

Sustainability related disclosure for the

Nordlux ESG Aktien Global Fund

Valid as of 01.01.2023

Summary

With the **Nordlux ESG Aktien Global Fund**, where we act as investment manager for the capital management company LRI Invest, we are expanding our range of products to include a pure equity product for our clients who want to participate in the developments of the equity market as well as additionally attach importance to the consideration of material adverse effects on sustainability factors such as social, environmental and corporate governance, which are also taken into account in our investment process.

With regard to sustainability criteria, we rely primarily on data from the recognized ESG data provider imug Beratungsgesellschaft mbH. The selection process for creating the investable sustainability universe is developed and implemented in cooperation with this data provider.

Zero tolerance policy for controversial sales in the business areas:

- Production and sale of alcoholic products;
- Tolerating/performing animal testing;
- The use of certain harmful chemicals in their products (e.g. arsenic, asbestos, cadmium, etc.);
- The manufacture and sale of handguns;
- The burning of coal and/or other fossil fuels for electricity;
- The gambling industry;
- The manufacture or use of genetically modified food;
- Being guilty of usury;
- Belonging to the defence industry;
- Producing nuclear energy;
- Producing or making available pornographic content;
- Engaging in reproductive medicine;
- Extracting fuel from oil sands and/or oil shale; and
- The manufacture or sale of tobacco products.

The requirements of the UN Global Compact are also applied in the fund. The UNGC is the world's largest initiative on sustainability and comprises 10 principles that are assigned to the following 4 core areas:

- Human rights
- Labour law
- Environment
- Anti-corruption

After these initial selection steps, all remaining companies are subjected to a best-in-class test to ensure that only the stocks with the best ESG score in their sector are included in the fund portfolio. In this process, only those companies are selected from the investment universe available after application of the exclusion criteria that also provide the better sustainability performance within their industry, i.e. that set particularly high standards in environmental, social and ethical terms. The companies identified are not necessarily sustainable companies in the narrower (i.e. absolute) sense, but those that can demonstrate above-average sustainability activities compared with their industries/competitors. In combination of this best-in-class

approach with the exclusion criteria listed above, a minimum standard of sustainability can be guaranteed at the same time.

No sustainable investment objective:

Environmental and social features are advertised with this financial product, but no sustainable investments are made.

Environmental and social features of the financial product:

The financial product advertises the following environmental and social features:

No investments are made in companies that, based on the quarterly updated screening on the part of imug Beratungsgesellschaft mbH, have shares of sales in one of the following business areas classified as controversial (zero tolerance policy):

- Production and sale of alcoholic products;
- The toleration/performance of animal testing;
- The use of certain harmful chemicals in their products (e.g. arsenic, asbestos, cadmium, etc.);
- The manufacture and sale of handguns;
- The burning of coal and/or other fossil fuels for electricity;
- The gambling industry;
- The manufacture or use of genetically modified food;
- Being guilty of usury;
- Belonging to the defence industry;
- Producing nuclear energy;
- Producing or making available pornographic content;
- Engaging in reproductive medicine;
- Extracting fuel from oil sands and/or oil shale; and
- The manufacture or sale of tobacco products.

Furthermore, companies that violate international standards and codes of conduct (UN Global Compact) are excluded.

All other companies are then subjected to a best-in-class test to ensure that only those stocks with the best ESG score in their sector are included in the fund portfolio. In this process, only those companies are selected from the investment universe available after application of the exclusion criteria that perform better in terms of sustainability within their sector, i.e. that set particularly high standards in environmental, social and ethical terms. The companies identified are not necessarily sustainable companies in the narrower (i.e. absolute) sense, but rather those that can demonstrate above-average sustainability activities compared with their industries/competitors. The assessment of the sustainability performance of individual companies is based on several areas of investigation, including for example: Environment, Human Rights, Human Resources, Community Involvement, Governance and Business Behaviour. These are activated and weighted on an industry-specific basis as part of the best-in-class approach. This results in an ESG score (rating) of between 0 (worst rating) and 100 (best rating) for each company. The best-in-class approach selects only those companies that perform better in terms of sustainability than their competitors. Specifically, this means that there is an exclusion of companies that are below the median score within their industry.

