

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** NSF SICAV Wealth Defender  
Global Equity Fund

**Legal entity identifier:** 221003HPSBUY38UDG48

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: \_\_\_\_%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: \_\_\_\_%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

1. The negative impact of the Principal Adverse Impact ("PAI") on sustainability factors is taken into consideration as an integrated part of the investment process.
2. The Sub-fund promotes certain minimal environmental and social standards and therefore applies exclusion criteria with regards to products (including controversial weapons, civilian arms and material thermal coal extraction) and business practices that Nevastar Finance believes are detrimental to society and incompatible with strategies promoting E/S characteristics as per its

policy on good governance practices of the investee companies set forth in this disclosure.

3. The Sub-fund has a similar or better weighted average ESG rating than a broad market reference index, represented by the Morningstar Global Markets Index. More information on the ESG rating methodology can be found at <https://www.nevostar.lu>.

#### Sustainability indicators

measure how the environmental or social characteristics promoted by the financial product are attained.

#### ● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

1. To measure the attainment of the environmental or social characteristics, the investment manager will use Principal Adverse Impact indicators on climate-, other environmental and social matters to the extent that relevant data is available.
2. % of holdings exposed to products and business practices that Nevastar Finance believes are detrimental to society and incompatible with strategies promoting E/S characteristics.
3. The Sub-Fund's weighted-average ESG rating.

#### ● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Yes, Nevastar Finance assesses the negative consequences of their investment decisions as indicated by PAI indicators as part of the portfolio management process. Specific PAI indicators are subject to data availability and may evolve with improving data quality and availability.

Information on principal adverse impact factors on sustainability and governance will be made available in the annual report referred to in Article 69 of Directive 2009/65/EC pursuant to Article 11(2) of Regulation (EU) 2019/2088.

No



## What investment strategy does this financial product follow?

ESG is integrated into the investment strategy by (1) excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations and (2) by aiming for the Sub-fund to have a similar or better weighted average ESG rating than its broad market reference index.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

1. The Sub-fund's portfolio complies with Nevastar Finance's Exclusion Policy that is based on exclusion criteria with regards to products (including controversial weapons, civilian arms and material thermal coal extraction) and business practices that Nevastar Finance believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Sub-fund has 0% exposure to excluded securities. The Investment Manager will follow a stock picking approach, analysing the fundamentals, valuation and liquidity of the equity securities within the investment universe employing both qualitative and quantitative techniques.
2. The Sub-fund's weighted average ESG rating should be similar or better than its broad market reference index. This means that ESG ratings and PAI indicators are taken into consideration as an integrated part of the investment process.

The Investment Manager establishes an ESG rating per equity security based on information sourced from known ESG data providers. The Investment Manager establishes this rating based on the following criteria:

- Environmental: climate risk, resource efficiency, emissions;
- Social: human capital management, health and safety, supply chain; and
- Governance: remuneration, independent board of directors, audit, shareholder rights, diversity, entrenchment, overboarding.

Based on the rating determined for each of the environmental, social and governance categories, a global ESG rating is then calculated at stock level by agglomerating the aforementioned ratings.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

The Sub-Fund does not have a committed minimum rate to reduce the scope of investments however, its investment universe is naturally reduced on the basis of the binding elements as set out above.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

● **What is the policy to assess good governance practices of the investee companies?**

Nevastar Finance's policy incorporates requirements amongst other with regards to sound management structures, employee relations, remuneration of staff and tax compliance. To that respect, companies that are non-compliant of the 3rd or 10th principle of the UN Global Compact and/or with severe governance-related controversies (ie. rated 5 out of 5) are excluded from the initial investment universe for Article 8 and 9 products. Non-compliance to other principles of the UN Global Compact will be scrutinised as part of the investment process. Companies should also have at least one independent board member on their Supervisory Board and published unqualified audited financial statements and reports.



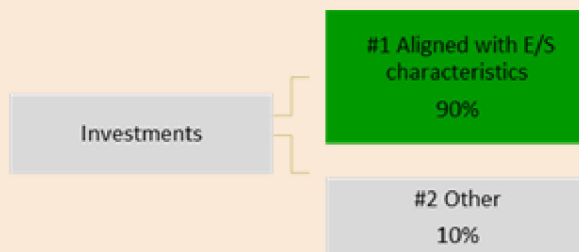
**What is the asset allocation planned for this financial product?**

**Asset allocation** describes the share of investments in specific assets.

Nevastar Finance will invest a minimum of 90% of the Sub-Fund's holdings in investments meeting the environmental or social characteristics promoted, in accordance with the binding elements of the financial product. In addition to the environmental or social characteristics promoted, the Sub-Fund may invest up to 10% of its holdings in financial derivative instruments as well as deposits at sight and as other instruments.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The Sub-Fund will not use derivatives to attain the environmental or social characteristics of the Sub-Fund.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>12</sup>?**



Yes:



In fossil gas



In nuclear energy



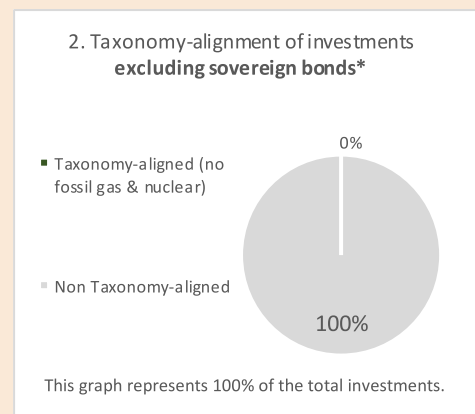
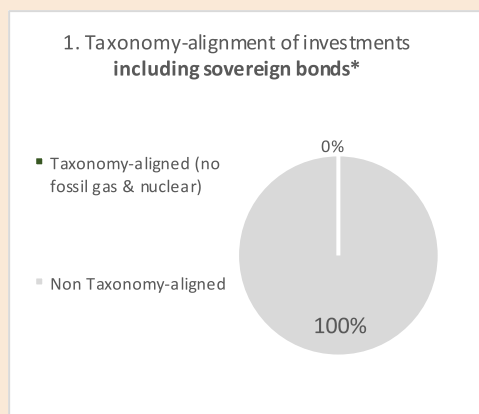
No

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

<sup>11</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable.



- What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



- What is the minimum share of socially sustainable investments?**

Not applicable.



- What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Financial derivative instruments such as, but not limited to, currency forward contracts, as well as option contracts in order to hedge the assets held in currency, which may be held for hedging purposes as well as deposits at sight for ancillary liquidity purposes. There are no minimum environmental or social safeguards applied to these investments. This category may also include securities for which relevant data is not available.



- Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes).

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



- Where can I find more product specific information online?**

More product-specific information can be found on [www.nevostar.lu/sustainabilitypolicy](http://www.nevostar.lu/sustainabilitypolicy)