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Coeli Circulus

Impact Report 2022

SMALL COMPANIES WITH BIG SIGNIFICANCE

A New Era of Impact Investing – Why We Launched Coeli Circulus

The world is facing unprecedented challenges, from climate change to resource depletion, and the need for action has never been more pressing. To solve these challenges, we need innovative solutions and committed investors who are willing to think and act differently.

With over 40 years of combined experience in asset management, we have traveled the world to meet with companies that are contributing to solutions for the most pressing global issues. We have also participated in a plethora of industry coalitions in an effort to drive change through the financial market.

While it is true that many companies are not doing enough, if it is something we have learned over the years it is that we as an investor collective are not doing enough either. We need to think bigger. We need to act differently. There are some leading examples of sustainable investing out there[1], but in general we believe the focus on impact is lacking, particularly in listed equities. Too often, sustainable investing is viewed as only risk management or investor preference, rather than a means to contribute to actual positive change.

In this report you won't see headlines about exclusion, inclusion, and ESG integration – you will see a 100% focus on impact, both the impact of the companies we are investing in as well as the impact we are making.

That's why we launched Coeli Circulus, an impact fund investing in micro and small-cap companies that deliver solutions for our global challenges and where we can truly make a difference.

We created Coeli Circulus not only to demonstrate that real impact is not limited to private markets, but also because we believe that by finding the companies providing solutions to global challenges and helping them grow, we will create the best long-term returns. It's not about "not sacrificing returns", it's about realizing that the best returns are found in true impact investing.

Christofer, Joakim & Simon
March 2023

[1]A good example is the work by the Listed Equities working group within the GIIN: https://thegiin.org/assets/LEWG_Guidance_Final.pdf

The World's Largest Purchasing Order

Consumers, businesses, and politicians are pushing to solve the sustainability challenges we face, which will require massive investments over the next few decades. According to UN estimates, we need to invest $5-7 trillion annually to meet the 17 Sustainable Development Goals (SDGs) of the 2030 Agenda.

We are convinced that solving these challenges is where we will find the strongest structural growth in the coming decades.

Take for example the issue with acute water shortage and clean water in the world. It's estimated that 2.3 billion people live in water-stressed countries, of which 733 million live in high and critically water-stressed countries. And 26% of the world´s population (2 billion people) lacked safely managed drinking water services in 2020.

Whoever comes up with a solution of how to solve part of this challenge - be it desalination of sea water, upgrading leaking water infrastructure or re-use of industrial water - has a great opportunity to grow and prosper as a company at the same time as they contribute to solve one of the biggest global sustainability challenges. Herein lies the opportunity.

In This Report

Coeli Circulus was launched on August 24th, 2022, targeting institutional investors, family offices, private banking clients, and other investment advisors. To further expand access to the investment strategy, Avanza Impact by Circulus was launched on March 9th, 2023, enabling retail investors to invest in the fund via Avanza. In this report, we cover the activities of the strategy up to March 31st, 2023, allowing for both funds to have been launched and a longer period than just the four months of autumn. Going forward, we will report on the progress on a yearly basis.

Setting the Stage

An Introduction to the Fund

Coeli Circulus

Coeli Circulus aims to create long-term capital growth by investing in companies that are helping our society and planet reach a sustainable development.

Launched

- Coeli Circulus – August 24th 2022
- Avanza Impact by Circulus – March 9th 2023
- Both funds utilizes the same investment process

External Validations

- Nordic Swan Ecolabel
- BlueMark verified in February 2023

Partnerships & Networks

- SententIA – a software company developing an AI-tool designed to find companies with solutions for the SDGs
- Advisory Board – six members with deep experience and connections both within academia and the corporate sector

SFDR

- Article 9

Investment Strategy

- Global Micro- and Small-cap companies
- Long-term owners, expected average holding period 5+ years
- Every company must have at least 50% of their revenue from products or services that contribute to the targets and indicators within the 2030 Agenda (the Sustainable Development Goals, or SDGs) – per Q1 2023 the average exposure is 92%

Portfolio Managers

- We have a combined experience of over 40 years in asset management, during which we have traveled extensively to meet companies worldwide and contributed to sustainability focused industry coalitions.
- We bring a wealth of experience and knowledge in identifying micro and small-cap companies delivering solutions for global challenges.

Creating Positive Change

Coeli Circulus only invests in companies that are helping our society and planet reach a sustainable development. Every investment we make is a "Sustainable Investment" in accordance with article 2(17) of EU's Sustainable Finance Disclosure Regulation, SFDR, and in companies with "Strong Sustainability Practices" adhering to the fund's Nordic Ecolabel. The requirements we use are:

- The company´s main business must have a direct and substantial contribution to any of the specific targets or indicators for the SDGs defined in the 2030 Agenda. This is defined as at least 50% of revenues from those economic activities.
- The company does not cause significant harm to any of the SDGs. Here we use the SDG Business Benchmark as a framework together with the Principal Adverse Impact indicators, from the SFDR, and assess each SDG on a five-point scale where one indicates significant harm.
- The company demonstrates good governance practices.

In addition, we focus on the first stage of public markets. This means investing in what is typically referred to as micro- and small-cap companies. We believe there is a great opportunity to achieve meaningful impact in this segment of the public market, primarily for two reasons:

1. Tomorrow's solutions will, to a significant extent, come from new technologies and/or business models developed and championed by micro- and small-cap companies. Either via (i) the growth of the companies themselves, (ii) the acquisition of the companies, or (iii) the adoption of their solutions by other companies
2. The investor's role in facilitating and strengthening the impact of companies in this segment is not as developed as we see in private markets such as venture capital or private equity funds, or as researched as we see in the mid- and large-cap segment of the public market. This means that we can leverage the learnings from private markets while working in a segment with more inefficiencies and a stronger potential for additionality than the mid- and large-cap segment of public markets.

This lays out the core of our Strategic Intent. To the right you can see an overview of our full Impact Management System, following the Operating Principles for Impact Management and the work by GIIN.

Impact Management System

Strategic Intent

- **Strategic Impact Objective:** Contribute to the achievement of the Sustainable Development Goals (SDGs)
- **Theory of Change:** The core idea of the fund is to invest in micro & small-caps
  - Tomorrow's solutions will to a significant extent come from micro- & small-cap companies
  - In the micro- & small-cap segment we can leverage the learnings from private markets while working in a segment with more inefficiencies and stronger potential for additionality than the mid- and large-cap segment of public markets

Idea Generation & Due Diligence

- **SDG Ideas:** Together with SententIA we have developed an AI-tool that finds companies providing solutions for the SDGs
- **Due Diligence:** Extensive manual analysis, including traveling to meet the company and its stakeholders
  - The IMP's Impact ABC's are used to assess the degree of impact, as well as IRIS+ indicators to standardize the impact outcomes as far as possible

Investment Management

- **Continuous monitoring:** Via meetings with management continuously throughout the year, desktop research, and via input from analysts and other external sources we follow impact, ESG risks, and financial performance
- **Semi-annual follow-ups:** Formalized process to assess actual impact with expected. As well as compare impact across the portfolio

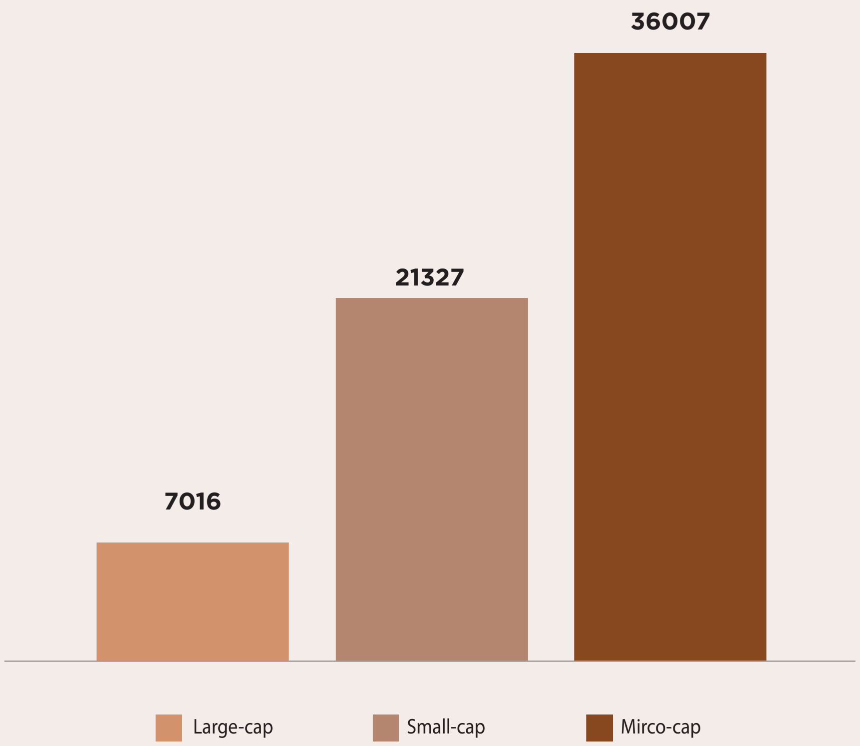
Exit

- **Impact at Exit:** Assessing and taking action for the continued impact after Exit. Consideration to planned or unplanned Exits.
- **Lesson Learned:** Building a database of lessons learned, both from our impact follow-ups as well as after Exits

Why Micro & Small-caps?

