

LUX IM – TWENTYFOUR GLOBAL STRATEGIC BOND (“Sub-fund”)

Sustainability-related disclosures required for Article 8 financial products under the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Section	Disclosure
No sustainable investment objective	The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, and that the Investment Manager considers well-prepared to handle financially material environmental and/or social challenges. Issuers will be screened in accordance with the Investment Manager’s view of appropriate sustainability parameters as measured in the Investment Manager’s proprietary Environmental (“E”) and Social (“S”) scoring model.
Investment strategy	<p>The investment objective of the Sub-fund is to provide an attractive level of income, along with the opportunity for capital growth, over the mid to long-term.</p> <p>The Sub-fund will achieve its investment objective by implementing a “strategic income” asset allocation to invest in a diversified portfolio consisting primarily of debt securities which comply with the eligibility criteria stated in the UCI Law and in the Grand-Ducal Regulation of February 8, 2008, as amended from time to time, relating to certain definitions of the UCI Law. Debt securities include fixed-interest, floating rate bonds and Money Market Instruments issued by Governments, sovereign/supranational entities and corporates, along with asset backed securities (“ABS”) without any limitation in terms of industry, currency and credit exposure.</p> <p>Target investments are subject to the following sustainability indicators, in order to assess their eligibility for investment by the Sub-fund and thus to measure the attainment of the pursued environmental and social characteristics.</p> <ul style="list-style-type: none"> ▪ Negative screening: exclusion of target issuers involved in controversial conduct and/or activities; ▪ Positive screening: investment in companies that contribute to the environmental and social objectives pursued by the Sub-fund. ▪ Consideration of principal adverse impacts (PAI) <p>The investee companies are rated for governance aspects using the Investment Manager’s ESG Observatory score. Common governance indicators include sound management structures, such as board independence and diversity, employee ownership, remuneration of staff, tax compliance, rights of minority shareholders, executive remuneration, and audit and accounting oversight. These Governance indicators are a major component of the Investment Manager’s ESG Observatory score.</p>
Proportion of investments	<p>The Sub-fund invests 70% of its net assets to investments that are aligned to the promoted environmental and social characteristics.</p> <div data-bbox="877 1679 1528 1947"> <pre> graph LR A[Investments] --- B[#1 Aligned with E/S characteristics 70%] A --- C[#2 Other] </pre> </div> <p>The remaining investments of the Sub-fund (“#2 Other”) may be invested in (i) ancillary cash and cash equivalents for liquidity purposes within the limits prescribed by applicable laws , (ii) derivatives which may be used for hedging and investment purposes as per the applicable provisions of the Investment Policy of the Sub-fund; (iii) securities of issuers not aligned with the promoted environmental or social characteristics, investments in underlying target funds, and may be used within the Sub-fund’s objective of an attractive level of income, along with the opportunity for capital growth, over the mid to long-term. No minimum environmental or social safeguards are applied.</p>
Monitoring of environmental or social characteristics	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target issuers is assessed based on the following binding elements:</p> <ul style="list-style-type: none"> ▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; coal; tobacco; gambling) ▪ Positive Screening (proprietary Environmental (“E”) and Social (“S”) scoring model (“E and S Scoring Model”)) ▪ PAI consideration (Greenhouse gas emissions and Social and Employee Matters)
Methodologies for environmental or social characteristics	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target investments is assessed based on the negative screening, Positive Screening and PAI consideration procedures.</p> <p>Internal controls are in place in respect of investment decision making for the Sub-fund. These include, but are not limited to, pre-trade and post-trade controls to ensure all applicable binding elements are observed at all times and independent oversight by risk management functions as required.</p>

Section	Disclosure
Data sources and processing	The Investment Manager uses data from third-party ESG data providers, fundamental information from companies or both; compiled and evaluated in the proprietary in-house sustainability model data-base. In order to ensure data quality, the Investment Manager regularly reviews data; uses multiple data sources; may directly engage with the issuers.
Limitations to methodologies and data	The limitations to the attainment of the promoted environmental and social characteristics are related to incomplete and inaccurate data. However they are deemed non-material, as the investment universe of the Sub-fund provides an appropriate level of disclosure and coverage of required information by the Investment Manager to allow for the application of the investment methodology.
Due Diligence	In order to qualify for initial investment, the target investments must comply with the binding elements applied by the Sub-fund. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place
Engagement Policies	The Investment Manager applies a comprehensive stewardship strategy. Engagement is part of the investment process. It includes communications between the management teams of investee companies, typically in case of specific issues or controversies that may cover ESG concerns or where data is lacking. Engagement may occur prior to investment, be ongoing or as a result of monitoring.
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.