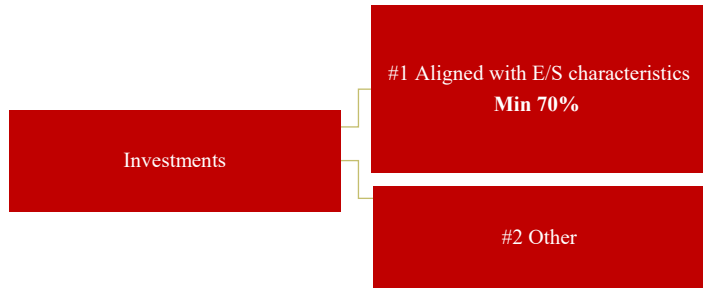


LUX IM – EURO ENHANCED CASH (“Sub-fund”)

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
No sustainable investment objective	The Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investment.
Environmental or social characteristics of the financial product	The Sub-fund invests in securities of issuers that contribute to the Sub-fund’s promoted environmental and social characteristics (such as but not limited to the environmental policy adopted by the target issuers; the resource efficiency; human rights; human capital development; community engagement) in line with the Sub-fund’s defined environmental, social and governance (hereinafter “ESG”) investment strategy.
Investment strategy	<p>The Sub-fund aims to generate a moderate capital appreciation while limiting drawdowns and volatility respectively in case of negative performance and/or high sensitivity of the markets in accordance with the investment policy described below.</p> <p>In order to achieve its investment objective, the Sub-fund (i) may invest directly up to 100% of its net asset in transferable debt securities issued by Governments, sovereign/supranational entities (the “Funding Investments”); and (ii) will enter into total return swaps transactions (the “Swap Transaction”) in order to exchange the economic performance of its Funding Investments against payment of a floating rate received from the Swap Transaction’s counterparty and having similar characteristics -in terms of tenor and performance- as a monetary rate.</p> <p>The Funding Investments will be essentially comprised of debt securities issued by European Government and having at the time of their acquisition an initial or residual maturity above 18 months. As a general rule, the sub-fund may invest up to 100% of its net asset through its Funding Investments in debt securities issued by the Italian Government. Unrated debt securities may represent up to 10% of its net assets. Investments in distressed or defaulted debt securities (i.e. rated below CCC-) are not authorized. The Sub-fund may hold distressed or defaulted debt securities as a result of a downgrade of their issuers up to 5 % of its net assets. Distressed/defaulted securities will be sold as soon as possible, under normal market circumstances, and in the best interest of shareholders.</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"> ▪ Negative screening: exclusion of target issuers involved in controversial conduct and/or activities; ▪ Positive screening: investment in companies that contribute to the environmental and social objectives pursued by the Sub-fund. ▪ Consideration of principal adverse impacts (PAI) <p>Good governance practices are assessed for each target investment during the investment due diligence as well as when the target investments will be held by the Sub-fund through the consideration of the ESG rating system which assess the good governance practices of each issuer.</p>
Proportion of investments	<p>The Sub-fund is expected to dedicate a minimum of 70% 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 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 appreciation. Minimum environmental and social safeguards are applied to all direct investments in transferable securities through the implementation of the Negative Screening.</p>  <pre> graph LR A[Investments] --- B["#1 Aligned with E/S characteristics Min 70%"] A --- C["#2 Other"] </pre>

Section	Disclosure
Monitoring of environmental or social characteristics	<p>The ESG analysis of the target issuers benefit from the appointment of an external data provider which leverage internal research activity complemented with external research and data provided by reputable external ESG data providers, and encompasses the following binding elements:</p> <ul style="list-style-type: none"> ▪ Negative screening (severe controversies and specific activities, e.g. controversial and nuclear weapons; conventional weapons; adult entertainment; coal; tobacco; gambling; oil sands and oil shale) ▪ Positive screening (minimum ESG score for each target issuer) ▪ PAI consideration (PAI number 10; PAI number 14; PAI number 15; PAI number 16)
Methodologies for environmental or social characteristics	<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>
Data sources and processing	<p>The Investment Manager is supported by an external data provider that has defined a proprietary ESG scoring system considering various sustainability factors to prepare an ESG score per target issuer. The external data provider leverages internal research activity complemented with external research and data provided by reputable external ESG data providers or directly from the issuers.</p>
Limitations to methodologies and data	<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>
Due Diligence	<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>
Engagement Policies	<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>
Designated reference benchmark	<p>No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.</p>