- It's easier to grow when you are a small company, at least if history is to be believed. A dollar invested in 1925 returned 36 007 USD in 2018 if you invested in Micro-cap stocks, 21 327 USD if you invested in Small-cap stocks and just 7 016 USD in Large-caps[2]. Investing in micro- and small-cap stocks comes with higher risks and volatility, but especially for long-term investors, they offer great opportunities.
- Most M&A transactions happen within the micro- & small-cap segment. Large companies often buy smaller companies.
- Fewer analysts follow micro- & small-cap companies, i.e., the chance of mispricing should be higher.
- Micro & small-cap companies have historically had a high degree of insider ownership, which align management and investor interest.
- As an impact investor you will have a greater opportunity for additionality. You as an investor make a difference for them, which is not always the case with large-cap companies.

$1 Invested from 1925 to 2018



[2]It assumes the reinvestment of dividends and capital gains, but does not reflect the effect of any applicable sales charges or redemption fees. Data does not imply any future performance. Micro-cap stocks defined as the bottom two deciles of securities ranked by market capitalization from 1926-2018. Small-cap stocks defined as deciles 6-8. Mid-cap stocks defined as deciles 3-5. Large cap stocks are represented by the S&P 500 Index. Source: Perritt Capital Management via FRP, Morningstar, and FactSet.

We Believe in Quality

We strongly believe that Quality is important and pays off over time. Hence, our quality criteria form an integral part of our investment process. In selecting companies for our fund, we consider sustainable growth, long-term value creation, and a robust balance sheet as crucial elements. Responsible and sustainable conduct is also a fundamental prerequisite for creating long-term value.

We believe that sustainable growth, when combined with our quality criteria and thorough valuation analysis, offers the best opportunity for generating consistent and sustainable returns over the long term. This should be seen as a stark contrast to funds focusing on growth at all costs.

Our Quality criteria	What does it measure?	What is it?	Why do we use it?
Return on Capital Employed	Value Creation	Return on Capital Employed ratio (ROCE) is one of the few profitability ratios that an investor evaluates to understand the rate of returns and profitability of a company. ROCE helps understand how efficiently a company is using its total capital to generate profits	It is a good measure of how well the business is being run over the long run
Margins (EBITDA)	Profitability	The EBITDA margin makes it easy to compare the relative profitability of two or more companies of different sizes in the same industry. The numbers otherwise could be skewed by short-term issues or disguised by accounting maneuvers	Strong margin profile indicates to us thet the company has a unique market position and pricing power over time
Cash Flows	Financial performance	The Cash Flows measure is what it sounds like - it represents the amount of cash and cash equivalents that flow in and out of the company over a specific period of time	A good way to view financial conditions and the ability to build and expand the business over time
Net debt to EBITDA (or Equity)	Indebtedness	Highlights a company's dependence on borrowed funds and its ability to meet those financial obligations	Indicator of the quality of the balance sheet and thereby the financial health and stability of the company. We find this even more important in times with higher interest rates

Three Unique Ingredients for Success

1. SententIA

In partnership with SententIA, we have developed a groundbreaking tool that leverages the power of AI to analyze and compare companies' potential contributions towards the 17 SDGs and their 169 underlying targets. What makes it unique?

1. We do not only use numbers – we also look at what the companies are actually doing, what are their economic activities? This can be done by analyzing the text itself, even if the company has yet to measure and report on all aspects of the impact related to the activity.
2. This enables us to have close to 100% coverage of our universe, whereas many sustainability-related datasets have huge gaps in micro- and small-caps, not least in developing markets. Currently, we are following around 25,000 micro- and small-caps globally.
3. And all this is automated, enabling unrivaled consistency and speed.

How does it work?

1. The tool starts by reading and structuring all data from documents found on the websites of the companies we follow.
2. We then apply a language model to assign a vector to each sentence, placing them in a high-dimensional semantic space where sentences with similar meanings are clustered together. By doing so, each company's text data gets its place in this semantic space, defining a unique "fingerprint."
3. Then, we can use semantic regression to link this fingerprint to various dimensions of company characteristics. In this application, we have defined the specific dimensions as the different underlying targets for the SDGs, making the product particularly relevant to assessing a company's impact on sustainable development.

This product's development is based on research presented in Talborn's 2022 thesis[3], and it is continuously updated to keep up with the latest advancements in natural language processing and understanding. As we generate more domain-specific text data through this project, it will be possible to train the language model further, resulting in better performance and language comprehension. This part of the product includes cutting-edge research and is expected to push the research frontier forward with new, competitive applications.

[3] Talborn, H. (2022). Semantic Regression in Finance (Doctoral dissertation). Stockholm School of Economics. ISBN 978-91-7731-226-0 (pdf)

Three Unique Ingredients for Success

2. Advisory Board & Network

At Coeli Circulus, we believe that building a network of experts with deep knowledge in highly specialized sustainability issues is crucial for our impact process. That's why we have established an advisory board for the fund, consisting of six individuals with diverse backgrounds and expertise. The board acts as a sounding board for our portfolio managers, providing invaluable feedback and insights to help guide and improve our actions. With members ranging from sustainability and climate research to investment banking and entrepreneurship, the board brings a wealth of knowledge and experience to the fund.

- Ulrika Hasselgren: Head of Sustainability at Coeli, former Head of Sustainability at Danske Bank, and founder of Ethics (later ISS/Ethics and ISS ESG).
- Ilona Riipinen: Professor of Atmospheric Sciences at Stockholm and Helsinki Universities and Director of the Bolin Centre for Climate Research.
- David Nilsson: Founder and former Director of KTH's Water Centre, board member of Water Aid, and Deputy Head of School and docent at School of of History of Science, Technology and the Environment at the Royal Institute of Technology (KTH)
- Hans Rydstad: Former Head of Investment Banking at Carnegie, board member of the Hamrin Foundation and STC Interfinans.
- Rolf Skoglund: Former CEO of Microsoft Nordic & Europe, and member of the Royal Swedish Academy of Engineering Sciences (IVA).
- Yoav Levsky: Agricultural entrepreneur, board member of Nestle DFI, and member of the PAPSAC Group at Harvard Business School.

3. Company visits on the ground

We are also convinced that impact investing requires more than just crunching numbers from a distance. While we use machine learning and other advanced technologies to identify promising investment opportunities, we know that it's only by getting out there and seeing things for ourselves that we can truly understand the impact our investments are having on the ground.

That's why we place a strong emphasis on visiting the companies we invest in, not just once or twice, but repeatedly over time. By meeting with company leadership, touring their facilities, and speaking with their employees, we can build a more complete picture of what they do, how they operate, and what they stand for. This in turn helps us make better-informed decisions about whether to invest, what sort of positive impact we can expect our investment to have, and what we can do to help strengthen that impact.

We've been doing this for over two decades, and it has proven to be a crucial element in our investment success. Yes, it takes time and resources to travel to where the companies are, rather than just meeting them during conferences, but we believe it's worth it to ensure that we're investing in companies that are truly making a positive impact on the world.

Financial Performance

The launch of the fund took place in a time of turbulence when there were concerns about rising interest rates, inflation, and the ongoing war in Ukraine. Companies were also unsure where the world was headed, which became clear when some portfolio companies reported Q3 results in November. Admittedly, a few portfolio companies' results were less than stellar, and it didn't help that some were a bit unclear in their communication. We took advantage of the market downturn in a few companies where we believed that the market had misunderstood the situation, and increased our position in those companies. The logistics automation company GXO was one of them, and when GXO raised their guidance at the beginning of the year it gave the portfolio a nice bump.

Despite the ongoing uncertainty, many portfolio companies reported strong results in Q4 and guided for an okay 2023. The fund's holding within SDG 7 was aided by green infrastructure packages in the US and EU, particularly the push for more solar energy, which had a positive impact on companies such as Wacker Chemie and 5NPlus. At the end of Q1 the regional banking crisis in the US unfolded, followed by Credit Suisse in Europe. The fund has no banking exposure, so relatively the fund did well during that time. A strong Q1 ended at +8,8%.[4]

Performance Since Inception

[4]All companies mentioned are discussed in more detail later on in the report.

Making a Difference

Our Impact Performance

How Do We Measure Impact?

