

LUX IM – VONTOBEL GLOBAL EQUITY

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

Preamble

LUX IM – VONTOBEL GLOBAL EQUITY (“the Sub-fund”) is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of Vontobel Fund – Global Equity (the “Master UCITS”). The Master UCITS is a sub-fund of Vontobel Fund, an open-ended investment company with variable capital set forth in a form of an umbrella fund, incorporated in Luxembourg, and authorized as an undertaking for collective investment in transferable securities pursuant to the part I of the UCI Law.

The below information refers to environmental and social characteristics pursued by of the Master UCITS.

The Master UCITS 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.

The Master UCITS does not invest in issuers that qualify as sustainable investment in accordance with Article 2 (17) of Regulation (EU) 2019/2088 (“SFDR”).

The Master UCITS is not considering the EU criteria for environmentally sustainable economic activities as defined under the EU Taxonomy Regulation to determine the attainment of the sustainable environmental or social characteristics that it promotes.

The Master UCITS will invest at least 67% of its net assets in investments that are aligned to the promoted environmental and social characteristics. The Sub-fund will be invest at least 85% of its net assets in the Master UCITS. As a consequence the minimum proportion of the Sub-fund’s net assets invested in assets aligned to the promoted environmental and social characteristics is 57%.

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Master UCITS.

Sustainable Finance Disclosure Regulation Level 2 – Website Disclosure

Section	Regulatory Requirements	Disclosure
Summary Article 25 – SFDR II	<p>In the website section ‘Summary’ referred to in Article 24, point (a), financial market participants shall summarise all the information contained in the different sections referred to in that Article about the financial products that promote environmental or social characteristics. The summary section shall have a maximum length of two sides of A4-sized paper when printed.</p>	<p>Please refer to the standardized 2 pager summary https://www.bgfml.lu/site/en/home/sustainable.html</p>
	<p>The website section ‘Summary’ referred to in Article 24, point (a), shall be provided in at least the following languages:</p> <p>(a) one of the official languages of the home Member State and, where different and where the financial product is made available in more than one Member State, in an additional language customary in the sphere of international finance;</p> <p>(b) where the financial product is made available in a host Member State, one of the official languages of that host Member State.</p>	
No sustainable investment objective Article 26 – SFDR L2	<p>In the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), financial market participants shall insert the following statement: “This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.”</p>	<p>This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.</p>
	<p>Where the financial product commits to making one or more sustainable investments, financial market participants shall in the website section ‘No sustainable investment objective’ referred to in Article 24, point (b), explain how the sustainable investment does not significantly harm any of the sustainable investment objectives, including all of the following:</p>	
	<ul style="list-style-type: none"> ▪ how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of that Annex I, are taken into account; ▪ whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. 	
Environmental or social	<p>In the website section ‘Environmental or social characteristics of the financial product’ referred to in Article 24, point (c), financial market</p>	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of Vontobel Fund – Global Equity (the "Master UCITS").</p>

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<p>characteristics of the financial product</p> <p>Article 27 – SFDR L2</p>	<p>participants shall describe the environmental or social characteristics that the financial products promote.</p>	<p>The Master UCITS 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.</p>
<p>Investment strategy</p> <p>Article 28 – SFDR L2</p>	<p>In the website section ‘Investment strategy’ referred to in Article 24, point (d), financial market participants shall describe all of the following:</p> <ul style="list-style-type: none"> ▪ the investment strategy used to meet the environmental or social characteristics promoted by the financial product; ▪ the policy to assess good governance practices of the investee companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance. 	<p>The Sub-fund is a feeder structure following Art. 77 of the UCI Law. It invests at least 85% of its net assets in shares of Vontobel Fund – Global Equity (the "Master UCITS").</p> <p>The Master UCITS 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 order to attain the environmental and social characteristics, the Master UCITS applies the following ESG framework: exclusions, monitoring of severe controversies, carbon related commitments. The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis.</p> <p>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 severe controversies monitoring process. The Master UCITS excludes securities of issuers that are (i) in violation with the norms and standards promoted by the Master UCITS or (ii) that are involved in severe controversies, including those related to governance matters. Unless, in either case, the Investment Manager has not identified a positive outlook (i.e. through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).</p>
<p>Proportion of investments</p> <p>Article 29 – SFDR L2</p>	<p>In the website section ‘Proportion of investments’ referred to in Article 24, point (e), financial market participants shall insert the information referred to in Article 14 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.</p>	<p>The Master UCITS will invest at least 67% of its net assets in investments that are aligned to the promoted environmental and social characteristics.</p> <p>The Sub-fund will be invest at least 85% of its net assets in the Master UCITS. As a consequence the minimum proportion of the Sub-fund’s net assets invested in assets aligned to the promoted environmental and social characteristics is 57%.</p> <div data-bbox="1745 1457 2436 1738" data-label="Diagram"> <pre> graph LR A[Investments] --- B["#1 Aligned with E/S characteristics Min 57%"] A --- C["#2 Other"] </pre> </div> <p><i>#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.</i></p>

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		<p>#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.</p> <p>The Sub-fund may invest up to 15% of its net assets in cash for liquidity purposes and derivatives for hedging purposes. The remaining investments of the Master UCITS (“#2 Other”) may be invested in cash and cash equivalents for liquidity purposes, derivatives which may be used for hedging purposes, or unscreened investments for diversification purposes or investments for which ESG data is lacking. No minimum environmental or social safeguards are applied.</p>
<p>Monitoring of environmental or social characteristics</p> <p>Article 30 – SFDR L2</p>	<p>In the website section ‘Monitoring of environmental or social characteristics’ referred to in Article 24, point (f), financial market participants shall describe how the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.</p>	<p>The Investment Manager integrates the ESG analysis within the investments’ selection process, as follows:</p> <ul style="list-style-type: none"> - The Master UCITS excludes securities of corporate issuers that derive a non-marginal part of their revenues from products/activities listed in the exclusion list. - The Master UCITS excludes securities of issuers that are in violation with certain international norms and standards promoted by the Master UCITS or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues. - The Master UCITS 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 Master UCITS’s benchmark. - The ESG analysis coverage will be guaranteed for at least 90% of the Master UCITS’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 data may be subject to methodological limits. <p>The Master UCITS considers certain selected principal adverse impacts on sustainability factors in the following areas: emissions, biodiversity, social matters and human rights.</p>
<p>Methodologies for environmental or social characteristics</p> <p>Article 31 – SFDR L2</p>	<p>In the website section ‘Methodologies for environmental or social characteristics’ referred to in Article 24, point (g), financial market participants shall describe the methodologies to measure how the social or environmental characteristics promoted by the financial product are met.</p>	<p>In order to attain the promoted environmental and social characteristics, the eligibility of target issuers is assessed based on the above-described negative screening, positive screening procedures, and consideration of principal adverse impacts (see ‘Monitoring of the sustainable investment objective’).</p> <p>Internal controls are in place in respect of investment decision making for the Master UCITS. These include, but are not limited to, pre-trade and post-trade controls to ensure all binding elements are observed at all times and independent oversight by risk management functions as required.</p>
<p>Data sources and processing</p> <p>Article 32 – SFDR L2</p>	<p>In the website section ‘Data sources and processing’ referred to in Article 24, point (h), financial market participants shall describe all of the following:</p> <ul style="list-style-type: none"> ▪ the data sources used to attain each of the environmental or social characteristics promoted by the financial product; 	<p>The following data sources are used for the implementation of the investment process:</p> <ul style="list-style-type: none"> - External ESG data providers

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	<ul style="list-style-type: none"> ▪ the measures taken to ensure data quality; ▪ how data are processed; ▪ the proportion of data that are estimated. 	<ul style="list-style-type: none"> - Information directly provided by the issuers <p>In order to ensure data quality, the Investment Manager:</p> <ul style="list-style-type: none"> - Regularly reviews data - Uses multiple data sources - Information directly provided by the issuers <p>The data sources mentioned above are used in order to implement the following approaches: exclusion approach, monitoring of severe controversies, carbon related commitments, 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.</p>
<p>Limitations to methodologies and data</p> <p>Article 33 – SFDR L2</p>	<p>In the website section ‘Limitations to methodologies and data’ referred to in Article 24, point (i), financial market participants shall describe all of the following:</p> <ul style="list-style-type: none"> ▪ any limitations to the methodologies referred to in Article 24, point (g), and to the data sources referred to in Article 24, point (h); ▪ how such limitations do not affect how the environmental or social characteristics promoted by the financial product are met. 	<p>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 financial product 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 financial product. Neither the financial product, nor the management company nor the in-vestment 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.</p> <p>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.</p> <p>Based on the details above, there is no material effect on the attainment of the environmental or social characteristics promoted by the Master UCITS.</p>
<p>Due Diligence</p> <p>Article 34 – SFDR L2</p>	<p>In the website section ‘Due diligence’ referred to in Article 24, point (j), financial market participants shall describe the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.</p>	<p>In order to qualify for initial investment, the investments must comply with the binding elements applied by the Master UCITS. This compliance has to be ensured by the Investment Manager through pre-trade compliance mechanism in place.</p>
<p>Engagement policies</p> <p>Article 35 – SFDR L2</p>	<p>In the website section ‘Engagement policies’ referred to in Article 24, point (k), financial market participants shall describe the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.</p>	<p>The Master UCITS 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 Master UCITS.</p> <p>The Master UCITS uses active stewardship. This involves continuous deep dive research and ongoing engagement to understand factors and in some instances effect change. The Master UCITS utilizes a</p>

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		customized proxy voting to leverage engagement. The Master UCITS runs periodic thematic campaigns on portfolio wide ESG topics.
Designated reference benchmark – Optional Article 36 – SFDR L2	In the website section ‘Designated reference benchmark’ referred to in Article 24, point (l), financial market participants shall describe whether an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product, and how that index is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select those data, the rebalancing methodologies and how the index is calculated.	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.