Article 10 (SFDR – Level II)
Website disclosure for an article 8 fund

Tikehau 2027

This document provides information about this fund in relation to the Sustainable Finance Disclosure Regulation (SFDR). It is not marketing material. The information is required by law to help understand the sustainability characteristics and/or objectives and risks of this fund. Please note that the information provided here is pursuant only to the level II disclosure requirements of SFDR.

Summary

The Fund incorporates a non-financial approach, promoting environmental and social characteristics according to article 8 of the SFDR.

No sustainable investment objective

The Fund promotes environmental and social characteristics pursuant to Article 8 of the SFDR but does not have sustainable investment objective and does not currently commit to investing in any "sustainable investment" within the meaning of the SFDR or the Taxonomy Regulation.

Environmental or social characteristics of the financial product

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

The Fund considers the following ESG criteria in its investment strategy:

1. The Fund promotes companies that are making carbon efficiency efforts, seeking to outperform the weighted average carbon intensity of its Benchmark (as defined below).
2. The Fund promotes certain minimum environmental and social safeguards through applying exclusion criteria with regards to products and business practices that have been demonstrated to have negative impacts on the environment or society.
3. The Fund promotes business practices that uphold the United Nations Global Compact (UNGC) and OECD Guidelines for Multinational Enterprises, avoiding companies that violate these principles.
4. The Fund refrains from investing in companies embedding a high ESG risk and places limitations on investments in companies with a medium ESG risk. Investments in companies classified as medium ESG risk are subject to a review by the Compliance-Risk-ESG working group, leveraging its members' specific areas of expertise. This working group issues a favourable or unfavourable opinion, which will be considered for the investment decision.

These elements are described in further detail in the sections that follow.

A Benchmark has been designated to roughly compare the carbon intensity of the Fund but no reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

The sustainability indicators of the Fund are as follows :

- The Fund's weighted average carbon intensity (GHG emissions per million euros of revenue) is at least 20% lower than that of its Benchmark (as defined below).
- The number of holdings in the Fund portfolio found to be in breach of the Exclusion Policy adopted by the Tikehau Capital Group (the " **Group** ") or when applicable exclusions required by the label to which the Fund is subject.
- The number of companies that are in breach of the UN Global Compact and OECD Guidelines for Multinational Enterprises.
- Issuers' ESG profile according to the in-house analysis grid (as defined and described below).

Does this financial product take into account principal adverse impacts on sustainability factors?

The primary objective of the non-financial approach is to ensure that the weighted average carbon intensity of the Fund(greenhouse gas (“**GHG**”) emissions per million euros of turnover) is at least 20% lower than the Benchmark. Consequently, the indicators both as ESG characteristics and as principal adverse impacts (**"PAI"**).
The Fund takes into account in particular the following elements:

- Total GHG emissions and split by scope 1 (emissions generated from fixed or mobile sources that are controlled by the company that issues the underlying assets), 2 and 3 emissions (PAI indicator 1),
- Carbon footprint (PAI indicator 2),
- GHG intensity of portfolio companies (PAI indicator 3), and
- Share of investments in companies that have not taken steps to reduce their carbon emissions (optional PAI indicator).

Other PAIs are directly related to the Exclusion Policy and, as a result, are monitored in the non-financial profile rating scale:

- Share of investments in companies active in the fossil fuel sector (PAI indicator 4),
- Share of investments in companies with activities that have a negative impact on biodiversity-sensitive areas (PAI indicator 7),
- Share of investments in companies in violation of UN Global Compact principles and OECD Guidelines (PAI indicator 10),
- Share of investments in companies involved in the manufacture or selling of controversial weapons (PAI indicator 14).

More information on the principal adverse impacts on sustainability factors will be made available in the periodic report in accordance with Article 11(2) of the SFDR.

Investment strategy

What investment strategy does this financial product follow?

