

LUX IM – ESG VONTOBEL CLEAN TECHNOLOGY (“Sub-fund”)

Sustainability-related disclosures required for Article 9 funds under Regulation (EU) 2019/2088 of the European Parliament

Section	Disclosure
No significant harm to the sustainable investment objective	In order to ensure investments the Sub-fund makes do not cause significant harm to the sustainable investment objective, the Sub-fund implements a screening and an exclusion approach, takes into account all the mandatory indicators in Table 1 of Annex I of the Commission Delegated Regulation (EU) 2022/1288 for principal adverse impacts (“PAIs”) and ensures that the investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.
Sustainable investment objective of the financial product	The Sub-fund intends to invest in underlying investments that positively contribute to environmental challenges associated with climate change and the environment in general, targeting six core Impact Pillars: clean energy infrastructure, resource-efficient industry, clean water, building technology, low emission transportation and lifecycle management. The targeted companies provide products and services along the whole value chain, which tackle today’s pressing environmental problems i.e., environmental pollution, climate change, resource limitations and growing needs for water and wastewater infrastructure.
Investment strategy	<p>The investment objective of the Sub-fund is to provide capital growth over the long term through a diversified and flexible exposure to companies that operate in the green technology sector, and thus which offer technologies and solutions aiming to mitigate climate change and reduce air and water pollution. As a consequence, the asset allocation of the Sub-fund will follow a thematic approach by focusing on companies active in the following areas: green energy infrastructure; smart building technology, low emissions transportation; clean water solutions; resource-efficient industries; recycling.</p> <p>This strategy considers the following: (a) Negative screening; (b) Positive screening; (c) Sustainable investments according to Art. 2 (17) of Regulation (EU) 2019/2088 (“SFDR”); and (d) Environmentally sustainable investments in accordance with Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (“EU Taxonomy Regulation”).</p> <p>The investment manager will assess investee companies’ good governance practices with respect to sound management structures, employee relations, remuneration of staff and tax compliance, and by applying a severe controversies monitoring process. The Sub-fund excludes issuers that are (a) in violation with the norms and standards promoted by the Sub-fund or (b) involved in severe controversies, including those related to governance matters. The Sub-fund further intends to ensure good governance of the investee companies via active ownership.</p>
Proportion of investments	<p>The Sub-fund invests at least 80% of its net asset value in investments that qualify as sustainable investments under Article 2 (17) SFDR, being investments with an environmental objective, of which at least 5% are aligned with the EU Taxonomy.</p>  <p>#1 Sustainable covers sustainable investments with environmental or social objectives. #2 Not sustainable includes investments which do not qualify as sustainable investments</p> <p>To classify as sustainable investments, target issuers must have a positive contribution to at least one of the Impact Pillars, where the company must derive at least 20% of its revenues from economic activities that contribute to at least one of the Impact Pillars. A target issuer that passes such minimum thresholds is considered as sustainable in its entirety. Investments included under “#2 Not sustainable” relate only to either (i) derivatives used for hedging purpose or (ii) cash held as ancillary liquidity. Cash and derivatives held for hedging purposes, by their nature, cannot be subject to any minimum environmental or social safeguards.</p>
Monitoring of the sustainable investment objective	<p>In order to attain the sustainable investment objective, the eligibility of target issuers is assessed based on:</p> <ul style="list-style-type: none"> Negative screening - exclusion of target issuers that: (a) are involved in severe controversies according to the United Nations Global Compact, OECD guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, ILO guidelines, UN conventions; or (b) are involved in specific activities (according to specific thresholds applied to the revenues deriving from such activities), being at least: controversial and nuclear weapons; conventional weapons; adult entertainment; coal; unconventional oil and gas; tobacco; gambling; animal testing, fur, palm oil. Positive screening: Target issuers having complied with the negative screening are further assessed according to (a) percentage of company’s revenue derived from economic activities that contribute to at least one of the Impact Pillars; (b) Percentage of investments in sustainable investments, by Impact

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	Pillars; (c) Percentage of threshold investments in issuers with an ESG score, provided by a reputable external ESG data provider, below the minimum set for this Sub-fund.
Methodologies	<p>In order to attain the sustainable investment objective, the eligibility of target issuers is assessed based on the above-described negative screening and positive screening procedures (see 'Monitoring of the sustainable investment objective').</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>
Data sources and processing	<p>The investment manager of the Sub-fund is using internal research activity complemented with external research and data from specialised external providers or directly provided by the issuers.</p> <p>In order to ensure data quality, the Investment Manager:</p> <ul style="list-style-type: none"> – Regularly reviews data – Uses multiple data sources – May directly engage with the issuers when data gaps occur.
Limitations to methodologies and data	<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. There is no material effect on the attainment of the sustainable investment objective of the Sub-fund.</p>
Due Diligence	<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>
Engagement Policies	<p>The Investment Manager directly engages with the management of companies on relevant topics as part of the fundamental research activities. In particular, the Investment Manager carries out informal fact-finding engagements as part of our structured research process – either due to data gaps or to better understand a company's performance and policies. These engagements address material sustainability issues that are substantial with regard to our sustainable investment objective. Additionally, for areas flagged as key ESG risks, the Investment Manager seeks to understand the company's plans to manage and mitigate them. Through these consultations, the Investment Manager encourages companies to improve their risk management practices as well as impact and sustainability disclosures. Key engagement objectives are linked to the impact pillars of the Sub-fund.</p>
Attainment of the sustainable investment objective	<p>The Sub-Fund does not use a reference benchmark for the purpose of attaining the sustainable investment objective.</p>