APPENDIX H - ELEVA GLOBAL MULTI OPPORTUNITIES FUND

Template 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:
ELEVA Global Multi Opportunities Fund

Legal entity identifier (LEI):
213800JT1R1Q3JT1UV57

Environmental and/or social characteristics

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 not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments 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?

ELEVA GLOBAL MULTI OPPORTUNITIES FUND (the "**Sub-Fund**") promotes a combination of environmental, social and governance ("**ESG**") characteristics. This Sub-Fund integrates binding ESG criteria in its investment management process. The main non-financial objective of ELEVA Global Multi Opportunities Fund is to invest in companies, sovereign, quasi-sovereign and supra-national issuers with good ESG practices (*i.e.* best in universe) or that are on an improving path regarding ESG practices (*i.e.* best efforts) while excluding companies that would not have a minimum absolute ESG score. The Sub-Fund also seeks to help companies, when deemed necessary by the investment team, to improve their

ESG practices by engaging in dialogue with them on a regular basis and by sharing with them areas of improvement on specific ESG topics.

The Sub-Fund seeks to invest in companies having a good behaviour towards their key stakeholders (Shareholders, Employees, Suppliers, Civil Society and the Planet). For instance, the Sub-Fund seeks to invest in companies with good corporate governance practices (e.g. Boards with gender and cognitive diversity and a sufficient level of independence), with good environmental and social practices (e.g. signatories of the UN Global Compact) and implementing carbon reduction measures (e.g. the Sub-Fund has an ESG KPI on carbon footprint).

The Sub-Fund is actively managed with no reference to a benchmark.

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?

The sustainability indicators used by the Sub-Fund are (1) ESG scoring and (2) two Principal Adverse sustainability Indicators (PAI) – carbon footprint (Scope 1+2+3), and exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises – as further explained below.

1. ESG Score

The ESG score will be available for at least 90% (in weight) of the long invested pocket (*i.e.* equities, corporate and sovereign bonds, long single name FDIs, money market instruments). The 10% tolerance (companies/assets with no ESG score) will be, but not exclusively, used for, among others, IPOs. Other instruments and products such as index FDIs, UCITS and Other UCIs, or equity basket swaps, are excluded from the calculation perimeter. The section below presents the approach declined by asset class eligible to ESG scoring.

1.1. Long equity and listed corporate bonds issuers

For its equity pocket, and listed corporate bond issuers, the sustainability indicator used in the context of the non-financial part of the process is the ESG scoring (*i.e.* an ESG score established internally by the Management Company) and, where the proprietary ESG scoring is not available and/or the investee companies are incorporated outside of Europe, an ESG score from a single external data provider.

The Management Company indeed uses a proprietary tool to internally analyse and score the companies on ESG criteria from 0 (worst score) to 100 (best score). The analysed ESG criteria include, among others:

- Shareholders (i.e. Governance criteria): quality of management team (track record, alignment of interest with shareholders, etc.), quality of the board of directors (board efficiency, gender diversity, checks and balances, etc.), quality of the relationship with shareholders (quality of risk management and controls, financial communication, respect of minority shareholders, etc.);
- Employees (i.e. Social criteria): quality of human resources ("**HR**") management (HR policies, management of human capital, gender pay gap, etc.), employer brand equity (reputation as an employer, etc.), employees retention (employee training, turnover, etc.), safety & security (policy on accident prevention, history of accidents and risk management, etc.);
- Suppliers (i.e. a combination of Environmental, Social and Governance criteria): level of risk in the supply chain (complexity of supply chain, disruption risks, etc.), supply chain risk management and control (controls, audits, engagement on Corporate Social Responsibility issues, etc.);
- Civil Society (i.e. a combination of Social and Governance criteria): customers (products quality, customer satisfaction, etc.), state (fiscal behaviour, business ethics, process to monitor the compliance with UN Global Compact principles etc.), local communities (philanthropic approach, etc.);
- Planet (i.e. Environmental criteria): climate change (risks and policies, targets on carbon emissions reduction, performance on GHG emissions and intensity), energy management (risks and policies, share of non-renewable energy

consumption/production, targets, performance on energy consumption), water (risks and policies, targets, performance), biodiversity and other (risks and policies, targets, performance), environmental impact of products (taxonomy-aligned products, exposure to fossil fuels, eco-design, circular economy etc.).

The scoring methodology includes penalties for controversies, if any.

1.2. Long Private corporate bond and Sovereign issuers

For private corporate bond issuers, sovereign, quasi-sovereigns and supra-national issuers, the Management Company can use a single external data provider identical to that for the equities and scores the companies on ESG criteria from 0 (worst score) to 100 (best score). The scoring methodology includes penalties for controversies, if any. Countries on the GAFI "black list" are excluded. The case of listed corporate bond issuers is covered above.