For the purposes of the non-financial approach and to show the carbon intensity of the Fund, the Management Company uses the following benchmark: 80% BofA Merrill Lynch Euro High Yield Constrained (HEC0) + 20% Euro Financial Index (EB00)(the “**Benchmark**”).This Benchmark is deemed to be representative of the investment universe of the Fund, but is not constrained by it, meaning that some of the issuers in the portfolio may not be included in the Benchmark (small issuers that are not part of a broad market index). The Benchmark used by the Fund is a broad market index whose composition and calculation method does not necessarily take account of the non-financial characteristics promoted by the Fund.

● Exclusions

The exclusion policy of the Tikehau Capital Group is based on (1) the respect of norm-based filters (such as UNGC principles and OECD Guidelines for Multinational Enterprises); (2) the Tikehau Capital Group’s exclusion of certain sectors(the **"Exclusion Policy"**); and (3) when applicable the exclusions required by the label to which the Fund is subject.

- Norm based filters including the Ten Principles of the UNGC and the OECD Guidelines. Companies in breach of one or more principles or guidelines are excluded from the Fund investment universe. However, if robust mitigation measures have been implemented following this breach, the company may be eligible for investment. In this case, the Compliance-Risk-ESG working group must be consulted. This working group issues a favourable or unfavourable opinion, which will be considered for the investment decision.
- The Management Company believes that certain products and commercial practices have adverse consequences for society and are incompatible with the environmental and social characteristics promoted by the Fund. Accordingly, the Management Company excludes companies exposed to controversial weapons and those with more than a certain proportion of revenue from activities connected to pornography, prostitution and tobacco.
- The Management Company is also committed to limiting its exposure to the most polluting companies, assets or projects where alternatives exist, by excluding any direct financing of projects connected to fossil fuels and related infrastructure as well as any direct investments in companies with significant exposure to fossil fuels, as defined in the Exclusion Policy.
- Moreover, the Tikehau Capital Group has defined a watchlist that seeks to identify the business sectors, geographical areas (e.g. non-cooperative or sanctioned countries) and behaviours (e.g. allegations of corruption, tax evasion or money-laundering) likely to have an adverse impact on the environment or society.

The list of activities targeted, and the thresholds for determining excluded activities and label-specific exclusions, can be consulted in the Group’s Exclusion Policy, which is available on the Tikehau Capital website: https:// www.tikehaucapital.com/en/our-group/sustainability/publications

● ESG Profile

For the purposes of the bottom-up analysis conducted prior to any investment, the Management Company will also assign to each company an ESG profile (the **"ESG Profile"**), reflecting an ESG risk classification, on the understanding that the investment process applicable to such company will depend on that ESG Profile:

- Acceptable ESG risk: no restrictions apply to investment in the company.
- Average ESG risk: consultation with the Compliance-Risk-ESG working group is required. This working group issues a favourable or unfavourable opinion, which will be considered for the investment decision.

- High ESG risk: investment in the company is prohibited.

The ESG Profile is based on a company's quantitative ESG score, provided by an external data provider. In cases where the external data provider does not cover the company, the Management Company employs a tool adapted from the same external data provider to generate a quantitative ESG score. These quantitative scores are comparable in scale and both measure a company's performance on and management of material ESG risks, opportunities, and impacts. ESG scores are notably based on information provided by companies.

More details about the ESG Profile, scoring methodology and thresholds governing each of the ESG risk categories can be found in the Tikehau Capital Group Sustainable Investing Charter:
https://www.tikehaucapital.com/~/media/Files/T/Tikehau-Capital-V2/documents/sustainability/esg-publication/ri-charter-en-2017-12-06.pdf

ESG Profiles are updated on a periodic basis. A change in an ESG score may or may not prompt a change in the corresponding ESG Profile: (i) if a deterioration of the ESG Score triggers a downgrade of the ESG Profile from acceptable to medium risk level, this downgrade will necessitate consultation with the Compliance-Risk-ESG working group; (ii) if the ESG Profile downgrades to a high-risk status, the Fund is required to exclude the company from its investment portfolio and to sell the positions in it within a 12-month timeframe. Nevertheless, divestment may not occur if the company successfully manages to improve its ESG Profile before the end of this period, or if the Management Company considers that such divestment within this period is not in the best interest of the investors of the Fund.