Investment Strategy:

The objective of the investment policy is to achieve a capital gain in euros in line with market conditions and the selected investment policy, with sustainability factors being taken into account in the selection of securities. To this end, only assets that are expected to generate income or growth are to be acquired. The subfund is actively managed. The fund management is free to decide on the portfolio composition, while complying with the investment objectives set for the subfund and the respective investment policy. The subfund is not managed using an index (benchmark) as a reference basis. In order to achieve this investment objective, at least 51% of the sub-fund's assets shall be invested, in accordance with the principle of risk diversification, in equities whose issuers and or whose use of funds comply with sustainability or take account of sustainable thinking. Within this framework, a large proportion of the sub-fund's assets shall be invested in global equities, including second-line stocks.

At least 51% of the subfund's assets (the amount of the assets is determined by the value of the subfund's assets without taking liabilities into account) shall be invested in equity investments that can be acquired for the subfund in accordance with these investment conditions (equity funds). The actual equity investment ratios of target investment funds may be taken into account.

The sustainability factors to be considered are the environmental and social characteristics, which can be found in the previous section.

Finally, a screening of all stocks left as investable is done based on fundamental data to take into account the economic aspect as well.

Allocation of investments:

Each investment must be consistent with the promotion of environmental and/or social characteristics. A remaining part can be related to liquidity and money market instruments held exclusively for hedging purposes.

Monitoring of environmental and social characteristics:

The fund references the data base of the selected ESG data provider with which the corresponding sustainability concept was developed. Monitoring is ensured by a quarterly updated screening of the data universe, as well as regular discussions with the data provider to further develop the concept.

Methodology:

The analysis of company data is based on the many years of experience in the field of sustainability of imug Beratungsgesellschaft mbH. This data is compiled and evaluated in detailed reports. Afterwards, the individual data is aggregated into 6 domains, which then flow together into the three headings Environment, Social and Governance. This then results in an overall ESG score, which is set in relation to the corresponding corporate sector (best-in-class model). Only companies at or above the median of their sector are eligible for investment. In addition, there is a screening for compliance with the UN Global Compact and the exclusion of the above-mentioned controversial business areas if a company has more than 0% sales in one of them.

Finally, a screening of all stocks left as investable is done based on fundamental data to take the economic aspect into account as well.

Data sources and processing:

Data collection is based on publicly available data from the companies and the research services of imug Beratungsgesellschaft mbH. In the analysis applied to the fund, 61 criteria are examined and evaluated. The 62nd criterion is the sector median, which can shift continuously and is calculated by imug.

Limitation in terms of data and methods:

Despite the large analysis universe of imug Beratungsgesellschaft mbH, not all globally listed public companies can currently be considered in the screening, therefore the sector median always applies only to the referenced total quantity of companies in the analysis universe. No guarantee can be given for the accuracy and completeness of the data provided. Likewise, not for the case of any disruptions in data transmission on the part of the research service provider.

Due Diligence:

In order to comply with the described investment process, the screening of sustainability factors and the fundamental screening based on them is renewed once a quarter. Securities that are included in the portfolio but are no longer classified as sufficiently sustainable must be sold in a manner that protects the interests of the portfolio. Likewise, new investments are only ever selected from the currently valid and investable universe.

The investment process and sustainability criteria are continuously reviewed and updated as necessary.

Participation Policy:

There is no active participation policy.

Determined reference value:

No index has been determined as the benchmark for this sub-fund.

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Explanation of changes:

In accordance with the requirements of the applicable as of 01.01.2023.

Delegated Regulation (EU) 2022/1288 of 06.04.2022.