The core of the fund's Strategic Intent is to help our society reach a sustainable development. We do not come up with our own impact themes, but rather believe it important to stay as close as possible to the common ground that is the SDGs. Therefore, we are evaluating the impact our companies are delivering in reference to the SDGs, and in addition, we measure our contribution in terms of how it helps the company achieve either: (i) increased reach of their impact, or (ii) increased quality of their impact.[5]

The Impact of Our Companies

1. First, we measure the revenues each company has from products and services contributing to the specific targets and indicators constituting the SDGs. We believe that by finding the companies whose primary business model is built around making money while contributing to a sustainable development – we will find the companies that over time will generate both the best impact as well as financial performance.

2. Second, there are always levels of degree. Two companies with 100% of revenues from products contributing to target 7.2, increasing the share of renewable energy in the global energy mix, may differ both in terms of their additionality and where in the value chain of renewable energy they contribute. To be able to compare these companies, we use the Impact Management Project's (IMP) ABC-framework to classify each company's impact.

3. Thirdly, even tough we see the most impactful actions being to help the companies grow the reach of their products and services, we of course also acknowledge all the other impacts a company has along its value chain. We use the Global Compact's SDG Business Benchmark, complemented by the Principal Adverse Impact indicators within the SFDR, to help guide this analysis. Each company is assessed on a five-point scale. Where one is insufficient action, meaning that we will not invest.

	Avoid harm	Benefit stakeholders	Contribute to solutions
What	Important negative outcomes	Important positive outcomes	Specific important positive outcome(s)
How Much	Marginal and for few	Various	Deep, and/or for many and/or long term
Who	Underserved	Various	Underserved
Contribution	Likely same or better	Likely same or better	Likely better
Risk	Various	Various	Various

In time, we strive towards being able to report on aggregate impact indicators such as greenhouse gas emissions saved or number of people who received vocational training. But given the lack of harmonization on these measures between different companies within the listed equities space we have yet to be able to do so beyond showing what each individual holding is doing.

[5] *This is our first impact report and given its publication already 7 months in, you will find the data and activities to be less comprehensive than what we will be providing going forward. In many engagements for example, we have just started the conversations with the companies.*

How Do We Measure Impact?

Our impact

When measuring our impact, we again follow the work by the IMP and use their classification of investor contribution. In doing so, we generally divide our companies in groups of micro- and small-caps to better understand the possible impact mechanisms.

Signal that impact matters

In all investments we make, we make the objective of the fund clear and why we invest in the company. We make sure to meet the company and do this introduction either in a physical meeting or online. We see the potential for this impact mechanism being greater in micro-caps who usually do not have as many institutional long-term owners. We also consider the amount of ownership from sustainability focused funds, which in is very low also in some of our larger investees.

Engage actively

Engaging with our investees is a key part of our investment strategy and an aspect where we spend a large part of our time. We track the progress in each individual engagement and report on both successful and unsuccessful outcomes.

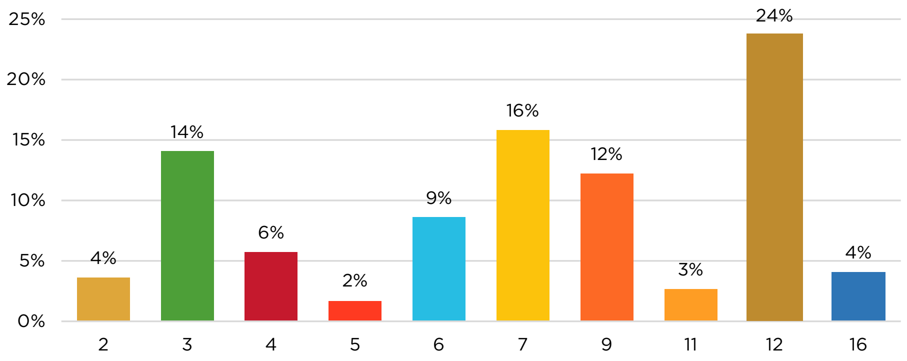
Grow new or undersupplied capital markets

While acknowledging that public market actors have historically been less explicit and diligent than private market actors in this area, we see a great opportunity to contribute in both micro- and small-caps. We track our monetary contribution as well as significant marketing and relationship building activities. As for signal that impact matters, the size of the company and the current ownership structure is often a good proxy for our contribution as a long-term institutional owner.

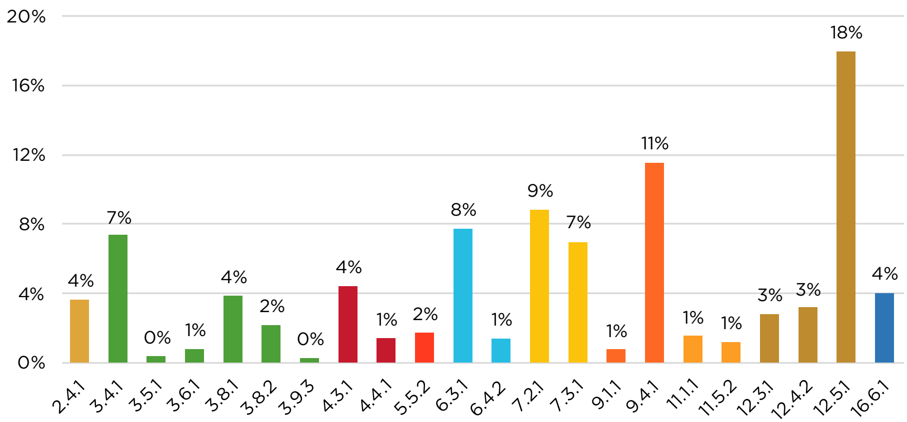
The Impact of Our Portfolio Companies

Discover the positive impact our portfolio companies are making in the world. From the SDG level down to the specific indicators and the degree of impact, we are proud to invest in companies that are making a difference.

Exposure to revenues from products and services contributing to the specific indicators



Exposure to revenues from products and services contributing to the specific indicators



Degree of Impact

	Benefit Stakeholders	Contribute to Solutions
% of the fund	44%	56%
# of companies	24	30

Potentially harmful activities

Principle	Description	Average Score in the Fund	# of companies below industry average score, of 54 holdings in total
1	Gender balance across all levels of management	3,1	7
2	Net-positive water impact in water-stressed basin	3,5	4
3	100% of employees across the organization earn a living wage	3,1	3
4	Zero waste to landfill and incineration	3,6	5
5	Zero discharge of hazardous pollutants and chemicals	3,4	6
6	100% sustainable material inputs that are renewable, recyclable or reusable	3,6	5
7	Science-based emissions reduction in line with a 1.5°C pathway	3,5	6
8	100% resource recovery, with all materials and products recovered and recycled or reused at end of use	3,6	5
9	Land degradation neutrality including zero deforestation	3,3	5
10	Zero incidences of bribery	3,1	3

This analysis also informs our engagement efforts. All principles with a score of 2 are ground for engagement.

Our Impact

What have we done so far?

Engage actively

Company Meetings

- Meetings with our investees: 145
- Average 2,7 meetings per investee first 7 months
- 32 of 54 companies have we met in person, while being at their actual facilities for 22 of them
- 1 Japanese company we have yet to meet, that is scheduled for our next trip to London where they also have offices

The above data is based on scheduled +30min one on one meetings with the companies, including times we have spent the whole day with management. In addition, we have met several of our companies for shorter updates at conferences, group lunches and similar. We have also met with a large number of potential investees during our screening and due diligence phase that is not reflected in these numbers.

Engagements

The large majority of our engagements are still in their infancy. On the following pages we will provide updates for the ten largest holdings. Darling Ingredients is one company where we already have achieved our first milestone, but that was under special circumstances as it considered an issue we had already started working towards in our previous roles in which we also were invested in Darling. Our first milestone for Darling was for them to hire a dedicated resource to lead their increased focus on measurability of their impacts.

The most prevalent themes we have initiated discussions on so far are: (i) developing impact management systems, (ii) committing to Science Based Targets, and (iii) taking the first steps to develop a holistics sustainability strategy. These themes all reflect the nature of many of the companies we are investing in, companies early on their journey which have important products or services and are doing great things – but have yet to clearly state their intention going forward.

Grow new or undersupplied capital markets

Capital raises

We have been a critical part of two capital raises so far.

Deveron is a Canadian agricultural company for which we contributed capital during their strategic acquisition of two North American laboratories during the autumn.

The second raise occurred during Q1 by Freemelt, a Swedish additive manufacturer working with electron beam technology. Freemelt is currently part of our top five holdings and will therefore be described in more detail on page 18.

Significant marketing and relationship building activities

We are always striving towards leveraging our network for the good of the companies we invest in. In some instances that results in significant impacts. Freemelt is a great example where we, in addition to providing capital, also could help the company find one more strategic investor. This was done via Coeli's network and enabled the company to raise the needed capital during a very though market environment.

Another great example was Joakim's visit to one of H2O Innovations facilities in California. Due to our initiative to set up such as site visit the company held a first ever capital markets day at one of their sites.

Top 10 Holdings

At Coeli Circulus, we believe in full transparency and honesty about our portfolio, which is why we don't limit ourselves to highlighting only a couple of great examples. Instead, we provide detailed information about our ten largest holdings, giving you a comprehensive view of where your investments are going. For even more information, we also include a list of the remaining 44 companies in the last section, so you can see the full breadth of our portfolio.

Graphic Packaging

Key Information		Engagement Summary	
Primary SDG indicator:	12.5.1	Main engagement goal:	Setting Science Based Targets
Impact Category:	Contribute to Solutions	Next milestone:	During 2023
Date of first investment:	24/08/22	Status:	Discussions initatied
Portfolio Weight:	6,5% (2023-03-31)	# of company meetings:	1 in Atlanta, USA, and 4 online
Website:	graphicpkg.com	Market cap group at time of investment (USD)	Small-cap: 5-10 billion

Impact thesis of main business

Plastic waste is a growing environmental challenge, with millions of tons of plastic packaging discarded every year. The negative impacts of plastic waste on marine life and ecosystems are well-documented. Graphic Packaging is an American company that offers sustainable packaging solutions to reduce waste and improve the environmental footprint of packaging. Their paper-based products are renewable and recyclable, reducing the amount of plastic packaging in circulation. By focusing on sustainable materials and innovation, Graphic Packaging is making a positive impact on the environment and helping to address the plastic waste challenge which is key to the overall goal of target 12.5 - reducing waste generation.

Our contribution

Graphic Packaging has strong institutional ownership and are part of the group of small caps with higher market cap in our porfolio, meaning that we do not forsee being one of the top 10 owners. Developing a credible net zero climate strategy is crucial for the company and we have a track record of assisting numerous companies with setting Science Based Targets. We bring to the table technical capabilities and expertise that can facilitate the process. Moreover, we have a strong relationship with the management going back to before launching Coeli Circulus, which enables us to understand their unique challenges and tailor our support accordingly.

Maximus

Key Information		Engagement Summary	
Primary SDG indicator:	16.6.2	Main engagement goal:	Establish an Impact Management System
Impact Category:	Contribute to Solutions	Next milestone:	Next Sustainability Report
Date of first investment:	24/08/22	Status:	Discussions initiated
Portfolio Weight:	3,9% (2023-03-31)	# of company meetings:	3 online
Website:	maximus.com	Market cap group at time of investment (USD)	Small-cap: 1-5 billion

Impact thesis of main business

SDG 16 and specifically target 16.6 seeks to develop effective, accountable, and transparent institutions at all levels of government. In many countries, inefficiencies in government services continue to be a major challenge, leading to dissatisfaction among citizens and a waste of public resources. Maximus is a company that offers innovative solutions to improve government services and maximize their efficiency. Through their consulting services and technology solutions, Maximus works to optimize government programs and operations, helping to ensure that services are delivered efficiently and effectively. With a focus on outcome-based solutions, Maximus is helping to transform government services and ensure that citizens receive the high-quality services they deserve.

Our contribution

Maximus is on the borderline to become part of the group of small caps with higher market cap in our porfolio, meaning that we do not forsee being one of the top 10 owners. However, while the company do have strong institutional ownership, the company does not have as many impact focused investors as their business has traditionally not been part of most impact or sustainability strategies. This means that we see greater additionality and opportunity to drive change together with management which, so far, has been very welcoming to our feedback. Our first engagement efforts focus on the establishment of an Impact Management System, with the first step of making more clear the social impact of their core business of helping governments serve the people.

Top 10 Holdings

Hikma Pharmaceuticals

Key Information		Engagement Summary	
Primary SDG indicator:	3.8.1	Main engagement goal:	Improve water & waste management
Impact Category:	Contributions to solutions	Next milestone:	Setting workable targets
Date of first investment:	24/08/22	Status:	Preparations
Portfolio Weight:	3,7% (2023-03-31)	# of company meetings:	2 online
Website:	hikma.com	Market cap group at time of investment (USD)	Small-cap: 1-5 billion

Impact thesis of main business

Hikma products gives access to safe, effective, quality and affordable essential medicines and vaccines. Hikma is providing both MENA and US patients with cost efficient medicine. Low cost medicine is an essential part of how to reach Universal Health Care for all, indicator 3.8.1. If current trends continue to 2030, it is projected that 39% to 63% of the global population will be covered by essential healthservices. Coverage needs to double to reach the SDG target of Universal Health Care for all by 2030.

Our contribution

Hikma is currently assessing their water & waste use to improve efficiency and water & waste management. Our aim is assist them with their water & waste analysis, for instance setting water targets and work towards "zero water". Our work is still in the preparation stage. Hikma has strong institutional ownership and we do not forsee being one of the top 10 owners. The company also has several sustainability focused investors as large shareholders, which increases the likelihood of continued impact focus in the company, which of course is a good thing even though it also makes our additionality harder to assess.

Freemelt

Key Information		Engagement Summary	
Primary SDG indicator:	9.4.1	Main engagement goal:	Establishing a Sustainability Strategy
Impact Category:	Contribute to Solutions	Next milestone:	Come out with a first short sustainability brochure
Date of first investment:	22/02/23	Status:	Specific discussions with the persons responsible
Portfolio Weight:	3,7% (2023-03-31)	# of company meetings:	4 in person (Göteborg, Linköping and two in Stockholm respectively) and 6 online
Website:	freemelt.com	Market cap group at time of investment (USD)	Micro-cap: 1-500 million

Impact thesis of main business

Freemelt provides a unique electronic beam technology that dramatically increases the efficiency of 3-D-printing, especially when working with difficult materials like titan, copper and wolfram. Target 9.4 states that by 2030, we should upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. This is what Freemelt's technology does.

Our contribution

Freemelt is a microcap company with limited resources and availability to capital. To develop their new industrial machine, e-melt, they had to find new capital, which turned out to be hard, since market conditions had deteriorated dramatically during 2022. In the end (February 2023) we teamed up with Industrifonden and some other investors to provide the company with much needed capital. In addition to providing capital, we have had extensive discussions with the new CEO regarding establishing a more comprehensive sustainability strategy. The company has recently hired a new CFO and one additional person who will start this work.

Volution

Key Information		Engagement Summary	
Primary SDG indicator:	7.3.1	Main engagement goal:	Energy savings from Products Sold: Provide more than anectodal evidence for specific products
Impact Category:	Contribute to Solutions (IMP)	Next milestone:	Next sustainability report
Date of first investment:	24/08/22	Status:	Discussions initiated
Portfolio Weight:	3,5% (2023-03-31)	# of company meetings:	1 in Crawley, UK, and 3 online
Website:	volutiongroupplc.com	Market cap group at time of investment (USD)	Micro-cap: 500-1000 million

Impact thesis of main business

The UN IPCC warns of catastrophic climate impacts if global temperature increases above 1.5 degrees Celsius. Electricity and heat used in residential and commercial buildings are among the largest contributors to global emissions. Applying heat recovery ventilation solutions to new or refurbished buildings reduces energy used for heating and cooling, resulting in financial savings and avoided carbon emissions. Studies indicate that ventilation with heat recovery can reduce heating energy up to above 80%. Volution's low carbon products, including heat recovery devices and other energy-efficient products for buildings, accounted for 66% of the company's revenues in 2022, providing practical solutions to this critical issue.

Our contribution

Volution has strong institutional ownership and just made the transition from micro- to small-cap in order definition. We expect to be able to become a signifact shareholder over time. The company is a leader in sustainability reporting, but lacks an impact focus and elaboration on additionality in different regions. The potential buy-out rumors surrounding Volution could threaten its long-term value creation and impact. Our goal is to contribute to the strengthening of Volution's impact measurement and long-term independence.

Top 10 Holdings

GXO Logistics

Key Information		Engagement Summary	
Primary SDG indicator:	9.4.1	Main engagement goal:	Holistic Impact Measurement
Impact Category:	Benefit Stakeholders	Next milestone:	Next Sustainability Report
Date of first investment:	24/08/22	Status:	Technical discussions with the measurement and reporting team
Portfolio Weight:	3,5% (2023-03-31)	# of company meetings:	1 in London, UK, 2 in Stockholm, and 3 via video
Website:	gxo.com	Market cap group at time of investment (USD)	Small-cap: 5-10 billion

Impact thesis of main business

Today's primarily manual logistics solutions are associated with high carbon emissions and waste. GXO Logistics, a leading provider of tech-enabled supply chain solutions, is addressing this challenge by leveraging automation and robotics to optimize logistics operations. The company's sustainable solutions not only reduce carbon emissions and waste but also improve efficiency, cost-effectiveness, and reliability for clients. The company has strong institutional ownership, but is not currently held by many impact or sustainability focused funds. We believe there is a great opportunity here and that the company should increase their efforts on the measurement side of what is already a good strategic focus on sustainability achievements for the customers.

