

Vontobel Fund – US Equity

Legal Document:

SFDR Website Disclosure for Article 8 financial products

Summary

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager's ESG framework.

In addition, the Sub-Fund will partially (30% of NAV) invest in securities of issuers that qualify as sustainable investment based on the Investment Manager's SDG assessment.

By following this process, the Investment Manager promotes a combination of environmental (such as "greenhouse gas emissions", "biodiversity" or "waste") and social characteristics (such as "inequality", "labour relations", "investment in human capital"), for example because these aspects are integrated in the Investment Manager's ESG assessment framework or because some of the applied mechanisms relate directly to one of these characteristics. The ESG assessment framework may not include all of these characteristics as the aspects considered in this process may depend for example on the sector or geography the issuer is operating in.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework:

Exclusion approach:

The Sub-Fund excludes:

- securities of corporate issuers involved in products and activities related to: unconventional / controversial weapons (0%), coal (extraction/thermal, 10%), oil (extraction, 10%), gas (extraction, 10%), other fossil fuel (i.e. Tar Sands/Sands.../extraction, 10%),, tobacco (5%), adult entertainment (10%). The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities. For selected products and/or activities, additional limits apply as disclosed on the website.

Monitoring of critical controversies:

- The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multi-national Enterprises, and the UN Guiding Principles on Business and Human Rights.
This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Carbon related commitments:

- The Sub-Fund financial product will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO₂e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (S&P 500 – TR).

Partial investments in sustainable investments:

- The Sub-Fund will invest at least 30% of its net asset value in securities of issuers that qualify as sustainable investment based on the Investment Manager's SDG assessment by fulfilling the following two criteria: (1) the issuer does not have any aspect of its economic activities (products and services; operations) classified as "Significant Harm"; (2) the issuer has at least one aspect of its economic activities (products and services; operations) classified as "In transition" or "Positive contribution" in respect of the SDGs.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics of the Sub-Fund.

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are as follows:

- The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities referenced above under "Exclusion approach".
- The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions intensity measured lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (S&P 500 – TR).
- The ESG analysis covers at least
 - 90% of the Sub-Fund's (as eligible) equities issued by large cap companies whose registered office is located in developed market countries, sovereign debt issued by developed market countries and debt securities and money market instruments with an investment grade credit rating
 - 75% of the Sub-Fund's (as eligible) equities issued by large cap companies whose registered office is located in emerging market countries, equities issued by small and mid cap companies, sovereign debt issued by emerging market countries and debt securities and money market instruments with a high yield credit rating.
 - The use of ESG data may be subject to methodological limits.

Finally, in an effort to measure the attainment of each of the E/S characteristics promoted, the Sub-Fund will report on the defined sustainability indicators as part of its annual periodic reporting. The sustainability indicators are derived from the binding elements of the investment strategy used to select the investments to achieve the promoted E/S characteristics.

No sustainable investment objective

This Sub-Fund promotes environmental or social characteristics but does not have as its objective a sustainable investment.

While the Sub-Fund does not have as its objective a sustainable investment, it will invest at least 30% in sustainable investments. The objective of the sustainable investments that the financial product partially intends to make is to invest in securities of issuers that provide solutions to environmental and social challenges, namely to at least one of the Sustainable Development Goals (SDGs). The assessment will be conducted by the Investment Manager, based on quantitative ESG indicators and qualitative assessment, on the one hand of “products and services” and on the other hand of “operations”. For both aspects, the companies economic activities will be classified in one of the following four buckets: “Significant Harm”, “Neutral”, “In transition”, “Positive contribution”.

In order to qualify as sustainable investment, and apart from following good governance, the company:

- Must not have any aspect of its economic activities classified as “Significant Harm”
- Must have at least one aspect of its economic activities classified as “In transition” or “Positive contribution”

As an issuer can contribute to an environmental (SDGs with an environmental focus) and a social (SDGs with a social focus) objective at the same time, an investment can be counted as sustainable investment with an environmental objective and sustainable investment with a social objective.

In order to ensure that the sustainable investments that Sub-Fund intends to partially make do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund’s investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

How have the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

For the portion of sustainable investments, the Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

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

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager’s investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Environmental or social characteristics of the financial product

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

The Sub-Fund promotes environmental and social characteristics and invests in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers will be selected based on the Investment Manager's ESG framework.

In addition, the Sub-Fund will partially (30% of NAV) invest in securities of issuers that qualify as sustainable investment based on the Investment Manager's SDG assessment.

By following this process, the Investment Manager promotes a combination of environmental (such as "greenhouse gas emissions", "biodiversity" or "waste") and social characteristics (such as "inequality", "labour relations", "investment in human capital"), for example because these aspects are integrated in the Investment Manager's ESG assessment framework or because some of the applied mechanisms relate directly to one of these characteristics. The ESG assessment framework may not include all of these characteristics as the aspects considered in this process may depend for example on the sector or geography the issuer is operating in.

Investment strategy

What investment strategy does this financial product follow to select the investments to attain the environmental and social characteristics, and what are the binding elements of this investment strategy?

In order to attain the environmental and social characteristics, the Sub-Fund applies the following ESG framework:

Exclusion approach:

The Sub-Fund excludes:

- securities of corporate issuers involved in products and activities related to: unconventional / controversial weapons (0%), coal (extraction/thermal, 10%), tobacco (5%), oil (extraction, 10%), gas (extraction, 10%), other fossil fuel (i.e. Tar Sands/Sands.../extraction, 10%), adult entertainment (10%). The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities. For selected products and/or activities, additional limits apply as disclosed on the website.

The exclusion listed below are applied with the revenue thresholds indicated¹:

EXCLUSION	CRITERIA	EXCEPTIONS APPLIED?
Sector/business activity-based exclusions		
Adult entertainment	Production: 10% of revenue	None.
	Downstream: 10% of revenue	
Coal (thermal)	Upstream (extraction): 10% of revenue	None.
	Downstream (power generation, distribution): 10% of revenue	
Oil	Upstream (extraction): 10% of revenue	None.
Gas	Upstream (extraction): 10% of revenue	None.
Other fossil fuel ²	Upstream (extraction): 10% of revenue	None.
Tobacco	Production: 5% of revenue	None.
	Upstream: 0% of revenue	
	Downstream: 0% of revenue	
Unconventional / controversial weapons	Production: 0% of revenue	None.
	Downstream: 0% of revenue	
	Upstream: 0% of revenue	

¹ The Investment Manager may apply exclusions to any three parts of the value chain or a combination. For example, Upstream could be financing including significant ownership of activities in the sector. Downstream could be distribution of products and services from the sector. The categories 'Upstream', 'Production', and 'Downstream' are used in the European ESG Template, and are included in this report for consistency.

² Includes Oil Sands, Shale Energy and Arctic Oil & Gas Exploration.

Monitoring of critical controversies:

- The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multi-national Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Carbon related commitments:

- The Sub-Fund financial product will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO₂e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (S&P 500 – TR).

Partial investments in sustainable investments:

- The Sub-Fund will invest at least 30% of its net asset value in securities of issuers that qualify as sustainable investment based on the Investment Manager's SDG assessment by fulfilling the following two criteria: (1) the issuer does not have any aspect of its economic activities (products and services; operations) classified as "Significant Harm"; (2) the issuer has at least one aspect of its economic activities (products and services; operations) classified as "In transition" or "Positive contribution" in respect of the SDGs.

Binding elements:

The binding elements of the investment strategy used to select the investments to achieve the E/S characteristics promoted are as follows:

- The Sub-Fund excludes securities of corporate issuers that derive a non-negligible part of their revenues from excluded products and/or activities listed above.
- The Sub-Fund excludes securities of issuers that are in violation of certain global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions intensity measured lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (S&P 500 – TR).
- The Sub-Fund will invest at least 30% of its net asset value in securities of issuers that qualify as sustainable investments, based on the Investment Manager's SDG assessment.
- The ESG analysis covers at least 90% of the Sub-Fund's securities for issuers whose registered office is located in developed market countries and for large cap companies, and 75% for issuers whose registered office is located in emerging market countries and for mid and small cap companies. The use of ESG data may be subject to methodological limits.

What is the policy to assess good governance practices of the investee companies ³?

The Investment Manager will assess investee companies' good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a critical controversies monitoring process. The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights. This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Does the financial product consider Principal Adverse Sustainability Impacts? If yes, which areas/indicators are considered and how?

Yes No

The Investment Manager considers the list of principal adverse impacts on sustainability factors mentioned in the table below.

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.

The following *Principal Adverse Sustainability Impacts* Indicators⁴ are considered in the investment strategy:

TABLE # PRINCIPAL ADVERSE IMPACT INDICATOR

Greenhouse gas emissions	
1	1 Total GHG emissions (scope 1 and 2)
1	1 Scope 1 GHG emissions
1	1 Scope 2 GHG emissions
1	3 GHG intensity of investee companies (scope 1 and 2)
Biodiversity	
1	7 Activities negatively affecting biodiversity-sensitive areas
Controversial weapons	
1	14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
Social and employee rights	
1	10 Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
1	13 Board gender diversity

³ including with respect to sound management structures, employee relations, remuneration of staff and tax compliance

⁴ As set out in Table 1, 2 and 3 of Annex 1 of Regulation (EU) 2022/1288

Proportion of investments

What is the asset allocation planned for this financial product?