The implementation of this approach may lead to the exclusion of several investment opportunities.

- **Carbon intensity target**

The primary objective of the non-financial approach is to ensure that the weighted average carbon intensity of the Fund (GHG emissions per million euros of turnover) is at least 20% lower than that of its Benchmark.

The carbon intensity of a company is the ratio of its greenhouse gas emissions (GHG), calculated in tons of CO2 equivalent, to its total turnover converted into the reference currency, it being specified that the Fund will take into account emissions calculated on scope 1 (emissions generated from fixed or mobile sources that are controlled by the company that issues the underlying assets) and 2 (indirect emissions linked to energy consumption to produce goods and services) as defined by the Greenhouse Gas Protocol.

The sources used to determine GHG emissions may include information published by emitters or collected from specialist external data sources (ISS, S&P Trucost or Bloomberg, for example). However, the Fund may exclude specific issuers from the calculation where no information is available and where sector averages are not considered relevant by the Management Company. The portfolio's weighted average carbon intensity is calculated every week.

The Management Company will monitor compliance with the threshold applicable to the Fund in connection with any investment or divestment decision. In the event that the 20% threshold is exceeded during the course of the investment as a result of a deterioration in the carbon intensity of one or more issuers in the portfolio, the Management Company will carry out the necessary arbitrages, in the best interest of the investors, in order to ensure that the weighted average carbon intensity of the Fund is again at least 20% lower than that of its investment universe at the end of the quarter following the quarter in which the excess was observed.

- **Methodological limitations**

Sustainable finance is a relatively new field of finance. Currently, there is no universally accepted framework or list of factors to consider to ensure that investments are sustainable.

The lack of common standards may result in different approaches to setting and achieving ESG (environmental, social, and governance) objectives. ESG factors may vary depending on investment themes, asset classes, investment philosophy and subjective use of different ESG indicators governing portfolio construction. The selection and weightings applied may to a certain extent be subjective or based on metrics that may share the same name but have different underlying meanings.

ESG information, whether from an external and/or internal source, is, by nature and in many instances, based on a qualitative and judgmental assessment, especially in the absence of well-defined market standards and due to the existence of multiple approaches to sustainable investment. An element of subjectivity and discretion is therefore inherent to the interpretation and use of ESG data. Accordingly, it may be difficult to compare strategies that include ESG criteria.

Applying ESG criteria to the investment process may exclude securities of certain issuers for non-financial reasons and, therefore, may forgo some market opportunities available to funds that do not use ESG or sustainability criteria.

ESG information from third-party data providers may be incomplete, inaccurate or unavailable. As a result, there exists a risk of incorrectly assessing a security or issuer, resulting in the incorrect inclusion or exclusion of a security. ESG data providers are private undertakings providing ESG data for a variety of issuers. The ESG data providers may change the evaluation of issuers or instruments, at their discretion and from time to time, due to ESG or other factors.

The approach to sustainable finance may evolve and develop over time, both due to a refinement of investment decision-making processes to address ESG factors and risks, and because of legal and regulatory developments.

