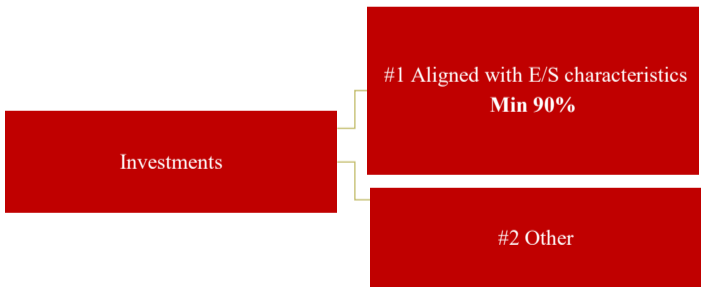


**LUX IM – ALGEBRIS FINANCIAL CREDIT BOND (“Sub-fund”)**

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

Section	Disclosure
<b>No sustainable investment objective</b>	The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.
<b>Environmental or social characteristics of the financial product</b>	The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics, in line with the Sub-fund’s defined environmental, social and governance (hereinafter “ESG”) investment strategy. The environmental and social characteristics promoted by the Sub-fund are: 1. Prevention of predatory lending practices, 2. Pollution prevention and control, 3. Emissions reduction, 4. Human rights, 5. Labour relation.
<b>Investment strategy</b>	<p>Due to the key role that the banking and broader financial sector play in providing funding across sectors and economic activities, the Sub-fund is presented with an opportunity to contribute to a fairer and more sustainable economy through its investment in institutions that themselves contribute to this transition. In addition, in the context of its promotion of environmental and social characteristics, the Investment Manager mainly relies on a combination of the following approaches to responsible investment:</p> <p>(1) Key ESG concerns: the Sub-fund aims to facilitate and accelerate the transition towards a greener and more sustainable economy by investing in companies in the financial services sector that are considered acceptable by reference to the environmental and social characteristics the Fund promotes.</p> <p>(2) Exclusion policies: the Sub-fund applies exclusion policies to provide reasonable comfort that the Sub-fund does not make or hold investments in industries, market segments and companies considered to have particularly harmful or controversial practices from an environmental or social perspective. The Investment Manager will not invest in the banks providing the largest share of lending to coal mining.</p> <p>(3) Voting Policy and engagement: on engagement, the Investment Manager holds an ongoing dialogue with investee companies. This is typically done in the form of calls and meetings with management, following publication of banks’ periodic results or upon presentation of their industrial plans.</p> <p>(4) United Nations Global Compact screening: the Investment Manager applies screening that evaluates the alignment of investee companies with the 10 Principles of the UNGC.</p> <p>(5) ESG screening: The Sub-fund is subject to ESG screening, which prevents an investment being made in companies that are identified as being in the bottom 15% of its sector’s overall ESG score as measured by way of an ESG scoring assessment.</p> <p>To satisfy itself that the relevant investee companies follow good governance practices (in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance) the Investment Manager monitors a number of governance-related key performance indicators (KPIs) for the investee companies. These include sound management structures, employee relations, remuneration of staff, tax compliance.</p>
<b>Proportion of investments</b>	<p>The Sub-fund invests a minimum of 90% of its net assets to investments that are aligned to the promoted environmental and social characteristics.</p> <p>The remaining investments of the Sub-fund (“#2 Other”) may include instruments which are used for the purpose of hedging (including currency risk management), liquidity, diversification, and efficient portfolio management. These investments include, but are not limited to, ancillary liquid assets and financial derivative instruments. Whilst these investments may not be aligned with the environmental or social characteristics promoted by the Sub-fund, they will, to the extent possible, still be subject to the exclusion policies detailed above, in addition to the UNGC Screening. These provide the minimum safeguards.</p> <p>The remaining assets of the Sub-fund will also comprise cash and cash equivalents held from time to time on an ancillary basis, as well as instruments for hedging purposes. No minimum environmental or social safeguards are applied in respect of these.</p>  <pre> graph LR     A[Investments] --- B["#1 Aligned with E/S characteristics Min 90%"]     A --- C["#2 Other"]   </pre>
<b>Monitoring of environmental or social characteristics</b>	The Investment Manager monitors compliance with the environmental and social characteristics and more generally assesses performance on sustainability metrics at portfolio level on an ongoing basis, using a variety of ESG data from different providers. ESG exclusion lists are reviewed at least twice a year and are implemented through automated pre- and post-trade controls coded into the Algebris Order Management System. Other ESG and sustainability metrics are monitored at portfolio level on a regular basis, and no less than every calendar quarter. The Sub-fund’s Management Company will oversee the information provided by the Investment Manager and ensures that the ESG compliance of the Sub-fund is met.

Section	Disclosure
<b>Methodologies for environmental or social characteristics</b>	<p>The Investment Manager integrates the ESG analysis within the investments' selection process, as follows:</p> <ul style="list-style-type: none"> <li>▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; coal; tobacco; gambling)</li> <li>▪ Key ESG concerns: Characteristic 1: Predatory lending practices, indicator: the share of revenues derived from predatory lending activities; Characteristic 2: Pollution prevention and control, indicator: amount of air pollutants in proportion to company revenue and/or the amount of inorganic pollutants in proportion to company revenues; Characteristic 3: Emission reduction, indicator: the share of investments in companies that explicitly disclose that they have either committed to setting or have set science-based targets (SBTs) in relation to decarbonisation; Characteristic 4: Human rights, indicator: the share of investments in companies involved in very serious violations of human rights under the United Nations Global Compact (UNGC) and the existence of Human Rights commitments, policies and procedures at the individual investee level; Characteristic 5: Labour relations, indicator: the share of investments in companies involved in very serious violations of labour rights under the UNGC and the evolution at portfolio level of an aggregate labour practice score. The score reflects the investees' gender balance; gender pay ratio; performance in terms of preventing discrimination and harassment; freedom of association; ethnic diversity.</li> <li>▪ Voting policy and engagement</li> <li>▪ ESG screening</li> <li>▪ PAI consideration (both environmental and social)</li> </ul>
<b>Data sources and processing</b>	<p>The Investment Manager shall use data sourced from internal research and, where relevant from third-party ESG data providers (the Data Providers). Where third-party ESG data providers are utilised, the Investment Manager selects the strongest data providers for ESG data for each category of information, rather than going for a simple 'one-stop-shop' solution.</p>
<b>Limitations to methodologies and data</b>	<p>The limitations to the attainment of the promoted environmental and social characteristics, 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.</p>
<b>Due Diligence</b>	<p>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</p>
<b>Engagement Policies</b>	<p>The Investment Manager holds an ongoing dialogue with investee companies. This is typically done in the form of calls and meetings with management, following publication of banks' periodic results or upon presentation of their industrial plans.</p>
<b>Designated reference benchmark</b>	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>