INVESTMENTS	PERCENTAGE (OF NET ASSETS)	TYPE OF EXPOSURES
#1 Aligned with E/S characteristics, includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.	At least 67%	Only through direct exposures
#1A Sustainable Covers sustainable investments with environmental or social objectives.	At least 30%	Only through direct exposures
Environmental objective	At least 1%	
Other environmental	At least 1%	Only through direct exposures
Social objective	At least 1%	Only through direct exposures
#1B Other E/S characteristics Covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments	Up to 70%	Only through direct exposures
#2 Other, includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.	Up to 33%	Only through direct exposures

Under “#2 Other”, the Sub-Fund may hold ancillary liquidity and use financial derivative instruments for the purpose of hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund’s environmental and social characteristics, no minimum environmental or social safeguards are applied.

Other investments include also unscreened investments for diversification purposes or investments for which ESG data is lacking. For such instruments the monitoring process of critical controversies is applied.

Derivatives are not used for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.

Monitoring of environmental or social characteristics

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

The attainment of the environmental and social characteristics is measured through the following list of sustainability indicators:

- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities are indicated under the investment strategy section)
- Percentage of investments in issuers that are in violation of global norms and standards promoted by the Sub-Fund or that are exposed to critical controversies (unless the Investment Manager believes reasonable progress can be attained, for example, through active ownership activities). Such controversies may be related to environmental, social or governance issues
- Sub-Fund’s weighted average carbon intensity compared to the investment universe. The investment universe is represented by the Sub-Fund’s benchmark (S&P 500 – TR).
- Percentage of net asset value in investments that qualify as sustainable investment based on the Investment Manager’s SDG assessment
- Percentage of securities covered by ESG analysis

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?

The information used for the implementation of the ESG framework, and consequently the attainment of the environmental and social characteristics, are reviewed on a regular basis.

If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

Compliance with the binding elements applied by this Sub-Fund is monitored by the investment teams. For the elements that are in scope of the Sub-Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has post-trade checks mechanisms in place. The independent Investment Control team conducts a daily post-trade review of portfolios using our portfolio management system. Should Investment Control and the respective portfolio manager fail to agree whether a breach has actually occurred (e.g. in case of a different interpretation of regulatory investment restrictions), Compliance analyses the case and then informs Investment Control of its assessment, which then follows up accordingly. The pre- and post-trade checks are parametrized either based on data retained directly from third-party ESG data provider or from the Investment Manager directly, especially where the followed approaches are based on proprietary methodologies of the Investment Manager. For documented ESG processes and controls, first line of defence controls are confirmed and self-assessed annually by the business owners via the Operation Risk and Control Self-Assessment (RCSA) process. The RCSA process is a systematic and regular business process aimed at reviewing specific inherent operational risks that Asset Management investments are exposed to, as well as an assessment of the control environment that is in place to mitigate those risks. Second line functions like Compliance carry out spot checks on some first line of defence controls.

Methodologies

What are the methodologies used for the implementation of the ESG framework?

Exclusion approach:

The Investment Manager retains data from third party data provider in order to analyze an issuer's exposure to activities excluded by the Sub-Fund, based on pre-defined thresholds. In order to qualify for initial investment, the issuer must not breach any of these exclusion criteria.

Monitoring of critical controversies:

The Investment Manager has established a monitoring process to track incidents or ongoing situations in which an issuer's activities may have adverse effects on environmental, social, and governance aspects. This process intends to ensure the alignment with global norms such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

This process is initially based on the utilization of third-party data and subsequently entails a comprehensive structured review conducted by the Investment Manager. Securities of issuers are excluded where the Investment Manager has concluded that they (i) violate the norms and standards promoted by the Sub-Fund or (ii) are involved in critical controversies, including those related to governance matters. However, the Investment Manager recognizes that excluding such issuers from the Investment Manager's investments may not always be the best approach to mitigate the adverse effects of their activities. In these cases, the Investment Manager will monitor these issuers, where the Investment Manager believes that reasonable progress can be attained, for example, through active ownership activities, provided the issuer demonstrates good governance.

Carbon related commitments:

The Sub-Fund will maintain a weighted average Scope 1 and 2 greenhouse gas emissions (scope 1 emissions are defined by the Greenhouse Gas Protocol as those caused directly by an organization's activities while scope 2 emissions count indirect emissions resulting from an organization's energy consumption) intensity measured by CO₂e tons / \$1 million revenue that is lower than the weighted average of the investment universe. The investment universe is represented by the Sub-Fund's benchmark (S&P 500 – TR).