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Clean Harbors

Key Information		Engagement Summary	
Primary SDG indicator:	12.4.1	Main engagement goal:	Develop a credible net zero strategy
Impact Category:	Contribute to Solution	Next milestone:	Next sustainability report
Date of first investment:	24/08/22	Status:	Initiated discussion.
Portfolio Weight:	3,4% (2023-03-31)	# of company meetings:	1 in Boston, USA, 1 in Stockholm, and 2 online
Website:	cleanharbors.com	Market cap group at time of investment (USD)	Small-cap: 5-10 billion

Impact thesis of main business

Clean Harbors prevents the release of hazardous waste and recovers pollutants. The company manages hazardous waste, recycles used motor oil, and facilitates the destruction of harmful substances. These services benefit the environment and often reduce customer emissions. One good example is PFAS, chemical contamination and other indutrial waste that the company collect, dispose and recycle. Everywhere industry meets environment, Clean Harbors is on site, providing premier environmental and industrial services. In our previous roles, we helped the company with metrics and goals that were presented in their first sustainability report back in 2021, and we have a continued close dialogue with management despite our limited ownership. We will help them grow by assissting in their formulation of a more holistic sustainability approach, including a specific focus on setting a credible net zero strategy.

Advtech

Key Information		Engagement Summary	
Primary SDG indicator:	4.3.1	Main engagement goal:	Grow awareness about their impact
Impact Category:	Contribute to solutions	Next milestone:	Initiate discussions, meeting in person during 2023
Date of first investment:	24/08/22	Status:	Preparations
Portfolio Weight:	3,0% (2023-03-31)	# of company meetings:	1 online
Website:	advtech.co.za	Market cap group at time of investment (USD)	Micro-cap: 500-1000 million

Impact thesis of main business

Access to quality education remains a challenge in Africa, with inadequate facilities and low-quality teaching contributing to a lack of meaningful education for many. Advtech, a leading private education provider in South Africa, aims to address this challenge by providing quality education to students across all income levels. Through their various schools and educational programs, they offer students access to quality education that prepares them for their future careers, helping to create a brighter future for individuals and communities across the continent. We expect to be able to become a signifact shareholder over time and are in the beginning of building a relationsship with the company. We prioritise to meet them in person during 2023 while not engaging in unmotivated travels, why we are still waiting to coordinate a physical meeting while they are in Europe in other businesses.

Park City Group

Key Information		Engagement Summary	
Primary SDG indicator:	12.3.1	Main engagement goal:	Establish an Impact Management System
Impact Category:	Benefit Stakeholders	Next milestone:	Publish a sustainability report
Date of first investment:	24/08/22	Status:	Preparations
Portfolio Weight:	2,7% (2023-03-31)	# of company meetings:	3 via telephone
Website:	parkcitygroup.com	Market cap group at time of investment (USD)	Micro-cap: 1-500 million

Impact thesis of main business

The food industry is plagued by inefficiencies, such as food waste, inaccurate inventory management, and a lack of transparency in supply chains. Park City Group offers cloud-based solutions that help reduce food waste and improve supply chain transparency, leading to better inventory management and reduced costs for retailers and suppliers. This not only increases profitability for businesses but also addresses critical sustainability challenges in the food industry, including reducing greenhouse gas emissions associated with food waste. The company is a micro-cap that still have a lot of work regarding formalising the sustainbility and impact strategy. We are already a significant owner (inside top 10 biggest shareholders) and we will help the company develop a more focused impact management system.

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Top 10 Holdings

H2O Innovation

Key Information		**Engagement Summary**	
Primary SDG indicator:	6.3.1	Main engagement goal:	Establish a holistic sustainability strategy
Impact Category:	Contribute to Solutions	Next milestone:	Next/first sustainability report
Date of first investment:	25/08/22	Status:	Technical discussion with persons responsible
Portfolio Weight:	3,1% (2023-03-31)	# of company meetings:	2 full days in California, USA, and 3 online
Website:	h2oinnovation.com	Market cap group at time of investment (USD)	Micro-cap: 1-500 million

Impact thesis of main business

The world has a serious water issue. The lack of clean water ranks as a top global risk in terms of impact to both economies and people. H2O Innovations products and services treats, clean and reuses wastewater. We see that populations and corporations start to value water more and more as a critical assets. The closed loop systems that H2O provide and operates is one very important solution to this problem. We see H2O as a micro-cap sustainability leader. The company was founded 27 years ago and are very well aware of their role in tyransforming the water industy. We will engage to help develop a better holistic sustainability approcah and help the company measure and communicate there progress. We are already today one of the top 10 shareholders and expect to become even more significant shareholders over time..

Joakim By together with Frédéric Dugré, CEO at H2O Innovations, during his visit at the Orange County Groundwater Replenishment Center, California.

We are very proud to partner up with Coeli Circulus! We have found an ally with aligned sustainable goals and long-term vision of the water industry that will definitely help us reach new heights. Their resources will support the current organic growth that H2O Innovation is experiencing and future acquisitions opportunities. Together, with our common ESG focus, we can make a real difference in our world.

- Frédéric Dugré, CEO at H2O Innovations

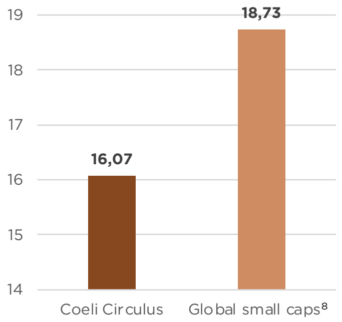
Spotlight: Climate

At Coeli Circulus, we recognize that achieving net zero carbon is a crucial step towards sustainable development. As impact investors, we play a critical role in enabling this transition by investing in climate solutions. However, our commitment doesn't end there. We also have to ensure that the companies we invest in are also transitioning their internal operations and value chains to net zero.

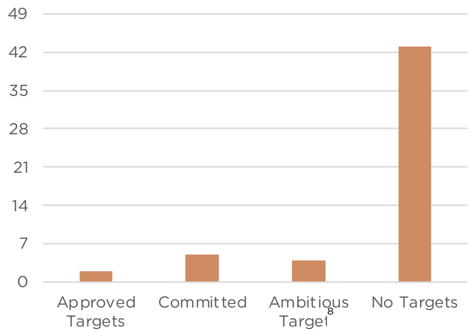
While working with micro- and small-caps, we've noticed that many companies have shown a remarkable reduction in their GHG emissions intensity over the past few years, but few have a credible strategy with clear targets for their continued journey towards net zero. We prioritize engaging with these companies to encourage them to set clear, achievable targets early on in their journey. As we hold ourselves to the same standards, we are committed to becoming climate positive by 2045 and will provide more details on our net zero strategy during 2023.[6]

Carbon emissions vs. bench

Weighted Average Carbon Intensity[7]



Number of holdings with Science Based Targets



[6] *Read more about how we manage climate-related risks in the section "Brief TCFD and TNFD comments"*

[7] *Scope 1 and 2, tCO2e/Revenue (SEK)*

[8] *Proxy: Ishares MSCI World Small Cap UCITS ETF*

[8] *Not verified by the Science Based Targets initiative, but high quality and credible net zero strategies*

The Five Largest Emitters in Absolute Terms

Wacker Chemie

Key Information & Climate Data	
Primary SDG indicator:	7.2.1 & 12.5.1
Impact Category:	Benefit Stakeholders
GHG Emissions Targets:	Approved Science Based Targets
GHG Emissions Scope 1 & 2:	3 659 778
GHG Emissions Intensity:	58.09
Peer group avg intensity:	82.86

Transition progress

Wacker Chemie is a German chemical company that produces sustainable solutions for a variety of industries, including solar modules, cars, building materials, and consumer goods. The company has set Science-Based Targets to reduce its greenhouse gas emissions. Its goal is to reduce absolute emissions by 50% by 2030 from a 2020 baseline and achieve net-zero emissions by 2045. Wacker Chemie has invested in energy-efficient technologies and renewable energy sources for many years, and its commitment to sustainability has led the way in the chemical industry.

Graphic Packaging

Key Information & Climate Data	
Primary SDG indicator:	12.5.1
Impact Category:	Contribute to Solutions
GHG Emissions Targets:	Committed to set Science Based Targets
GHG Emissions Scope 1 & 2:	2 343 631
GHG Emissions Intensity:	38.17
Peer group avg intensity:	26.05

Transition progress

Graphic Packaging is committed to driving a transition from plastics to fiber-based paper packaging, recognizing the importance of sustainable materials in reducing environmental harm such as greenhouse gas emissions. But also more sustainable substitutes must become better over time and reach net zero. In 2021, the company committed to setting Science Based Targets and we are currently in discussions with the them over the specific details and ambition level.