1.3. Short invested pocket

Corporate issuers in the short invested pocket are analysed and scored on ESG criteria using either an ESG score established internally by the Management Company and, where not available, an ESG score from a single external data provider. The Sub-Fund does not short any company with excellent ESG practices (*i.e.* with an ESG score >80/100).

2. ESG key performance indicators

The long invested pocket of the Sub-Fund must also show a better performance than its initial investment universe on two Principal Adverse sustainability Indicators (PAI):

- carbon footprint (in tons of CO2 equivalent/million euros invested, covering Scope 1+2+3); and
- exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (sum of the weights).

The invested equities, corporate bonds, long corporate single name FDIs, corporate money market instruments are in scope. The Sovereign issuers, and other instruments and products such as index FDIs, UCITS and Other UCIs, or equity basket swaps, are excluded from the calculation perimeter.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

Not applicable.

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.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable.

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.

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?

- [x] Yes
- [ ] No

For long equity and listed corporate bond issuers, the Sub-Fund takes into consideration the 14 principal adverse impact indicators applicable to investee companies and 2 optional ones (investments in companies without carbon emission reduction initiatives and investment in companies without workplace accident prevention policies).

- PAI 2, 10, 11 and 14 are taken into consideration in a quantitative way, with maximum exposure or thresholds in place (through Strict Exclusion or through the binding ESG key performance indicators described above).
- PAI 1, 3, 4, 5, 6, 13 and the 2 optional ones are taken into consideration in a qualitative way, mainly through the criteria analysed during the ESG analysis.
- PAI 7, 8, 9, 12 are only taken into consideration when the data is available (available data for these PAI is scarce). However, engagement on these topics may be conducted with companies to help improve disclosure.

For long non-European corporate issuers and private corporate bond issuers, the PAI indicators are taken into consideration in a qualitative way when the data is available. Engagement on these topics may be conducted with companies to help improve disclosure too.

For long Sovereign issuers, the two Sovereign PAI indicators (GHG Intensity of investee countries and Number of investee countries subject to social violations) are taken into consideration in a qualitative way when the data is available.

The information on principal adverse impacts will be available in the annual report of ELEVA UCITS FUND.

What investment strategy does this financial product follow?

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

The Sub-Fund implements several sustainable approaches under steps 2 and 3, as defined by the Global Sustainable Investment Alliance: exclusionary screening, norm-based screening, positive ESG screening (*i.e.* "best in universe" or "best efforts").

The weighted average ESG score of the ELEVA Global Multi Opportunities Fund long pocket has to be higher (*i.e.* better) than the average ESG score of its initial investment universe.

The weight of issuers analysed and scored on ESG criteria must be higher than 90% of the invested pocket (*i.e.* equities, corporate and sovereign bonds, long single name FDIs, money market instruments). The 10% tolerance (companies/assets with no ESG score) will be, but not exclusively, used for, among others, IPOs. Other instruments and products such as index FDIs, UCITS and Other UCIs, or equity basket swaps, are excluded from the calculation perimeter.

The Sub-Fund's investment process for listed issuers (including equities and corporate bonds) **counts 3 steps** being based on a combination of non-financial and financial criteria.

Step 1/ From a broad universe made of all companies (all market capitalisations, all sectors) worldwide, the Sub-Fund focuses on companies meeting the following financial criterion:

- Minimum market cap is set at 1 billion USD unless that company has a strong balance sheet and a sufficient revenue growth.

This defines the so-called initial investment universe (in order to compare the Sub-Fund with its investment universe on ESG criteria).

The Sub-Fund may, on an ancillary basis, invest in and/or be exposed to other asset classes and in particular bonds issued by non-listed issuers.

Step 2/ Strict Exclusion: the Management Company excludes companies from the initial investment universe which have significant negative impacts on specific ESG factors.

Step 3/ Fundamental analysis: the Management Company does a fundamental analysis of each company which is considered for investment on financial criteria. The Management Company also performs an analysis on non-financial criteria. In case of timing constraints, the analysis on non-financial criteria can be conducted post-investment in compliance with the ESG coverage constraints of the Sub-Fund. And, for non-European and private corporate bond issuers, an ESG score from a single external data provider is used.

The Sub-Fund's strategy in relation to the ESG characteristics is integral part of the Sub-Fund's investment strategy, which is continuously monitored via the risk control and related systems in place. In addition to ongoing monitoring, pre-trade controls are also performed.

- ***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. