

**LUX IM – BLACKROCK MULTI ASSET (“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
<b>No sustainable investment objective</b>	<p>The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.</p> <p>The Sub-fund will allocate a minimum of 20% of its assets in sustainable investments in accordance with Article 2 (17) SFDR.</p> <p>Sustainable investments are determined as follows:</p> <ul style="list-style-type: none"> <li>a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or</li> <li>b) the issuer’s business practices contribute to an Environmental and/or Social Objective; or</li> <li>c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or</li> <li>d) the fixed income securities are aligned with an Environmental and/or Social Objective.</li> </ul>
<b>Environmental or social characteristics of the financial product</b>	<p>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 Sub-fund seeks to address key environmental and social issues that are deemed to be relevant to the issuers’ businesses using ESG scores provided by a reputable external ESG data provider and ranging from AAA (best score) to CCC (worst score) as a means of assessing issuers’ exposure to and management of those risks and opportunities. The ESG scores are applied to direct securities only. The following environmental themes are captured in the environmental component of the ESG score: climate change, natural capital, pollution and waste and environmental opportunities. The following social themes are captured in the social component of the ESG score: human capital, product liability, stakeholder opposition and social opportunities.</p>
<b>Investment strategy</b>	<p>The investment objective of the Sub-fund is to provide total return over the long term. This objective will be effected through flexible exposure to multiple asset classes. The portfolio construction process will combine a top-down analysis on the market evolution and trends with bottom up insights from valuation analysis in specific asset classes. The Sub-fund will seek to achieve its investment objective by obtaining direct and/or indirect exposure to a broad range of asset classes which may include equities, fixed income, units of collective investment schemes, cash, deposits and money market instruments, listed property, and commodities. The selection process of the target investments will combine extra-financial assessments based on the issuers’ adherence to ESG criteria, in accordance with an ESG policy encompassing negative screening, consideration of ESG ratings, carbon emissions intensity and positive contribution to sustainable investments.</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"> <li>▪ Negative screening</li> <li>▪ Application of BlackRock EMEA Baseline Screens</li> <li>▪ The Sub-fund’s average ESG rating, which is the weighted average of ESG scores of the Sub-fund’s holdings</li> <li>▪ The Sub-fund’s carbon emissions intensity</li> <li>▪ The Sub-fund’s consideration of principal adverse impacts (PAIs) on sustainability factors</li> <li>▪ The Sub-fund’s holdings in sustainable investments.</li> </ul> <p>The Investment Manager assesses good governance practices of the investee companies by combining proprietary insights and shareholder engagement, with data from external ESG research providers. BlackRock uses data from external ESG research providers to initially identify issuers which may not have satisfactory governance practices in relation to key performance indicators (KPIs) related to sound management structure, employee relations, remuneration of staff and tax compliance.</p>
<b>Proportion of investments</b>	<p>A minimum of 70% of the Sub-fund’s total assets will be invested in investments that are aligned with the environmental and/or social characteristics described above (#1 Aligned with E/S characteristics). Of these investments, a minimum of 20% of the Sub-fund’s total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics). The Sub-fund may invest up to 30% of its total assets in other investments (#2 Other investments).</p> <p>An investment will be assessed as contributing to an Environmental and/or Social Objective where:</p> <ul style="list-style-type: none"> <li>a) minimum proportion of the issuer’s business activity contributes to an Environmental and/or Social Objective; or</li> <li>b) the issuer’s business practices contribute to an Environmental and/or Social Objective; or</li> <li>c) the use of proceeds is assessed as contributing to an Environmental and/or Social Objective such as green bonds, social bonds, and sustainability bonds; or</li> <li>d) the fixed income securities are aligned with an Environmental and/or Social Objective.</li> </ul> <p>The remaining investments of the Sub-fund (“#2 Other”) may be invested in cash and cash equivalents for liquidity purposes, derivatives, shares of other UCITS and/or UCIs and fixed income transferable securities issued by governments and agencies worldwide. These investments may be used for investment purposes to pursue the Sub-fund’s investment objective; for the purpose of liquidity management and/or for hedging. No minimum environmental or social safeguards are applied to these investments.</p>

Section	Disclosure
	<pre> graph LR     Investments --&gt; N1["#1 Aligned with E/S characteristics Min. 70%"]     Investments --&gt; N2["#2 Other"]     N1 --&gt; N1A["#1A Sustainable Min. 20%"]     N1 --&gt; N1B["#1B Other E/S characteristics"]     N1A --&gt; TA["Taxonomy-aligned"]     N1A --&gt; OE["Other environmental"]     N1A --&gt; S["Social"]     </pre>
<b>Monitoring of environmental or social characteristics</b>	<p>The Investment Manager integrates the proprietary ESG analysis within the investments' selection process, in accordance with the following binding elements:</p> <ol style="list-style-type: none"> <li>1. Maintain that the Sub-fund holds at least 20% in Sustainable Investments.</li> <li>2. Apply the BlackRock EMEA Baseline Screens and exclusionary screens.</li> <li>3. Maintain that the weighted average ESG rating of the Sub-fund will be higher than the ESG rating of its investment universe for direct investments in global equity and fixed income securities after eliminating at least 20% of the lowest rated securities from the investment universe for direct investments in global equity and fixed income securities .</li> <li>4. Maintain that the Sub-fund's carbon emissions intensity score is lower than the one of its investment universe for direct investments in global equity and fixed income securities .</li> <li>5. Ensure that more than 90% of the issuers of securities in which the Sub-fund invests (excluding money market funds) shall be ESG rated or have been analysed for ESG purposes.</li> <li>6. Limit investments in companies within the Global Industry Classification Standard (GICS) Integrated Oil &amp; Gas sector to below 5% of its total assets.</li> </ol>
<b>Methodologies for environmental or social characteristics</b>	<p>BlackRock has developed a highly automated compliance process to help ensure that the Sub-fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes monitoring of the environmental or social characteristics of the Sub-fund in accordance with the relevant methodology. BlackRock has developed a proprietary methodology for determining Sustainable Investments and the Fund uses a number of other methodologies to measure how the social or environmental characteristics promoted by the Fund are met.</p>
<b>Data sources and processing</b>	<p>The Investment Manager have access to research, data, tools, and analytics to integrate ESG insights into their investment process. ESG datasets are sourced from external third-party data providers. BlackRock applies a comprehensive due diligence process to evaluate provider offerings with highly targeted methodology reviews and coverage assessments based on the sustainable investment strategy of the product. Data, including ESG data, received through our existing interfaces, and then processed through a series of quality control and completeness checks which seeks to ensure that data is high-quality data before being made available for use downstream within BlackRock systems and applications. BlackRock strives to capture as much reported data from companies via 3rd party data providers as practicable, however, industry standards around disclosure frameworks are still evolving, particularly with respect to forward looking indicators. As a result, in certain cases we rely on estimated or proxy measures from data providers to cover our broad investible universe of issuers.</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, for the attainment of the environmental or social characteristics promoted by the Sub-fund.</p>
<b>Due Diligence</b>	<p>In order to qualify for initial investment, the 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>This section is not applicable, as the Sub-fund is not deploying an ESG engagement strategy for the attainment of the promoted environmental or social characteristics..</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>