Partial investments in sustainable investments:

The objective of the sustainable investments that the financial product partially intends to make is to invest in securities of issuers that provide solutions to environmental and social challenges, namely to at least one of the Sustainable Development Goals (SDGs). The assessment will be conducted by the Investment Manager, based on quantitative ESG indicators and qualitative assessment, on the one hand of "products and services" and on the other hand of "operations". For both aspects, the companies' economic activities will be classified in one of the following four buckets: "Significant Harm", "Neutral", "In transition", "Positive contribution".

In order to qualify as sustainable investment, and apart from following good governance, the company:

- Must not have any aspect of its economic activities classified as "Significant Harm"
- Must have at least one aspect of its economic activities classified as "In transition" or "Positive contribution"

The assessment of a company's operations will be based on a model developed by the Investment Manager, whose research is based among others on data from third-party data providers and information obtained through fact-finding engagements. The final operations' assessment score ranges from 1 to 10 (1 being the worst, 10 being the best). A score of 7/10 corresponds to a "positive contribution" flag (company is already taking action or operations already managed in an outstanding manner) A score above 3/10 corresponds to an "in transition" flag (company is already taking action) A score of 1/10 corresponds to a "Significant harm" flag.

As an issuer can contribute to an environmental (SDGs with an environmental focus) and a social (SDGs with a social focus) objective at the same time, an investment can be counted as sustainable investment with an environmental objective and sustainable investment with a social objective.

Data sources and processing

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

The following data sources are used for the implementation of the investment process:

- External ESG data providers: MSCI ESG, Sustainalytics
- Information directly provided by the issuers

In order to ensure data quality, the Investment Manager:

- Regularly reviews data
- Uses multiple data sources
- May directly engage with the issuers when data gaps occur

The data sources mentioned above are used in order to implement the ESG framework described in detail the "Investment strategy" section.

The Investment Manager may make reasonable estimates, when data is lacking. Additionally, third party ESG data provider may use estimates themselves. The proportion of data that is estimated by the Investment Manager is indicated to be low to medium, depending on the data type.

Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

In assessing the eligibility of an issuer based on ESG research, there is a dependence upon information and data from third party ESG research data providers and internal analyses which may be based on certain assumptions or hypothesis that render it incomplete or inaccurate. As a result, there is a risk of inaccurately assessing a security or issuer. There is also a risk that the Investment Manager may not apply the relevant criteria of the ESG research correctly or that the Sub-Fund could have indirect exposure to issuers who do not meet the relevant criteria. This poses a significant methodological limit to the ESG strategy of the Sub-Fund. Neither the Sub-Fund, nor the management company nor the investment manager make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness, or completeness of an assessment of ESG research and the correct execution of the ESG strategy.

In order to maintain confidence that social and environmental characteristics are met, the investment manager may also engage with investees in order to fill data gaps or may use complimentary data from additional providers or directly from investee disclosures.

Due diligence

What is the due diligence carried out on the underlying assets at initial investment and what are the internal and external controls in place?

In order to qualify for initial investment, the investments aligned with the environmental and social characteristics must comply with the binding elements applied by the Sub-Fund. This compliance has to be ensured by the Investment Manager. For the elements that are in scope of the Sub-Fund's investment guidelines and subject to investment controls, the internal Investment Control unit has pre-trade checks mechanisms in place. The pre-trade checks allow portfolio managers to simulate trades and check each trade against restrictions, prior to placing orders, in order to prevent the occurrence of breaches. When submitting orders an automated check of the investment guidelines restrictions is performed, generating a warning to the portfolio managers, highlighting potential breaches that would materialize in case the orders would be executed.

Engagement policies

Is engagement part of the environmental or social investment strategy?

Yes No

If so, what are the engagement procedures?

The Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics of the Sub-Fund.

The Sub-Fund uses active stewardship. This involves continuous deep dive research and ongoing engagement to understand factors and in some instances effect change. The Sub-Fund utilizes a customized proxy voting to leverage engagement. The Sub-Fund runs periodic thematic campaigns on portfolio wide ESG topics.

Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?

Yes No

Important information

Subscriptions of shares of the fund should in any event be made solely on the basis of the fund's current sales prospectus (the "Sales Prospectus"), the Key (Investor) Information Document ("K(I)ID"), its articles of incorporation and the most recent annual and semi-annual report of the fund and after seeking the advice of an independent finance, legal, accounting and tax specialist. If you are in any doubt about the contents of this document or have any question, you should consult your professional and/or investment advisers.

The information in this document might have been revised either after the 1st of January 2023 (when the SFDR RTS came into effect) or following the launch of the financial product. The updates could have been made to offer more clarity on specific subjects or to align with any alterations in the financial product's ESG approach. You can locate the applicable date for this document at the top of the page and in the file name of this document.