

**LUX IM – VONTOBEL MILLENNIAL (“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>	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 (e.g. such as but not limited to climate change, clean energy, clean technology, gender equality, labour and human rights, bribery & corruption), in line with the Sub-fund’s defined environmental, social and governance (hereinafter “ESG”) investment strategy.
<b>Investment strategy</b>	<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, in the investment manager’s opinion, should profit from structural changes led by the millennials’ generation. As a consequence, the asset allocation of the Sub-fund will focus on the behavioural habits and attitudes of this generation and the resulting portfolio will be built around three core investments topics, being technology, lifestyle and sustainability.</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: exclusion of target issuers involved in controversial conduct and/or activities;</li> <li>▪ Positive Screening: investment in companies that contribute to the environmental and social objectives pursued by the Sub-fund.</li> <li>▪ Consideration of principal adverse impacts (PAI)</li> </ul> <p>Good governance practices are assessed for each target issuer during the investment due diligence process as well as when the target issuers’ investments will be held by the Sub-fund. Processes with respect to general governance considerations, compliance with social and labour standards, tax considerations and compensation schemes are assessed. The assessments are based on the Investment manager’s proprietary ESG analysis and additionally by applying a severe controversies monitoring process.</p>
<b>Proportion of investments</b>	<p>The Sub-fund invests a minimum of 51% of its net assets to investments that are aligned to the promoted environmental and social characteristics.</p> <div data-bbox="879 1587 1526 1857" data-label="Diagram"> <pre> graph LR     A[Investments] --- B["#1 Aligned with E/S characteristics Min 51%"]     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 and may be used within the Sub-fund’s investment objective of capital growth over the long term. No minimum environmental or social safeguards are applied to these investments.</p>
<b>Monitoring of environmental or social characteristics</b>	<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"> <li>▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; coal; tobacco; gambling; extraction of coal and oil sands, fracking)</li> <li>▪ Positive Screening (bottom-up approach based on a minimum ESG rating)</li> <li>▪ PAI consideration (Active Fossil Fuel Sector Exposure, Exposure to Controversial Weapons, Compliance to UN Global Compact)</li> </ul>
<b>Methodologies for environmental or social characteristics</b>	<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>
<b>Data sources and processing</b>	The Investment Manager leverages ESG data from various external data providers. The Investment Manager may make reasonable estimates, when data is lacking. Additionally, third party ESG data provider may use estimates

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	themselves. In order to ensure data quality, the Investment Manager regularly reviews data; uses multiple data sources.
<b>Limitations to methodologies and data</b>	The limitations to methodologies and data may refer to the incomplete or inaccurate data. 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. However, such limitations are not deemed material in terms of effect on the attainment of the environmental or social characteristics promoted by the Sub-fund.
<b>Due Diligence</b>	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
<b>Engagement Policies</b>	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.
<b>Designated reference benchmark</b>	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.