ANIMA SGR SpA	ANIMA RISERVA EMERGENTE	A	OBBL. ALTRE SPECIALIZZAZIONI	0.95%
ANIMA SGR SpA	ANIMA RISERVA EMERGENTE	F	OBBL. ALTRE SPECIALIZZAZIONI	0.65%
ANIMA SGR SpA	ANIMA RISERVA EMERGENTE	H	OBBL. ALTRE SPECIALIZZAZIONI	1.45%
ANIMA SGR SpA	ANIMA RISERVA GLOBALE	A	OBBL. ALTRE SPECIALIZZAZIONI	0.82%
ANIMA SGR SpA	ANIMA RISERVA GLOBALE	F	OBBL. ALTRE SPECIALIZZAZIONI	0.53%

ANIMA SGR SpA	ANIMA SALVADANAIO	A	OBBL. EURO GOV. BREVE T.	0.82%
ANIMA SGR SpA	ANIMA SALVADANAIO	F	OBBL. EURO GOV. BREVE T.	0.43%
ANIMA SGR SpA	ANIMA SFORZESCO	A	OBBL. MISTI	1.25%
ANIMA SGR SpA	ANIMA SFORZESCO	F	OBBL. MISTI	0.60%
ANIMA SGR SpA	ANIMA SFORZESCO	AD	OBBL. MISTI	1.25%
ANIMA SGR SpA	ANIMA SFORZESCO PLUS	A	OBBL. MISTI	1.40%
ANIMA SGR SpA	ANIMA SFORZESCO PLUS	F	OBBL. MISTI	0.71%
ANIMA SGR SpA	ANIMA SFORZESCO PLUS	AD	OBBL. MISTI	1.40%
ANIMA SGR SpA	ANIMA SVILUPPO EUROPA 2022		BILANCIATI OBBLIGAZIONARI	1.32%
ANIMA SGR SpA	ANIMA SVILUPPO GLOBALE 2022		BILANCIATI OBBLIGAZIONARI	0.36%
ANIMA SGR SpA	ANIMA TARGET CEDOLA 2022		BILANCIATI OBBLIGAZIONARI	1.45%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ALTO POTENZIALE		OBBL. MISTI	1.36%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE		OBBL. MISTI	1.32%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE II		OBBL. MISTI	1.33%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE III		OBBL. MISTI	1.32%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE		OBBL. MISTI	1.37%

ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE II		OBBL. MISTI	1.38%
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE III		OBBL. MISTI	1.39%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE		OBBL. MISTI	1.43%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE II		OBBL. MISTI	1.44%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX		OBBL. MISTI	1.19%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX II		OBBL. MISTI	1.21%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE		OBBL. MISTI	1.20%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE II		OBBL. MISTI	1.20%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 MULTI-ASSET		OBBL. MISTI	1.27%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS		OBBL. MISTI	1.20%
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS II		OBBL. MISTI	1.19%
ANIMA SGR SpA	ANIMA TRAGUARDO 2021 GLOBALE		OBBL. MISTI	0.37%
ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA AMERICA		OBBL. MISTI	1.15%

ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA EUROPA		OBBL. MISTI	1.24%
ANIMA SGR SpA	ANIMA TRAGUARDO CRESCITA ITALIA		OBBL. MISTI	1.23%
ANIMA SGR SpA	ANIMA TRAGUARDO DINAMICO		OBBL. MISTI	1.24%
ANIMA SGR SpA	ANIMA VALORE GLOBALE		AZ. INTERNAZIONALI	2.12%
ANIMA SGR SpA	ANIMA VALORE GLOBALE	F	AZ. INTERNAZIONALI	1.12%
ANIMA SGR SpA	ANIMA VALORE GLOBALE	B	AZ. INTERNAZIONALI	2.35%
ANIMA SGR SpA	ANIMA VISCONTEO		BILANCIATI OBBLIGAZIONARI	1.46%
ANIMA SGR SpA	ANIMA VISCONTEO	F	BILANCIATI OBBLIGAZIONARI	0.81%
ANIMA SGR SpA	ANIMA VISCONTEO	AD	BILANCIATI OBBLIGAZIONARI	1.46%
ANIMA SGR SpA	ANIMA VISCONTEO PLUS	A	BILANCIATI	1.69%
ANIMA SGR SpA	ANIMA VISCONTEO PLUS	F	BILANCIATI	0.94%
ANIMA SGR SpA	ANIMA VISCONTEO PLUS	AD	BILANCIATI	1.71%
ARCA FONDI SGR SPA	ARCA AZIONI EUROPA		AZ. EUROPA	1.98%
ARCA FONDI SGR SPA	ARCA AZIONI INTERNAZIONALI		AZ. INTERNAZIONALI	2.10%
ARCA FONDI SGR SPA	ARCA BB		BILANCIATI	1.82%
ARCA FONDI SGR SPA	ARCA BOND CORPORATE		OBBL. EURO CORP. INV.GRADE	1.20%
ARCA FONDI SGR SPA	ARCA MULTIASET BALANCED		BILANCIATI	2.19%
ARCA FONDI SGR SPA	ARCA OBBLIGAZIONI EUROPA		OBBL. MISTI	1.30%
ARCA FONDI SGR SPA	ARCA RR DIVERSIFIED BOND		OBBL. ALTRE SPECIALIZZAZIONI	1.26%

ARCA FONDI SGR SPA	ARCA TE		BILANCIATI OBBLIGAZIONARI	2.05%
AZIMUT CAPITAL MANAGEMENT SGR SpA	AZIMUT TREND TASSI		OBBL. ALTRE SPECIALIZZAZIONI	1.60%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZION. INT.LE		AZ. INTERNAZIONALI	1.74%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZIONARIO EURO		AZ. AREA EURO	1.64%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA FEBBRAIO 2023		BILANCIATI OBBLIGAZIONARI	1.08%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA MAGGIO 2023		BILANCIATI OBBLIGAZIONARI	1.08%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA CEDOLA DINAMICA NOVEMBRE 2022		BILANCIATI OBBLIGAZIONARI	1.08%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1		OBBL. MISTI	1.14%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1	D	OBBL. MISTI	1.14%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 2		BILANCIATI OBBLIGAZIONARI	1.34%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 2	D	BILANCIATI OBBLIGAZIONARI	1.30%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 3	A	BILANCIATI	1.48%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 3	D	BILANCIATI	1.48%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX GIUGNO 2020		BILANCIATI OBBLIGAZIONARI	0.85%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO DICEMBRE 2017		OBBL. ALTRE SPECIALIZZAZIONI	0.75%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO EURO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	0.49%

BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO GIUGNO 2017		OBBL. ALTRE SPECIALIZZAZIONI	0.75%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO OTTOBRE 2017		OBBL. ALTRE SPECIALIZZAZIONI	0.29%
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONARIO SETTEMBRE 2016		OBBL. ALTRE SPECIALIZZAZIONI	0.49%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA I - 2016		OBBL. ALTRE SPECIALIZZAZIONI	0.94%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA II - 2017		OBBL. ALTRE SPECIALIZZAZIONI	0.94%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2018		OBBL. ALTRE SPECIALIZZAZIONI	1.37%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIONI	1.15%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA MARZO - 2019		OBBL. ALTRE SPECIALIZZAZIONI	1.16%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA SETTEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIONI	1.15%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA DICEMBRE - 2018		OBBL. ALTRE SPECIALIZZAZIONI	0.98%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA III - 2017		OBBL. ALTRE SPECIALIZZAZIONI	0.97%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA III OPPORTUNITÀ - 2017		OBBL. ALTRE SPECIALIZZAZIONI	1.37%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV - 2018		OBBL. ALTRE SPECIALIZZAZIONI	0.99%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV OPPORTUNITÀ - 2018		OBBL. ALTRE SPECIALIZZAZIONI	1.39%

BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA MARZO - 2019		OBBL. ALTRE SPECIALIZZAZIONI	0.76%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE DICEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIONI	0.76%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE MARZO - 2020		OBBL. ALTRE SPECIALIZZAZIONI	0.73%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIONI	0.75%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2020		OBBL. ALTRE SPECIALIZZAZIONI	0.76%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V - 2018		OBBL. ALTRE SPECIALIZZAZIONI	0.98%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V OPPORTUNITÀ - 2018		OBBL. ALTRE SPECIALIZZAZIONI	1.37%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA DICEMBRE - 2020		OBBL. ALTRE SPECIALIZZAZIONI	0.57%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA MARZO - 2021		OBBL. ALTRE SPECIALIZZAZIONI	0.60%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA MARZO - 2022		OBBL. ALTRE SPECIALIZZAZIONI	0.60%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA REALE DICEMBRE - 2020		OBBL. ALTRE SPECIALIZZAZIONI	0.73%
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	INVESTIPER CEDOLA REALE MARZO - 2021		OBBL. ALTRE SPECIALIZZAZIONI	0.70%
BNP PARIBAS INVESTMENT PARTNERS SGR SpA	BNL OBBLIGAZIONI GLOBALI		OBBL. ALTRE SPECIALIZZAZIONI	1.32%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE	A ACC	AZ. EUROPA	3.81%

CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE	C ACC	AZ. EUROPA	3.80%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST AZIONE	I ACC	AZ. EUROPA	2.05%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO	A ACC	BILANCIATI	3.91%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BILANCIATO	C ACC	BILANCIATI	3.82%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST BREVE TERMINE	C ACC	OBBL. EURO GOV. BREVE T.	0.48%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	A ACC	AZ. INTERNAZIONALI	3.89%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	C ACC	AZ. INTERNAZIONALI	3.81%
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	I ACC	AZ. INTERNAZIONALI	2.04%
DUEMME SGR SpA	Duemme CoCo Credit Fund		OBBL. ALTRE SPECIALIZZAZIONI	1.68%
DUEMME SGR SpA	DUEMME COMITATO MARIA LETIZIA VERGA	CLASSE C	BILANCIATI OBBLIGAZIONARI	1.55%
DUEMME SGR SpA	DUEMME COMITATO MARIA LETIZIA VERGA	CLASSE I	BILANCIATI OBBLIGAZIONARI	1.21%
DUEMME SGR SpA	DUEMME GCC MARKETS		BILANCIATI	1.96%

DUEMME SGR SpA	DUEMME SAN PATRIGNANO	CLASSE C	BILANCIATI OBBLIGAZIONARI	1.40%
DUEMME SGR SpA	DUEMME SAN PATRIGNANO	CLASSE C	BILANCIATI OBBLIGAZIONARI	1.40%
DUEMME SGR SpA	DUEMME SAN PATRIGNANO	CLASSE I	BILANCIATI OBBLIGAZIONARI	1.00%
DUEMME SGR SpA	DUEMME SAN PATRIGNANO	CLASSE I	BILANCIATI OBBLIGAZIONARI	1.00%
EPSILON ASSOCIATI SGR SpA	EPSILON QEQUITY		AZ. AREA EURO	1.69%
EPSILON ASSOCIATI SGR SpA	EPSILON QVALUE		AZ. EUROPA	1.64%
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL		BILANCIATI	1.92%
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL EUROPA		AZ. EUROPA	1.84%
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL REDDITO		OBBL. EURO GOV. BREVE T.	0.59%
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL SHORT TERM ASSET		OBBL. ALTRE SPECIALIZZAZIONI	0.33%
ERSEL ASSET MANAGEMENT SGR SpA	TALENTO GLOBAL EQUITY		AZ. INTERNAZIONALI	2.47%
EURIZON CAPITAL SGR SpA	EURIZON AZIONI AREA EURO		AZ. AREA EURO	2.01%
EURIZON CAPITAL SGR SpA	EURIZON AZIONI EUROPA		AZ. EUROPA	1.99%
EURIZON CAPITAL SGR SpA	EURIZON AZIONI INTERNAZIONALI		AZ. INTERNAZIONALI	1.97%
EURIZON CAPITAL SGR SpA	EURIZON AZIONI PMI EUROPA		AZ. EUROPA	2.02%
EURIZON CAPITAL SGR SpA	EURIZON BILANCIATO EURO MULTIMANAGER		BILANCIATI	2.21%
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA	A	OBBL. ALTRE SPECIALIZZAZIONI	1.26%

EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA	D	OBBL. ALTRE SPECIALIZZAZIONI	1.26%
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE	A	OBBL. EURO GOV. BREVE T.	0.90%
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE	D	OBBL. EURO GOV. BREVE T.	0.90%
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.27%
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE BREVE TERMINE		OBBL. EURO CORP. INV.GRADE	1.00%
EURIZON CAPITAL SGR SpA	EURIZON RENDITA	A	OBBL. MISTI	1.32%
EURIZON CAPITAL SGR SpA	EURIZON RENDITA	D	OBBL. MISTI	1.32%
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 10		OBBL. MISTI	1.64%
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 40		BILANCIATI	2.35%
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 60		BILANCIATI	2.73%
EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOB. CONSERVATIVO		OBBL. EURO GOV. BREVE T.	0.72%
EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE EURO AGGREGATE		OBBL. EURO CORP. INV.GRADE	1.11%
EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE FLESSIBILE ALLOCAZIONE GLOBALE		BILANCIATI OBBLIGAZIONARI	2.36%

EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE TR FLEX VALUE		OBBL. MISTI	2.25%
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM BILANCIATO		BILANCIATI	1.94%
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM RISPARMIO		OBBL. EURO GOV. BREVE T.	1.23%
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO BALANCED		BILANCIATI	2.73%
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO EQUITY EUROPE		AZ. EUROPA	2.89%
FINANZIARIA INTERNAZIONALE INVEST. SGR SpA	EQUITY I		AZ. AREA EURO	2.43%
GENERALI INVESTMENTS EUROPE SGR SpA	ALTO EURO GOVERNATIVO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	0.81%
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALLEANZA OBBLIGAZ.		OBBL. MISTI	1.22%
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO AZIONARIO		AZ. AREA EURO	1.94%
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO BILANCIATO		BILANCIATI	1.67%
GENERALI INVESTMENTS EUROPE SGR SpA	FONDOALTO INTERN. AZION.		AZ. INTERNAZIONALI	1.94%
GENERALI INVESTMENTS EUROPE SGR SpA	GI FOCUS EURO GOVERNATIVO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	0.55%
INVESTITORI SGR SpA	INVESTITORI EUROPA		AZ. EUROPA	1.10%
MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO	L	OBBL. EURO GOV. BREVE T.	0.82%

MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO	LA	OBBL. EURO GOV. BREVE T.	0.82%
NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS BILANCIATO		BILANCIATI	1.80%
NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS OBBLIGAZIONARIO MISTO		OBBL. MISTI	1.20%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA	A	AZ. EUROPA	1.93%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA	B	AZ. EUROPA	2.17%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. VALORE EUROPA	A	AZ. EUROPA	1.93%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. VALORE EUROPA	B	AZ. EUROPA	2.17%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE	A	OBBL. EURO GOV. BREVE T.	0.91%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE	B	OBBL. EURO GOV. BREVE T.	1.01%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS	A	OBBL. MISTI	1.22%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS	B	OBBL. MISTI	1.37%

PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE	A	OBBL. ALTRE SPECIALIZZAZIONI	1.16%
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE	B	OBBL. ALTRE SPECIALIZZAZIONI	1.31%
PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO	CL.A	OBBL. MISTI	1.64%
PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO	CL.B	OBBL. MISTI	2.04%
SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA	C	AZ. EUROPA	1.05%
SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA	A	AZ. EUROPA	1.99%
SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO	A	BILANCIATI	1.99%
SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO	C	BILANCIATI	1.05%
SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI	CLASSE A	BILANCIATI	1.84%
SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI	CLASSE C	BILANCIATI	0.59%
SELLA GESTIONI SGR SpA	INVESTIMENTI STRATEGICI	CLASSE E	BILANCIATI	2.32%
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	C	OBBL. EURO GOV. BREVE T.	0.41%
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	A	OBBL. EURO GOV. BREVE T.	0.75%
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	B	OBBL. EURO GOV. BREVE T.	0.75%
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI	A	OBBL. ALTRE SPECIALIZZAZIONI	1.69%

SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI	C	OBBL. ALTRE SPECIALIZZAZIONI	0.91%
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE	C	OBBL. EURO CORP. INV.GRADE	0.61%
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE	A	OBBL. EURO CORP. INV.GRADE	1.14%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE	C	AZ. INTERNAZIONALI	1.73%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE	E	AZ. INTERNAZIONALI	3.36%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONALE	A	AZ. INTERNAZIONALI	2.74%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI	E	BILANCIATI	3.40%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI	C	BILANCIATI	1.79%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI	A	BILANCIATI	2.79%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE	C	OBBL. ALTRE SPECIALIZZAZIONI	1.06%

SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE	E	OBBL. ALTRE SPECIALIZZAZIONI	1.94%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO EURO MEDIO/LUNGO TERMINE	A	OBBL. ALTRE SPECIALIZZAZIONI	1.73%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE	A	OBBL. ALTRE SPECIALIZZAZIONI	1.79%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE	E	OBBL. ALTRE SPECIALIZZAZIONI	1.76%
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONARIO INTERNAZIONALE	C	OBBL. ALTRE SPECIALIZZAZIONI	1.12%
SOPRARNO SGR SpA	SOPRARNO ESSE STOCK	B	AZ. INTERNAZIONALI	1.32%
SOPRARNO SGR SpA	SOPRARNO ESSE STOCK	A	AZ. INTERNAZIONALI	1.87%
SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE	B	OBBL. EURO GOV. BREVE T.	0.07%
SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE	A	OBBL. EURO GOV. BREVE T.	0.25%
SYMPHONIA SGR SpA	SYMPHONIA AZIONARIO EURO		AZ. AREA EURO	2.03%
SYMPHONIA SGR SpA	SYMPHONIA AZIONARIO EURO	CLASSE I	AZ. AREA EURO	1.30%

SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	0.79%
SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.24%
SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO CORPORATE	CLASSE I	OBBL. EURO CORP. INV.GRADE	0.84%
SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONARIO RENDITA		OBBL. EURO GOV. BREVE T.	0.78%
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EURO		AZ. AREA EURO	2.06%
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EUROPA		AZ. EUROPA	2.07%
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI GLOBALI		AZ. INTERNAZIONALI	2.06%
UBI PRAMERICA SGR SpA	UBI PRAMERICA BILANCIATO EURO A RISCHIO CONTROLLAT		BILANCIATI OBBLIGAZIONARI	1.83%
UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO B.T.		OBBL. EURO GOV. BREVE T.	0.94%
UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.31%
UBI PRAMERICA SGR SpA	UBI PRAMERICA EUROPE MULTIFUND		BILANCIATI	2.16%
UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIASET		BILANCIATI OBBLIGAZIONARI	1.52%
UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIFUND 50		BILANCIATI	2.11%
UBI PRAMERICA SGR SpA	UBI PRAMERICA MULTIASET ITALIA		BILANCIATI OBBLIGAZIONARI	1.52%
UBI PRAMERICA SGR SpA	UBI PRAMERICA OBBLIGAZIONI DOLLARI		OBBL. ALTRE SPECIALIZZAZIONI	1.21%

UBI PRAMERICA SGR SpA	UBI PRAMERICA OBIETTIVO CONTROLLO		BILANCIATI OBBLIGAZIONARI	1.66%
UBI PRAMERICA SGR SpA	UBI PRAMERICA OBIETTIVO STABILITÀ		OBBL. MISTI	1.31%
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO DINAMICO		BILANCIATI	1.87%
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO MODERATO		BILANCIATI OBBLIGAZIONARI	1.64%
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO PRUDENTE		OBBL. MISTI	1.30%
ZENIT SGR SpA	ZENIT BREVE TERMINE	I	OBBL. EURO GOV. BREVE T.	0.58%
ZENIT SGR SpA	ZENIT BREVE TERMINE	R	OBBL. EURO GOV. BREVE T.	0.88%
ZENIT SGR SpA	ZENIT MEGATREND	I	AZ. INTERNAZIONALI	1.73%
ZENIT SGR SpA	ZENIT MEGATREND	R	AZ. INTERNAZIONALI	3.22%
ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO	I	OBBL. MISTI	0.90%
ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO	R	OBBL. MISTI	1.50%

APPENDIX B

Assogestioni's list of Non-Ethical Italian Funds considered in the 3-year return's and Sharpe Ratio's analysis in chapter five.

ASSET MANAGEMENT COMPANY	FUND	CLASS	ASSOGESTIONI'S CATEGORY	3-YEAR RETURN	SHARPE RATIO
8A+ SGR	EIGER	R	AZ. AREA EURO	9.10%	0.58
8A+ SGR	GRAN PARADISO	R	AZ. AREA EURO	-0.29%	-0.21
ACOMEA SGR SpA	ACOMEA BREVE TERMINE	A2	OBBL. EURO GOV. BREVE T.	2.52%	0.80
ACOMEA SGR SpA	ACOMEA BREVE TERMINE	A1	OBBL. EURO GOV. BREVE T.	2.22%	0.71
ACOMEA SGR SpA	AcomeA EUROPA	A1	AZ. EUROPA	8.15%	0.55
ACOMEA SGR SpA	AcomeA EUROPA	A2	AZ. EUROPA	9.21%	0.61
ACOMEA SGR SpA	AcomeA GLOBALE	A2	AZ. INTERNAZIONALE	7.47%	0.65
ACOMEA SGR SpA	AcomeA GLOBALE	A1	AZ. INTERNAZIONALE	6.25%	0.55
ACOMEA SGR SpA	AcomeA PERFORMANCE	A1	OBBL. MISTI	1.55%	0.28
ACOMEA SGR SpA	AcomeA PERFORMANCE	A2	OBBL. MISTI	2.07%	0.33
AGORA INVESTMENTS SGR	AGORA MATERIALS	R	AZ. ALTRE SPECIAL.	13.52%	0.48
ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA	A	OBBL. EURO GOV. BREVE T.	-0.51%	-0.44
ALETTI GESTIELLE SGR SpA	GESTIELLE BT CEDOLA	B	OBBL. EURO GOV. BREVE T.	0.00%	0.47
ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET	A	OBBL. MISTI	2.44%	0.78
ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA MULTI TARGET II	A	OBBL. MISTI	1.70%	0.49

ALETTI GESTIELLE SGR SpA	GESTIELLE CEDOLA PIU ITALIA	A	OBBL. MISTI	1.75%	0.95
ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONAR IO CORPORATE	A	OBBL. ALTRE SPECIALIZZAZIO NI	4.47%	1.15
ALETTI GESTIELLE SGR SpA	GESTIELLE OBBLIGAZIONAR IO CORPORATE	B	OBBL. ALTRE SPECIALIZZAZIO NI	5.28%	1.35
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ AZIONI EUROPA		AZ. EUROPA	7.97%	0.69
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI20		BILANCIATI OBBLIGAZIONAR I	1.93%	0.53
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI50		BILANCIATI	4.32%	0.65
ALLIANZ GLOBAL INVESTORS GMBH	ALLIANZ MULTIPARTNER C.TO MULTI90		AZ. INTERNAZIONAL I	7.40%	0.66
AMUNDI SGR SpA	AMUNDI OBBLIGAZIONAR IO BREVE TERMINE	D	OBBL. ALTRE SPECIALIZZAZIO NI	0.48%	0.40
AMUNDI SGR SpA	AMUNDI OBBLIGAZIONAR IO BREVE TERMINE	C	OBBL. ALTRE SPECIALIZZAZIO NI	0.49%	0.41
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI		BILANCIATI OBBLIGAZIONAR I	2.34%	0.63
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 CEDOLE E DIVIDENDI DUE		BILANCIATI OBBLIGAZIONAR I	2.24%	0.59
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2019 MARCHI GLOBALI E LUSSO		BILANCIATI OBBLIGAZIONAR I	2.61%	0.58

AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ALPHA ITALIA		BILANCIATI OBBLIGAZIONARI	3.93%	0.51
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 GLOBALE		BILANCIATI OBBLIGAZIONARI	3.12%	0.68
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 ITALIA		BILANCIATI OBBLIGAZIONARI	4.16%	0.50
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 PICCOLE E MEDIE IMPRESE		BILANCIATI OBBLIGAZIONARI	7.06%	1.17
AMUNDI SGR SpA	AMUNDI ORIZZONTE 2020 SILVER AGE		BILANCIATI OBBLIGAZIONARI	1.51%	0.37
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	A	OBBL. MISTI	1.09%	0.44
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	F	OBBL. MISTI	2.05%	0.73
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 15	N	OBBL. MISTI	0.99%	0.41
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	A	BILANCIATI OBBLIGAZIONARI	2.23%	0.51
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	F	BILANCIATI OBBLIGAZIONARI	3.19%	0.68
ANIMA SGR SpA	ANIMA CAPITALE PIÙ 30	N	BILANCIATI OBBLIGAZIONARI	2.06%	0.47
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 II		BILANCIATI OBBLIGAZIONARI	4.82%	0.67
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2021 III		BILANCIATI OBBLIGAZIONARI	1.95%	0.24
ANIMA SGR SpA	ANIMA CEDOLA ALTO POTENZIALE 2022 I		BILANCIATI OBBLIGAZIONARI	4.18%	0.74
ANIMA SGR SpA	ANIMA EUROPA	A	AZ. EUROPA	5.29%	0.51

ANIMA SGR SpA	ANIMA EUROPA	F	AZ. EUROPA	6.30%	0.59
ANIMA SGR SpA	ANIMA FIX EURO	A	OBBL. EURO GOV. BREVE T.	-0.68%	-2.95
ANIMA SGR SpA	ANIMA FIX EURO	I	OBBL. EURO GOV. BREVE T.	-0.45%	-1.24
ANIMA SGR SpA	ANIMA FIX EURO	Y	OBBL. EURO GOV. BREVE T.	-0.45%	-1.20
ANIMA SGR SpA	ANIMA FIX IMPRESE	A	OBBL. EURO CORP. INV.GRADE	2.65%	0.83
ANIMA SGR SpA	ANIMA FIX IMPRESE	Y	OBBL. EURO CORP. INV.GRADE	3.09%	0.96
ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT	A	OBBL. EURO GOV. BREVE T.	-0.04%	0.38
ANIMA SGR SpA	ANIMA FIX OBBLIGAZIONARIO BT	Y	OBBL. EURO GOV. BREVE T.	0.41%	0.97
ANIMA SGR SpA	ANIMA FORZA 1	A	OBBL. ALTRE SPECIALIZZAZIONI	0.80%	0.69
ANIMA SGR SpA	ANIMA FORZA 1	B	OBBL. ALTRE SPECIALIZZAZIONI	0.80%	0.69
ANIMA SGR SpA	ANIMA FORZA 1	Y	OBBL. ALTRE SPECIALIZZAZIONI	1.10%	0.85
ANIMA SGR SpA	ANIMA FORZA 2	A	OBBL. ALTRE SPECIALIZZAZIONI	1.28%	0.64
ANIMA SGR SpA	ANIMA FORZA 2	B	OBBL. ALTRE SPECIALIZZAZIONI	1.27%	0.64
ANIMA SGR SpA	ANIMA FORZA 2	Y	OBBL. ALTRE SPECIALIZZAZIONI	1.67%	0.78
ANIMA SGR SpA	ANIMA FORZA 3	A	BILANCIATI OBBLIGAZIONARI	2.53%	0.69
ANIMA SGR SpA	ANIMA FORZA 3	B	BILANCIATI OBBLIGAZIONARI	2.52%	0.69

ANIMA SGR SpA	ANIMA FORZA 3	Y	BILANCIATI OBBLIGAZIONAR I	3.15%	0.82
ANIMA SGR SpA	ANIMA FORZA 4	A	BILANCIATI	5.02%	0.73
ANIMA SGR SpA	ANIMA FORZA 4	B	BILANCIATI	5.02%	0.73
ANIMA SGR SpA	ANIMA FORZA 4	Y	BILANCIATI	5.78%	0.83
ANIMA SGR SpA	ANIMA GEO EUROPA	A	AZ. EUROPA	5.03%	0.49
ANIMA SGR SpA	ANIMA GEO EUROPA	Y	AZ. EUROPA	6.61%	0.62
ANIMA SGR SpA	ANIMA GEO EUROPA PMI	A	AZ. EUROPA	10.71%	0.92
ANIMA SGR SpA	ANIMA GEO EUROPA PMI	Y	AZ. EUROPA	12.37%	1.04
ANIMA SGR SpA	ANIMA GEO GLOBALE	A	AZ. INTERNAZIONAL I	9.31%	0.75
ANIMA SGR SpA	ANIMA GEO GLOBALE	Y	AZ. INTERNAZIONAL I	10.95%	0.86
ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA	A	AZ. EUROPA	11.06%	0.94
ANIMA SGR SpA	ANIMA INIZIATIVA EUROPA	F	AZ. EUROPA	12.12%	1.01
ANIMA SGR SpA	ANIMA OBBLIGAZIONAR IO CORPORATE	A	OBBL. EURO CORP. INV.GRADE	2.56%	0.83
ANIMA SGR SpA	ANIMA OBBLIGAZIONAR IO CORPORATE	F	OBBL. EURO CORP. INV.GRADE	3.01%	0.94
ANIMA SGR SpA	ANIMA OBBLIGAZIONAR IO CORPORATE	AD	OBBL. EURO CORP. INV.GRADE	2.54%	0.82
ANIMA SGR SpA	ANIMA PROGETTO EUROPA 2021 CEDOLA		BILANCIATI OBBLIGAZIONAR I	2.68%	0.67
ANIMA SGR SpA	ANIMA RISERVA EMERGENTE	A	OBBL. ALTRE SPECIALIZZAZIO NI	1.22%	0.34

ANIMA SGR SpA	ANIMA RISERVA EMERGENTE	F	OBBL. ALTRE SPECIALIZZAZIONI	1.34%	0.35
ANIMA SGR SpA	ANIMA RISERVA GLOBALE	A	OBBL. ALTRE SPECIALIZZAZIONI	-1.15%	-0.04
ANIMA SGR SpA	ANIMA RISERVA GLOBALE	F	OBBL. ALTRE SPECIALIZZAZIONI	-0.82%	0.06
ANIMA SGR SpA	ANIMA SALVADANAIO	A	OBBL. EURO GOV. BREVE T.	-0.15%	0.35
ANIMA SGR SpA	ANIMA SALVADANAIO	F	OBBL. EURO GOV. BREVE T.	0.22%	1.14
ANIMA SGR SpA	ANIMA SFORZESCO	A	OBBL. MISTI	1.63%	0.65
ANIMA SGR SpA	ANIMA SFORZESCO	F	OBBL. MISTI	2.20%	0.80
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ALTO POTENZIALE		OBBL. MISTI	0.45%	0.42
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE		OBBL. MISTI	0.53%	0.50
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE II		OBBL. MISTI	0.41%	0.45
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 EUROPA ALTO POTENZIALE III		OBBL. MISTI	0.59%	0.53
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE		OBBL. MISTI	0.25%	0.26
ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE II		OBBL. MISTI	0.53%	0.39

ANIMA SGR SpA	ANIMA TRAGUARDO 2018 ITALIA ALTO POTENZIALE III		OBBL. MISTI	0.30%	0.27
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE		OBBL. MISTI	1.31%	0.68
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 CRESCITA SOSTENIBILE II		OBBL. MISTI	1.30%	0.68
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX		OBBL. MISTI	1.08%	0.67
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 FLEX II		OBBL. MISTI	0.83%	0.53
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE		OBBL. MISTI	1.22%	0.66
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 GLOBALE II		OBBL. MISTI	1.21%	0.62
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 MULTI-ASSET		OBBL. MISTI	1.24%	0.70
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS		OBBL. MISTI	1.01%	0.67
ANIMA SGR SpA	ANIMA TRAGUARDO 2019 PLUS II		OBBL. MISTI	1.01%	0.65
ANIMA SGR SpA	ANIMA TRAGUARDO 2021 GLOBALE		OBBL. MISTI	2.03%	0.71
ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA AMERICA		OBBL. MISTI	3.55%	0.96
ANIMA SGR SpA	ANIMA TRAGUARDO CEDOLA EUROPA		OBBL. MISTI	3.10%	0.69

ANIMA SGR SpA	ANIMA TRAGUARDO CRESCITA ITALIA		OBBL. MISTI	3.95%	0.79
ANIMA SGR SpA	ANIMA TRAGUARDO DINAMICO		OBBL. MISTI	1.07%	0.61
ANIMA SGR SpA	ANIMA VALORE GLOBALE		AZ. INTERNAZIONAL I	9.00%	0.73
ANIMA SGR SpA	ANIMA VALORE GLOBALE	F	AZ. INTERNAZIONAL I	10.02%	0.80
ANIMA SGR SpA	ANIMA VISCONTEO		BILANCIATI OBBLIGAZIONAR I	3.54%	0.66
ANIMA SGR SpA	ANIMA VISCONTEO	F	BILANCIATI OBBLIGAZIONAR I	4.17%	0.76
ARCA FONDI SGR SPA	ARCA AZIONI EUROPA		AZ. EUROPA	6.85%	0.58
ARCA FONDI SGR SPA	ARCA AZIONI INTERNAZIONAL I		AZ. INTERNAZIONAL I	8.34%	0.76
ARCA FONDI SGR SPA	ARCA BB		BILANCIATI	3.62%	0.54
ARCA FONDI SGR SPA	ARCA BOND CORPORATE		OBBL. EURO CORP. INV.GRADE	1.43%	0.56
ARCA FONDI SGR SPA	ARCA OBBLIGAZIONI EUROPA		OBBL. MISTI	2.65%	0.67
ARCA FONDI SGR SPA	ARCA RR DIVERSIFIED BOND		OBBL. ALTRE SPECIALIZZAZIO NI	0.30%	0.29
ARCA FONDI SGR SPA	ARCA TE		BILANCIATI OBBLIGAZIONAR I	3.00%	0.64
AZIMUT CAPITAL MANAGEMEN T SGR SpA	AZIMUT TREND TASSI		OBBL. ALTRE SPECIALIZZAZIO NI	-0.99%	-0.30
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZION. INT.LE		AZ. INTERNAZIONAL I	8.85%	0.74

BANCOPOSTA FONDI SGR SpA	BANCOPOSTA AZIONARIO EURO		AZ. AREA EURO	10.16%	0.72
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 1		OBBL. MISTI	0.66%	0.40
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX 2		BILANCIATI OBBLIGAZIONAR I	1.50%	0.45
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA MIX GIUGNO 2020		BILANCIATI OBBLIGAZIONAR I	1.81%	0.73
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONAR IO DICEMBRE 2017		OBBL. ALTRE SPECIALIZZAZIO NI	-2.43%	-0.70
BANCOPOSTA FONDI SGR SpA	BANCOPOSTA OBBLIGAZIONAR IO EURO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	-0.37%	-0.37
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	AUREO CEDOLA II - 2017		OBBL. ALTRE SPECIALIZZAZIO NI	0.16%	0.48
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA DICEMBRE - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	2.11%	0.74
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA MARZO - 2019		OBBL. ALTRE SPECIALIZZAZIO NI	2.39%	0.94
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA ATTIVA SETTEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIO NI	1.96%	0.79
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA DICEMBRE - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	1.44%	0.92
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	0.48%	0.54
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA IV OPPORTUNITÀ - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	1.77%	0.88

BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA MARZO - 2019		OBBL. ALTRE SPECIALIZZAZIO NI	1.53%	0.95
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA REALE SETTEMBRE - 2019		OBBL. ALTRE SPECIALIZZAZIO NI	1.73%	1.13
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	1.29%	0.82
BCC RISPARMIO & PREVIDENZA S.G.R.P.A	BCC CEDOLA V OPPORTUNITÀ - 2018		OBBL. ALTRE SPECIALIZZAZIO NI	2.22%	0.89
BNP PARIBAS INVESTMENT PARTNERS SGR SpA	BNL OBBLIGAZIONI GLOBALI		OBBL. ALTRE SPECIALIZZAZIO NI	-2.48%	-0.02
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST AZIONE	A ACC	AZ. EUROPA	7.44%	0.48
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST AZIONE	C ACC	AZ. EUROPA	7.77%	0.49
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST AZIONE	I ACC	AZ. EUROPA	9.23%	0.59
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST BILANCIATO	A ACC	BILANCIATI	3.42%	0.36
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST BILANCIATO	C ACC	BILANCIATI	3.27%	0.35
CONSULTINVE ST ASSET MANAGEMEN T SGR SpA	CONSULTINVEST BREVE TERMINE	C ACC	OBBL. EURO GOV. BREVE T.	2.25%	0.78

CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	A ACC	AZ. INTERNAZIONALE	4.49%	0.34
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	C ACC	AZ. INTERNAZIONALE	4.45%	0.34
CONSULTINVEST ASSET MANAGEMENT SGR SpA	CONSULTINVEST GLOBAL	I ACC	AZ. INTERNAZIONALE	6.09%	0.46
EPSILON ASSOCIATI SGR SpA	EPSILON QEQUITY		AZ. AREA EURO	10.80%	0.79
EPSILON ASSOCIATI SGR SpA	EPSILON QVALUE		AZ. EUROPA	5.93%	0.49
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL		BILANCIATI	2.78%	0.62
ERSEL ASSET MANAGEMENT SGR SpA	FONDERSEL SHORT TERM ASSET		OBBL. ALTRE SPECIALIZZAZIONI	-0.12%	1.09
ERSEL ASSET MANAGEMENT SGR SpA	TALENTO GLOBAL EQUITY		AZ. INTERNAZIONALE	7.07%	0.69
EURIZON CAPITAL SGR SpA	EURIZON AZIONI AREA EURO		AZ. AREA EURO	7.96%	0.58
EURIZON CAPITAL SGR SpA	EURIZON AZIONI EUROPA		AZ. EUROPA	4.62%	0.43
EURIZON CAPITAL SGR SpA	EURIZON AZIONI INTERNAZIONALE		AZ. INTERNAZIONALE	7.31%	0.60
EURIZON CAPITAL SGR SpA	EURIZON AZIONI PMI EUROPA		AZ. EUROPA	7.00%	0.61
EURIZON CAPITAL SGR SpA	EURIZON BILANCIATO EURO MULTIMANAGER		BILANCIATI	3.61%	0.54
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA	A	OBBL. ALTRE SPECIALIZZAZIONI	0.71%	0.50

EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI CEDOLA	D	OBBL. ALTRE SPECIALIZZAZIO NI	0.71%	0.50
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE	A	OBBL. EURO GOV. BREVE T.	-0.03%	0.30
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO BREVE TERMINE	D	OBBL. EURO GOV. BREVE T.	-0.03%	0.30
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.04%	0.49
EURIZON CAPITAL SGR SpA	EURIZON OBBLIGAZIONI EURO CORPORATE BREVE TERMINE		OBBL. EURO CORP. INV.GRADE	0.05%	0.22
EURIZON CAPITAL SGR SpA	EURIZON RENDITA	A	OBBL. MISTI	0.70%	0.40
EURIZON CAPITAL SGR SpA	EURIZON RENDITA	D	OBBL. MISTI	0.70%	0.41
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 10		OBBL. MISTI	0.49%	0.34
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 40		BILANCIATI	3.68%	0.62
EURIZON CAPITAL SGR SpA	EURIZON SOLUZIONE 60		BILANCIATI	4.98%	0.62
EUROMOBILIA RE ASSET MANAGEMEN T SGR SpA	EUROMOB. CONSERVATIVO		OBBL. EURO GOV. BREVE T.	-0.29%	-0.02
EUROMOBILIA RE ASSET MANAGEMEN T SGR SpA	EUROMOBILIARE EURO AGGREGATE		OBBL. EURO CORP. INV.GRADE	-0.02%	0.33

EUROMOBILIARE ASSET MANAGEMENT SGR SpA	EUROMOBILIARE FLESSIBILE ALLOCAZIONE GLOBALE		BILANCIATI OBBLIGAZIONARI	1.34%	0.41
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM BILANCIATO		BILANCIATI	1.75%	0.35
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM RISPARMIO		OBBL. EURO GOV. BREVE T.	-1.33%	11.12
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO BALANCED		BILANCIATI	2.41%	0.44
FIDEURAM INVESTIMENTI SGR SpA	FIDEURAM MASTER SELECTION C.TO EQUITY EUROPE		AZ. EUROPA	4.97%	0.44
FONDACO SGR SpA	FONDACO EURO CASH	A	OBBL. EURO GOV. BREVE T.	0.21%	1.63
FONDACO SGR SpA	FONDACO EURO CASH	B	OBBL. EURO GOV. BREVE T.	0.65%	2.27
GENERALI INVESTMENTS EUROPE SGR SpA	ALTO EURO GOVERNATIVO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	-0.35%	-0.02
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALLEANZA OBBLIGAZ.		OBBL. MISTI	1.29%	0.33
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO AZIONARIO		AZ. AREA EURO	6.33%	0.53
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO BILANCIATO		BILANCIATI	4.21%	0.68
GENERALI INVESTMENTS EUROPE SGR SpA	FONDO ALTO INTERN. AZION.		AZ. INTERNAZIONALI	6.82%	0.66
GENERALI INVESTMENTS EUROPE SGR SpA	GI FOCUS EURO GOVERNATIVO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	-0.12%	0.40
INVESTITORI SGR SpA	INVESTITORI EUROPA		AZ. EUROPA	5.90%	0.55

MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO	L	OBBL. EURO GOV. BREVE T.	0.20%	0.46
MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO	I	OBBL. EURO GOV. BREVE T.	0.52%	0.75
MEDIOLANUM GESTIONE FONDI SGR SpA	MEDIOLANUM RISPARMIO DINAMICO	LA	OBBL. EURO GOV. BREVE T.	0.19%	0.46
NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS BILANCIATO		BILANCIATI	0.60%	0.18
NEXTAM PARTNERS SGR SpA	NEXTAM PARTNERS OBBLIGAZIONAR IO MISTO		OBBL. MISTI	2.55%	0.87
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA	A	AZ. EUROPA	6.72%	0.58
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. EUROPA	B	AZ. EUROPA	6.94%	0.59
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. VALORE EUROPA	A	AZ. EUROPA	5.36%	0.49
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER AZ. VALORE EUROPA	B	AZ. EUROPA	5.37%	0.48
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE	A	OBBL. EURO GOV. BREVE T.	-1.03%	-2.67
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER EURO GOVERNATIVO BREVE TERMINE	B	OBBL. EURO GOV. BREVE T.	-1.13%	-3.12

PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS	A	OBBL. MISTI	1.19%	0.54
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OB. PIU A DIS	B	OBBL. MISTI	1.25%	0.53
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE	A	OBBL. ALTRE SPECIALIZZAZIONI	-0.14%	0.14
PIONEER INVESTMENT MANAGEMENT SGR SpA	PIONEER OBBLIGAZIONARIO EURO A DISTRIBUZIONE	B	OBBL. ALTRE SPECIALIZZAZIONI	-0.29%	0.10
PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO	CL.A	OBBL. MISTI	1.20%	0.52
PIONEER INVESTMENT MANAGEMENT SGR SpA	UNICREDIT EVOLUZIONE - REDDITO	CL.B	OBBL. MISTI	0.79%	0.43
SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA	C	AZ. EUROPA	6.47%	0.56
SELLA GESTIONI SGR SpA	GESTNORD AZIONI EUROPA	A	AZ. EUROPA	5.50%	0.49
SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO	A	BILANCIATI	3.13%	0.44
SELLA GESTIONI SGR SpA	GESTNORD BILANCIATO EURO	C	BILANCIATI	4.09%	0.56
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	C	OBBL. EURO GOV. BREVE T.	0.16%	0.97
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	A	OBBL. EURO GOV. BREVE T.	-0.14%	0.32
SELLA GESTIONI SGR SpA	NORDFONDO OBBL. EURO BR. TERMINE	B	OBBL. EURO GOV. BREVE T.	-0.14%	0.32

SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI	A	OBBL. ALTRE SPECIALIZZAZIO NI	2.65%	0.59
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. CONVERTIBILI	C	OBBL. ALTRE SPECIALIZZAZIO NI	3.42%	0.72
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE	C	OBBL. EURO CORP. INV.GRADE	1.60%	0.66
SELLA GESTIONI SGR SpA	NORDFONDO OBBLIG. EURO CORPORATE	A	OBBL. EURO CORP. INV.GRADE	1.10%	0.49
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONAL E	C	AZ. INTERNAZIONAL I	7.02%	0.65
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO AZIONARIO INTERNAZIONAL E	A	AZ. INTERNAZIONAL I	6.08%	0.58
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI	C	BILANCIATI	5.51%	0.84
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO BILANCIATO PAESI EMERGENTI	A	BILANCIATI	4.49%	0.72
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONAR IO EURO MEDIO/LUNGO TERMINE	C	OBBL. ALTRE SPECIALIZZAZIO NI	1.22%	0.52
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONAR IO EURO MEDIO/LUNGO TERMINE	A	OBBL. ALTRE SPECIALIZZAZIO NI	0.62%	0.35

SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONAR IO INTERNAZIONAL E	E	OBBL. ALTRE SPECIALIZZAZIO NI	0.33%	0.34
SELLA GESTIONI SGR SpA	STAR COLLECTION C.TO OBBLIGAZIONAR IO INTERNAZIONAL E	C	OBBL. ALTRE SPECIALIZZAZIO NI	0.93%	0.42
SOPRARNO SGR SpA	SOPRARNO ESSE STOCK	B	AZ. INTERNAZIONAL I	9.03%	0.89
SOPRARNO SGR SpA	SOPRARNO ESSE STOCK	A	AZ. INTERNAZIONAL I	8.50%	0.84
SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE	B	OBBL. EURO GOV. BREVE T.	0.52%	3.95
SOPRARNO SGR SpA	SOPRARNO PRONTI TERMINE	A	OBBL. EURO GOV. BREVE T.	0.36%	3.13
SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONAR IO BREVE TERMINE		OBBL. EURO GOV. BREVE T.	0.18%	0.70
SYMPHONIA SGR SpA	SYMPHONIA OBBLIGAZIONAR IO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.35%	0.54
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EURO		AZ. AREA EURO	5.11%	0.44
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI EUROPA		AZ. EUROPA	3.17%	0.32
UBI PRAMERICA SGR SpA	UBI PRAMERICA AZIONI GLOBALI		AZ. INTERNAZIONAL I	9.04%	0.79
UBI PRAMERICA SGR SpA	UBI PRAMERICA BILANCIATO EURO A RISCHIO CONTROLLAT		BILANCIATI OBBLIGAZIONAR I	1.01%	0.32
UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO B.T.		OBBL. EURO GOV. BREVE T.	-0.28%	0.08

UBI PRAMERICA SGR SpA	UBI PRAMERICA EURO CORPORATE		OBBL. EURO CORP. INV.GRADE	1.28%	0.56
UBI PRAMERICA SGR SpA	UBI PRAMERICA EUROPE MULTIFUND		BILANCIATI	4.06%	0.58
UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIASET		BILANCIATI OBBLIGAZIONARI	0.47%	0.25
UBI PRAMERICA SGR SpA	UBI PRAMERICA GLOBAL MULTIFUND 50		BILANCIATI	4.32%	0.62
UBI PRAMERICA SGR SpA	UBI PRAMERICA MULTIASET ITALIA		BILANCIATI OBBLIGAZIONARI	5.03%	0.78
UBI PRAMERICA SGR SpA	UBI PRAMERICA OBBLIGAZIONI DOLLARI		OBBL. ALTRE SPECIALIZZAZIONI	-0.80%	0.29
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO DINAMICO		BILANCIATI	3.44%	0.57
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO MODERATO		BILANCIATI OBBLIGAZIONARI	1.32%	0.46
UBI PRAMERICA SGR SpA	UBI PRAMERICA PORTAFOGLIO PRUDENTE		OBBL. MISTI	0.28%	0.34
ZENIT SGR SpA	ZENIT BREVE TERMINE	I	OBBL. EURO GOV. BREVE T.	0.67%	0.84
ZENIT SGR SpA	ZENIT BREVE TERMINE	R	OBBL. EURO GOV. BREVE T.	0.35%	0.60
ZENIT SGR SpA	ZENIT MEGATREND	I	AZ. INTERNAZIONALI	6.38%	0.66
ZENIT SGR SpA	ZENIT MEGATREND	R	AZ. INTERNAZIONALI	4.93%	0.51
ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO	I	OBBL. MISTI	2.63%	0.82
ZENIT SGR SpA	ZENIT OBBLIGAZIONARIO	R	OBBL. MISTI	2.05%	0.68

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