Darling Ingredients

Key Information & Climate Data	
Primary SDG indicator:	12.5.1
Impact Category:	Contribute to solutions
GHG Emissions Targets:	Committed to set Science Based Targets
GHG Emissions Scope 1 & 2:	1 752 967
GHG Emissions Intensity:	43.13
Peer group avg intensity:	15.13

Transition progress

Darling Ingredients is a global leader in converting food waste and animal by-products into sustainable ingredients for various industries, including renewable diesel. Committed to reducing their carbon footprint, the company committed to setting science-based targets in 2022 and has implemented innovative solutions such as renewable energy and optimized transportation routes. While they have higher emissions on paper compared to their food-producing peers, this is because of their renewable diesel production. Recently, the company expanded its working group for transition strategy and measurement protocol, which was the first milestone in our engagements efforts.

Clean Harbors

Key Information & Climate Data	
Primary SDG indicator:	12.4.2
Impact Category:	Contribute to Solutions
GHG Emissions Targets:	No Target
GHG Emissions Scope 1 & 2:	1 609 448
GHG Emissions Intensity:	49.29
Peer group avg intensity:	179.17

Transition progress

Clean Harbors prevents the release of hazardous waste and recovers pollutants. The company manages hazardous waste, recycles used motor oil, and facilitates the destruction of harmful substances. These services benefit the environment and often reduce customer emissions. In 2021, Clean Harbors helped customers avoid over 3.2 million metric tons of emissions, which is twice the emissions generated by the company. Altough the company is leading by example, they are a laggards in terms of committing to a long term net zero strategy. This is the main engagement goal for us.

MasTec

Key Information & Climate Data	
Primary SDG indicator:	7.2.1 | 9.1.1
Impact Category:	Benefit Stakeholders
GHG Emissions Targets:	No Target
GHG Emissions Scope 1 & 2:	869 362
GHG Emissions Intensity:	12.7
Peer group avg intensity:	14.3

Transition progress

MasTec is an infrastructure construction company that plays a critical role in developing and building the energy and communications infrastructure required for a low-carbon economy. They have taken measures to reduce their carbon footprint, such as using renewable energy, optimizing transportation, and improving energy efficiency. While being a leader in health and safety in tough construction environments, the company is just getting started setting up a climate strategy and has yet to start measure their own emissions over their entire business. Modelled data suggests they are the fifth largest emitter in absolute terms. The first milestone in our engagement is for them measure their emissions.

Spotlight: Nature

Climate change is a critical issue, but we must not lose sight of the broader goal of ensuring a healthy and thriving natural world, which is essential for sustainable development. At Coeli Circulus, we are proud to have several investments in companies at the forefront of minimizing the negative impacts of industrial processes on the natural world, including the two environmental services companies Tetra Tech and Montrose Environmental.

However, investing in solutions alone is not enough. To ensure that companies are minimizing their negative impacts on nature and ecosystem services throughout their value chains, we rely on the SDG Business Benchmark and the Principal Adverse Impact (PAI) indicators within the Sustainable Finance Disclosure Regulation (SFDR). Specifically, we focus on point 9 of the SDG Business Benchmark, which measures land degradation neutrality and includes zero deforestation, as well as the mandatory PAI indicator 7 and the additional indicators 10, 11, 14, and 15.

Using this framework, we combine the level of risk exposure to nature and ecosystem services with the level of advancement in a company's own work. For companies with medium- to high-risk exposure, we engage with them to move closer to a fully-fledged governance system as described by the Task Force on Nature-related Financial Disclosures (TNFD). While the milestones may vary depending on how far along the company already is, we believe that engaging with companies on this issue is critical to achieving sustainable development, for both the economy and the natural world.[9]

The Five Most Critical for Nature and Biodiversity

Allkem

Key Information & Biodiversity assessment	
Primary SDG indicator:	7.2.1
Impact Category:	Benefit Stakeholders
Industry:	Metals & Mining
Assessment:	Good, high risk exposure
Main engagement goal:	Incorporate TNFD principles in reporting
Status:	Initiated duscussions

Risks and opportunities

Allkem is a mining company based in Australia that specializes in producing lithium, a key component in batteries used in electric vehicles and renewable energy storage. While the demand for lithium has been increasing due to the shift towards renewable energy, the production of lithium can also have negative impacts on biodiversity and ecosystems. Allkem recognizes this risk and has taken steps to mitigate it, such as implementing a biodiversity program and working with local communities to minimize the impact of its operations. In addition, none of Allkem's current projects are in World Heritage listed areas or in regions of high water stress.

Bioceres Crop Solutions

Key Information & Biodiversity assessment	
Primary SDG indicator:	2.4.1
Impact Category:	Contribute to Solutions
Industry:	Fertilizers & Agricultural Chemicals
Assessment:	Good, high risk exposure
Main engagement goal:	Incorporate TNFD principles in reporting
Status:	Initiated duscussions

Risks and opportunities

Bioceres Crop Solutions is an agricultural biotechnology company based in Argentina. Bioceres sustainability strategy is built around the "regenerative transition", which means they are promoting sustainable agricultural practices and has developed technologies that allow farmers to increase productivity while minimizing their environmental impact. Altough the company lives and breath regenerative agriculture they are still a micro-cap with a lot of room for improvement in setting quantitative targets, which we are focusing our engagement efforts on.

Deveron

Key Information & Biodiversity assessment	
Primary SDG indicator:	2.4.1
Impact Category:	Contribute to Solutions
Industry:	Research & Consulting Services
Assessment:	Average, medium risk exposure
Main engagement goal:	Establish an Impact Management System
Status:	Specific discussions regarding finding the right competencies and resources

Risks and opportunities

Deveron is an agricultural technology company that leverages data to help farmers improve crop yields while reducing environmental impact. By providing detailed and accurate data on crop health, nutrient levels, and other key metrics, Deveron's services enable farmers to make more informed decisions about their farming practices. This can lead to increased crop yields, improved sustainability, and reduced use of fertilizers and other inputs. Beyond the impacts their services have on biodiversity and ecosystem services, the impact of Deveron's internal operations are limited. However, the company is a micro-cap with a need to formalise its strategy and ensure that continued innovation considers these issues specifically.

MasTec

Key Information & Biodiversity assessment	
Primary SDG indicator:	7.2.1 | 9.1.1
Impact Category:	Benefit Stakeholders
Industry:	Construction & Engineering
Assessment:	Average, medium risk exposure
Main engagement goal:	Establish a holistic sustainability strategy
Status:	Initiated discussions

Risks and opportunities

MasTec is an infrastructure construction company that plays a critical role in developing and building the energy and communications infrastructure required for a low-carbon economy. While the company's operations have potential negative impacts on biodiversity and ecosystems, MasTec also has an opportunity to promote positive outcomes through responsible project planning, execution, and maintenance. The company has yet to report on biodiversity specifically, but as part of its sustainability commitment, it has implemented measures to reduce its environmental impact, including minimizing waste generation, recycling materials, and improving energy efficiency. We are currently focusing on helping MasTec build a long term sustainability strategy.