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

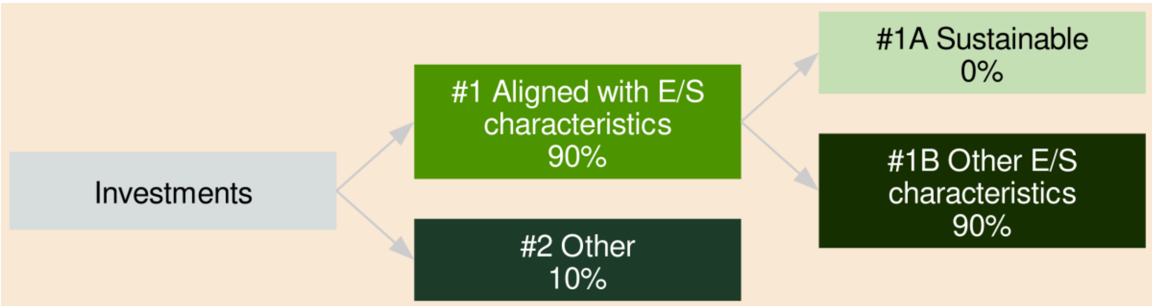
In assessing good governance practices, the Management Company considers, among other things: the ESG scores of the companies, adherence to international codes of conduct (UNGC signatory, for example) and controversies.

The ESG scores used by the Fund integrate the 4 good governance practices specified by the SFDR within their governance and economic pillar or social pillar: sound management structures, employee relations, remuneration of staff and compliance with tax obligations.

The Management Company believes that assessing good governance practices is an ongoing process. If a company fails on one or more of the substitute indicators assessed, it could still be included in the portfolio if, upon review, the issuer is exhibiting good governance practices overall (such that the results of the substitute indicator tests do not indicate a material impact on good governance). In reaching this conclusion, the Management Company may take into account any remedial actions being undertaken by the investee company.

Proportion of investments

Minimum Sustainable Investment: 0%
Asset allocation table



Monitoring of environmental or social characteristics

How are sustainability indicators used to monitor environmental or social characteristics throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?

Each analyst and fund manager are responsible of the correct implementation of the investment strategy and of the monitoring of environmental and social characteristics.

In addition to this continuous monitoring, the following have been put in place to ensure that environmental and social characteristics of the Fund are met throughout the lifecycle of the Fund :

- All sectoral exclusions are coded in the Trading & Compliance module, through which investing in an excluded asset is not possible.
- In addition, automated post trade controls are implemented in the Trading & Compliance module: they cover exclusions criteria, level of ESG Profile, controverse score level and carbon footprint. The report is communicated daily to the investment, Middle Office, Risk Management, ESG and Compliance teams.
- The Compliance team conducts periodic monitoring checks on the correct implementation of the Investment strategy and respects of the environmental and social characteristics for example to ensure that holdings with a material ESG risk are substantiated and subject to the review of ESG and compliance team.

If an issuer from the portfolio no longer satisfies the binding criteria of the Fund described above, it necessitates consultation with the Compliance-Risk-ESG working group. The Fund is required to exclude the company from its investment portfolio and divest within a 12-month timeframe. Nevertheless, divestment may not occur if the company successfully manages to restore compliance with binding criteria before the end of this period, or if the Management Company determines that such divestment within such period is not in the best interest of the Fund's investors.

Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

Tikehau maintains methodology documents of its proprietary analytical frameworks on its website. More information in relation to these methodologies can be found in Tikehau Sustainable Investing Charter.

In addition, for some social and environmental characteristics, Tikehau relies on externally sourced content for which it aims to select the best of class vendor for each of its target characteristics. Each vendor will have its own approach and set of internal processes, over which Tikehau have only limited influence as an end consumer.

Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics? What are the measures taken to ensure data quality. How is data are processed? What is the proportion of data that are estimated?

The Fund uses the following data sources:

- ISS-ESG for:
  - Controversy analysis (Norm-Based Research module)
  - Various ESG indicators, including Principal Adverse Impact indicators (SFDR Principle Adverse Impact Solution module)
  - Evaluation of company alignment with the EU Taxonomy (EU Taxonomy Alignment Solution module)
  - Climate-related data (Climate Impact Report module)
  - Proxy voting
- S&P Trucost for:
  - Detailed ESG assessment of companies (S&P Global ESG and Provisional CSA Fundamental Score)
  - Detailed assessment of company involvement in specific types of activities (Business Involvement Screens module)
  - Greenhouse Gas (GHG) emissions estimates at GICS sector level when issuer emissions data is not available via ISS ESG
- CDP for the analysis of climate reporting by companies responding to CDP.
- Science-based Target Initiative (SBTi) database for analyzing issuer commitment and validated GHG reduction targets.
- Urgewald is used to ensure compliance with best practices for fossil fuel exclusions (GCEL and GOGEL)
- Worldcheck is used for sanctions, allegations, controversies, and negative news that may affect an issuer.
- International standards such as SASB (Sustainability Accounting Standards Board) for identifying sector-specific material issues.
- Public information:
  - Issuer websites (annual reports, sustainability reports)
  - Articles published in the general or specialized press.
- Specialized external research
- Research published by non-financial rating agencies.
- Broker research reports
- Discussions with members of the company's management team, the investor relations team, and sustainability officers of the issuers

Tikehau assesses the data quality of each provider during due diligence assessments, that includes reviewing the data model, performing statistical checks and evaluating coverage. Currently, we prefer data vendor with the higher coverage for our investible universe as it is complex to report sufficiently accurate data on the vast number of indicators that needs to be reported. Evaluating the proportion of data that is estimated by the data vendor remains a challenge due to the large amount of metadata.

Data processing takes places in different forms, the preference is to have data acquisition as automated as possible to avoid any operational risks or unnecessary human intervention.

Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?

The Non-Financial Approach relies on qualitative and quantitative analyses which may present certain methodological limitations. These limits are mainly about:

- the availability, completeness, and quality of the ESG data available, which may be erroneous or incomplete, either because of the data providers or because of the issuers. We do not expect the corporate reporting landscape to change significantly until the anticipated introduction of CSRD in 2025; and
- divergence in the way that data vendors deal with certain topics and methodological aspects can be observed. For instance, for GHG emissions, some vendors blend data from corporate reporting with estimated data through their proprietary models. It has been a common experience to note that 'reported' data can vary between providers due to conflicting policies, quality assurance and other case-by-case factors. We are not alone in this view as evidenced by the numerous reports from industry associations and trade bodies such as EuroSIF and IOSCO on the quality and transparency of ESG data products.

Due diligence

What due diligence is carried out on the underlying assets of the financial product (including the internal and external controls)?

In the course of its investment process, Tikehau has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments, amongst others taking into account Tikehau's risk appetite and sustainability risk management policies.

Engagement policies

Where engagement is part of the environmental or social investment strategy, what management procedures are applicable to sustainability-related controversies in investee companies?

The holdings of the Fund are subject to Tikehau's pre investment and holding monitoring process, in order to detect companies in that severely breach minimum standards which Tikehau has set out in terms of corporate behavior. In evaluating corporate behavior, we expect companies to comply with internationally accepted codes of conduct for corporate governance, social responsibility, the environment and transparency such as the UN Global Compact and OECD Guidelines for Multinational Enterprises. Tikehau Capital has also defined a watchlist that seeks to identify the industries and geographical areas that may have negative external impacts on the environment or society (e.g. non-cooperative countries, allegations of corruption, tax evasion or money-laundering and other allegations of breaches of the United Nations Global Compact etc.) Where investment teams are aware of severe sustainability-related controversies in investee companies, a consultation of a working group comprising members of the ESG, Risk and Compliance teams is required. Such group can advise (i) not to invest or divest in the best interest of shareholders, (ii) to monitor the case with a deadline for review or (iii) engage with the investee company to discuss. Controversies are treated on a case-by-case basis. Where an escalation is needed, Tikehau Capital impact committee (made of senior members in the organization) is in charge of making a recommendation on further steps required.

In addition, when deemed appropriate, Tikehau can engage in a constructive dialogue with investee companies to discuss how they manage ESG risks and opportunities, as well as stakeholder impact. Although this type of engagement is not directly related to the environmental or social investment strategy of the Fund, it can be that adverse sustainability impacts are addressed via this engagement.

Reference benchmark

Has an index been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? How that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated?

Not applicable. No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.