Pure Cycle

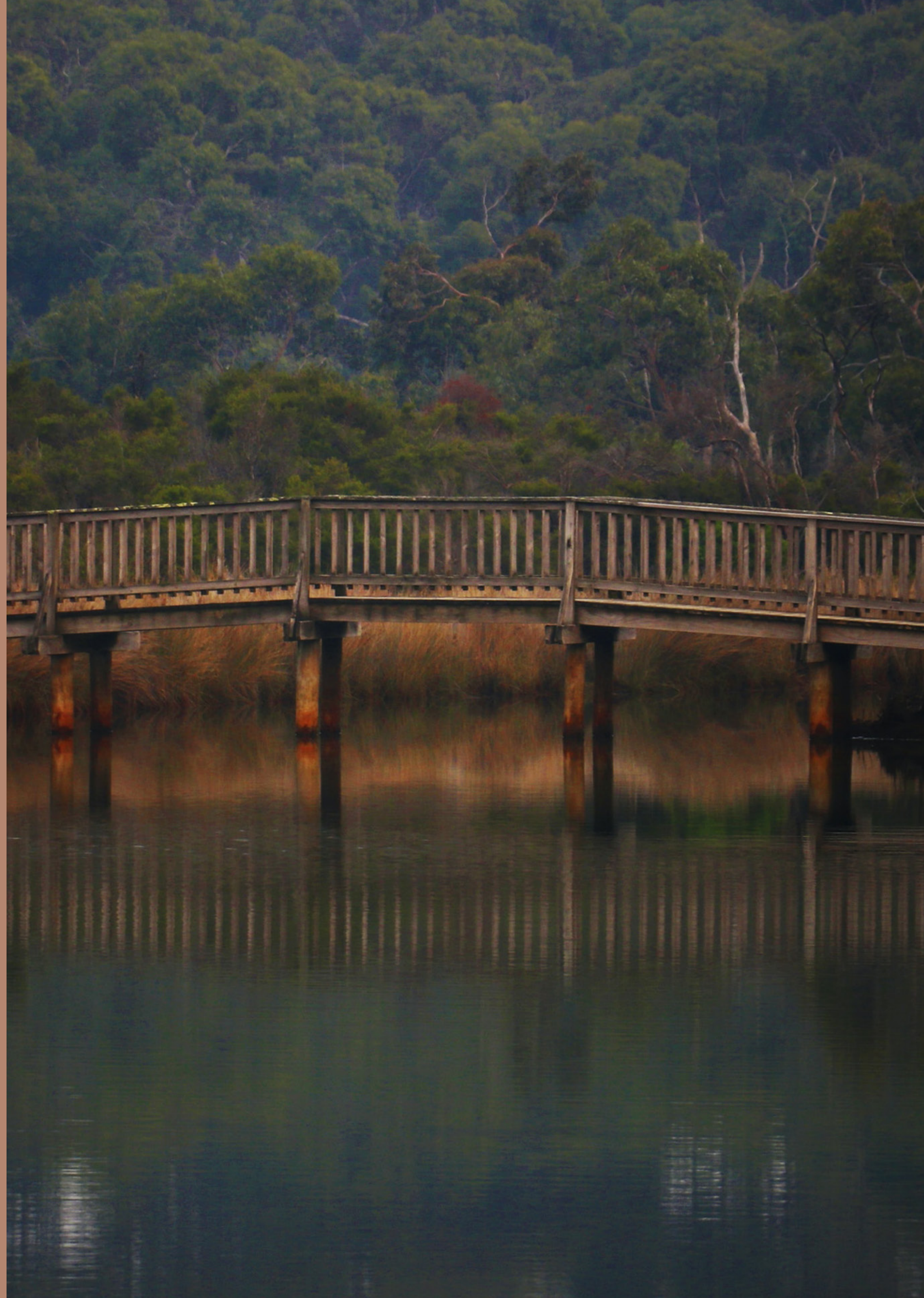
Key Information & Biodiversity assessment	
Primary SDG indicator:	6.4.1
Impact Category:	Contribute to Solutions
Industry:	Water Utilities
Assessment:	Acceptable, medium risk exposure
Main engagement goal:	Establish a holistic sustainability strategy
Status:	Preparations

Risks and opportunities

Pure Cycle is a water and wastewater utility provider that serves growing communities in the Denver region. The company is committed to promoting sustainable water practices and enhancing water efficiency, including through the use of advanced treatment technologies and water reuse. However, Pure Cycle also engages in land development activities in the same region, which could have potential impacts on biodiversity and ecosystem services. As part of our engagement with the company, we encourage them to consider the potential environmental risks associated with their land development activities and to take measures to mitigate any negative impacts. The company is a micro-cap that has a very advanced thought process regarding water but need to develop a broader perspective on sustainability issues.

[9] *Read more about how we manage nature-related risks in the section "Brief TCFD and TNFD comments"*

Additional Resources



Definitions, Frameworks & Labels

Signatory of:

PRI Principles for Responsible Investment

UN Global Compact

Users of:

Impact Management Project

SASB Sustainability Accounting Standards Board

GRI Empowering Sustainable Decisions

Science Based Targets

IRIS+

TCFD Task Force on Climate-Related Financial Disclosures

TNFD Taskforce on Nature-related Financial Disclosures

Comply to:

EU Sustainable Finance Action Plan (SFDR & Taxonomy)

EU Taxonomy Regulations

SFDR

For more information:

coeli.com/our-funds/equity-funds/coeli-circulus/

coeli.com/sustainability/

Impact and Sustainability verification:

BlueMark Verified February 2023

Nordic Swan Ecolabel

Fund
3101 0077

For more information:

coeli.se/wp-content/uploads/2023/03/Circulus-BlueMark_Diagnostic-verifier-statement.pdf

bluemarktideline.com/about

svanen.se/en/funds/save-in-funds

Brief TCFD and TNFD comments

While the rest of our impact report primarily focuses on the social and environmental impact of our investees, in this section, we turn our attention to the financial risks and opportunities arising from climate change and nature-related impacts. We will provide an overview of our governance, strategy, risk management, and metrics and targets related to these areas, inspired by the guidelines set out by TCFD and TNFD.

Governance

At Coeli Circulus, we recognize the importance of integrating climate and nature-related risks into our overall risk management and decision-making processes. As we are still new to the Coeli set-up, we are in the process of establishing an appropriate governance structure within the Asset Management division. A key part of the structure within the Coeli Circulus team is that all three portfolio managers have a veto on every decision, meaning that we must agree on every investment. Before every investment decision, the Impact Thesis together with the risk assessment is presented and documented in dedicated investment meetings, including considerations of climate- and nature-related financial risks.

Strategy

Our strategy centers around helping micro- and small-cap companies contribute to sustainable development, including mitigating climate change and restoring and protecting ecosystems. However, investing in solutions for these problems does not make us immune to the negative consequences already playing out in our world today. Unfortunately, it is almost the opposite. As we invest in companies providing solutions for these issues, we have exposure to some of the critical sectors and regions in terms of climate- and nature-related financial risks. For example, in the waste management sector, one of the largest carbon-emitting sectors with high regulatory scrutiny. But since our investment strategy is to invest in what we see as the future in these sectors, we believe we are well-positioned to be on the right side of regulations and consumer preferences.

Risk Management

We have implemented a robust risk management framework to identify and manage climate and nature-related risks, which is part of the deep due diligence we do before each investment. Currently, we have monthly risk meetings with the risk team, CIO, and Head of Sustainability at Coeli. We engage with portfolio companies to understand and manage their climate and nature-related risks, including encouraging them to implement best practices and set clear targets for reducing their impacts. Our engagement also includes assessing and monitoring their exposure to physical and transition risks, and encouraging them to implement measures to manage these risks. We have tried modeling the risk to the portfolio as a whole in different future scenarios, but so far, the results have been too broad, as they mostly become sector averages given the lack of data for the majority of our micro- and small-cap holdings.

Metrics & Targets

In the Impact section, we have presented the metrics we follow from the impact side. We are working on developing appropriate portfolio-level metrics to expand on the climate- and nature-related risks faced by the specific companies we invest in. We have committed to becoming climate positive by 2045, at the latest. In addition to providing more details around our net-zero strategy during 2023, we will also review the need to set further targets to support our already very focused impact strategy.

Remaining Holdings

Name	Portfolio Weight	Market cap group at time of investment (USD)	Primary SDG indicator	Impact Category	Science Based Targets	Website
5N PLUS INC	2,49	Micro-cap: 1-500 million	7.2.1 & 12.5.1	Benefit Stakeholders	No	5nplus.com
KADANT INC	2,42	Small-cap: 1-5 billion	12.5.1	Benefit Stakeholders	No	kadant.com
KURITA WATER INDUSTRIES LTD	2,41	Small-cap: 5-10 billion	6.3.1	Contribute to Solutions	No - but high quality climate strategy	kurita.co.jp/
TETRA TECH INC	2,32	Small-cap: 5-10 billion	9.4.1	Contribute to Solutions	Comitted	tetratech.com
WACKER CHEMIE AG	2,31	Small-cap: 5-10 billion	7.2.1 & 12.5.1	Benefit Stakeholders	Yes	wacker.com
BIOCERES CROP SOLUTIONS CORP	2,25	Micro-cap: 500-1000 million	2.4.1	Contribute to Solutions	No	investors.biocerescrops.com
DARLING INGREDIENTS INC	2,22	Small-cap: 5-10 billion	12.5.1	Contribute to Solutions	Comitted	darlingii.com
CRYOPORT INC	2,19	Micro-cap: 500-1000 million	3.4.1	Benefit Stakeholders	No	cryoport.com
MASTEC INC	2,17	Small-cap: 5-10 billion	7.2.1	Benefit Stakeholders	No	mastec.com
ALTUS POWER INC	2,14	Micro-cap: 500-1000 million	7.2.1	Contribute to Solutions	No	altus-power.webflow.io
GATES INDUSTRIAL CORP PLC	2,08	Small-cap: 1-5 billion	7.3.1	Benefit Stakeholders	No	gates.com
SOSEI GROUP CORP	1,88	Small-cap: 1-5 billion	3.4.1	Benefit Stakeholders	No	sosei.com/
BRIGHT HORIZONS FAMILY SOLUT	1,85	Small-cap: 1-5 billion	5.5.2	Benefit Stakeholders	No	brighthorizons.com
SCANDINAVIAN BIOGAS FUELS IN	1,79	Micro-cap: 1-500 million	7.2.1 & 12.5.1	Contribute to Solutions	No	scandinavianbiogas.com/en
ALFEN N.V.	1,78	Small-cap: 1-5 billion	7.2.1 & 7.3.1	Contribute to Solutions	No	alfen.com
GLOBAL WATER RESOURCES INC	1,61	Micro-cap: 1-500 million	6.3.1	Contribute to Solutions	No	gwresources.com
TOYO GOSEI CO LTD	1,56	Micro-cap: 1-500 million	7.3.1	Benefit Stakeholders	No	toyogosei.co.jp/
VERRA MOBILITY CORP	1,44	Small-cap: 1-5 billion	3.6.1	Benefit Stakeholders	No	verramobility.com
ANIMA HOLDING SA	1,30	Micro-cap: 1-500 million	4.3.1	Contribute to Solutions	No	animaeducacao.com.br
GRAND CANYON EDUCATION INC	1,30	Small-cap: 1-5 billion	4.4.1	Benefit Stakeholders	No	gcu.edu
ALLKEM LTD	1,29	Small-cap: 1-5 billion	7.2.1	Benefit Stakeholders	No	allkem.co
DEVERON CORP	1,26	Micro-cap: 1-500 million	2.4.1	Contribute to Solutions	No	deveronuas.com
PTC THERAPEUTICS INC	1,23	Small-cap: 1-5 billion	3.4.1	Contribute to Solutions	No	ptcbio.com
PALOMAR HOLDINGS INC	1,13	Small-cap: 1-5 billion	11.5.2	Contribute to Solutions	No	plmr.com/
POWER INTEGRATIONS INC	1,11	Small-cap: 1-5 billion	7.3.1	Benefit Stakeholders	No	powerint.com
QUEST RESOURCE HOLDING CORP	1,05	Micro-cap: 1-500 million	12.5.1	Contribute to Solutions	No	questrmg.com
DESCARTES SYSTEMS GRP/THE	1,03	Small-cap: 1-5 billion	9.4.1	Benefit Stakeholders	No	descartes.com
WATSCO INC	0,98	Small-cap: 5-10 billion	7.3.1	Benefit Stakeholders	No	watsco.com
ACUITY BRANDS INC	0,93	Small-cap: 1-5 billion	7.3.1	Contribute to Solutions	No - but high quality climate strategy	acuitybrands.com
MASIMO CORP	0,92	Small-cap: 5-10 billion	3.8.2	Benefit Stakeholders	No	masimo.com
ALARM.COM HOLDINGS INC	0,91	Small-cap: 1-5 billion	11.1	Benefit Stakeholders	No	alarm.com

Remaining Holdings

Name	Portfolio Weight	Market cap group at time of investment (USD)	Primary SDG indicator	Impact Category	Science Based Targets	Website
CROPENERGIES AG	0,90	Small-cap: 1-5 billion	7.2.1 & 12.5.1	Contribute to Solutions	Yes	cropenergies.com
RE:NEWCELL AB	0,83	Micro-cap: 1-500 million	12.5.1	Contribute to Solutions	No	renewcell.com
ACADIA HEALTHCARE CO INC	0,83	Small-cap: 5-10 billion	3.4.1 & 3.5.1	Contribute to Solutions	No	acadiahealthcare.com
ADVANCED DRAINAGE SYSTEMS IN	0,82	Small-cap: 5-10 billion	6.4.2	Contribute to Solutions	Committed	ads-pipe.com
TREX COMPANY INC	0,80	Small-cap: 1-5 billion	12.5.1	Contribute to Solutions	No	trex.com
DOXIMITY INC-CLASS A	0,78	Small-cap: 5-10 billion	3.8.1	Contribute to Solutions	No	doximity.com
PURE CYCLE CORP	0,76	Micro-cap: 1-500 million	6.3.1	Contribute to Solutions	No	purecyclewater.com
MONTROSE ENVIRONMENTAL GROUP	0,69	Small-cap: 1-5 billion	9.4.1	Contribute to Solutions	No	montrose-env.com
SONENDO INC	0,68	Micro-cap: 1-500 million	3.8.2	Benefit Stakeholders	No	sonendo.com
CAVCO INDUSTRIES INC	0,55	Small-cap: 1-5 billion	11.1.1	Benefit Stakeholders	No	cavco.com
SPINNOVA OYJ	0,53	Micro-cap: 1-500 million	12.5.1	Contribute to Solutions	No	spinnova.com
ENERGY RECOVERY INC	0,50	Small-cap: 1-5 billion	6.4.2	Contribute to Solutions	No	energyrecovery.com
NEOGEN CORP	0,45	Small-cap: 1-5 billion	3.9.3	Benefit Stakeholders	No	neogen.com

Exits during the period	Impact assessment	Reason for exit
Evoqua	6.3.1 - Contrbute to Solutions	Acquired by Xylem.
Salmar	2.4.1 - Benefit Stakeholders	Seafood has a geat potential as a low carbon protein source. However, with all the uncertainties regarding the proposed Norwegian salmon tax, we believe other alternative sources will become more interesting for us going forward.
Veritone	7.3.1 - Benefit Stakeholders	Strayed from our original impact thesis. Still great potential in the long run, but as currently more focused on the AI side rather than the specific contribution AI can have towards energy effiency via for example load management, we felt that is was not the right timing for us.
Wolfspeed	7.3.1 - Benefit Stakeholders	We did not see the company's timeline line up with our strategy. The long term case is still interesting but the company alraedy was one of the highest market caps in our portfolio.
Soundthinking	16.1.4 - Contribute to Solutions	High impact risks, not enough conviction it the risk mitigation practices conducted by the company.

About Us

Christofer Halldin

Christofer has been managing Coeli Circulus since its inception in August 2022. Prior to this, he worked as the head of active equity and fixed income management at Handelsbanken Fonder. There, he was instrumental in developing Handelsbanken Fonder into one of Sweden's most successful equity and fixed income managers during the late 2010s. Handelsbanken Fonder had the largest net inflows on the Swedish fund market for several consecutive years during that time. Additionally, Handelsbanken Fonder was named both the Fund Manager of the Year and the Sustainable Fund Manager of the Year by various actors, including Prospera, Privata Affärer, Söderberg & Partner, and Länsförsäkringar. Prior to being appointed head of active management, Christofer managed various global mandates for several years. He also worked as a fund manager in the United States for seven years, from 2007 to 2013, managing both the America, Brazil, and Latin America funds at Handelsbanken Fonder.

Joakim By

Joakim has been managing Coeli Circulus since its inception in August 2022. Prior to this, he worked as a fund manager for Amerika Småbolag Tema at Handelsbanken Fonder. He managed America Small Caps from 2015 and won several awards for the fund's good returns, which also grew significantly during his tenure as fund manager. When Joakim left the fund in early 2022, it had over SEK 20 billion in assets under management. Before managing Amerika Småbolag Tema, he was responsible for managing the broader fund Amerika Tema from 2013-2017 and the global fund Global Tema from 2009-2013 at Handelsbanken Fonder.

Simon Park

Simon has been managing Coeli Circulus since its inception in August 2022. Prior to this, he worked as a sustainability analyst at Handelsbanken Fonder. Between 2018 and 2022, he contributed to the development of the fund company's sustainability efforts, with responsibility for increasing measurability to create value in the investment process. In 2021, Simon was named one of "33 under 33: Shaping the Future of Sustainability" by Aktuell Hållbarhet. He also has experience from programs at some of the leading institutions globally in the sustainability field, such as circular economy with the Ellen MacArthur Foundation and climate science at the Smith School of Enterprise and the Environment, University of Oxford.

Coeli

Coeli is a Swedish asset manager trusted to manage about 40 billion SEK of our customers' money. We create value for our customers by providing solutions that generate the most predictable return on investment as possible. Coeli Asset Management offers investors a comprehensive range of differentiated investment solutions including actively managed equities, single strategy hedge funds, real estate, Nordic private equity and discretionary mandates. Our real estate and private equity funds mean access to assets that are usually not available to private investors. Coeli was founded 1994 and is today an organization with about 140 employees. We are located in Stockholm, Gothenburgh, Malmö, Uppsala and Offices. The name Coeli is inspired by Atlas Coeli, the first star map that shows the position of the stars with precision and at the same time gives a complete picture. That is how we create value for our customers – with both precision and the complete picture in mind.

Coeli

This is marketing communication.

The prospectus and annual report are available in English and the fund’s fact sheet is available in Swedish and English, among other languages. Relevant information documents are available in English at coeli.com. A summary of your rights as an investor in the fund is available at

https://coeli.com/regulatory-information-coeli-asset-management-ab/. Past performance is not a guarantee of future returns. The price of the investment may go up or down and an investor may not get back the amount originally invested.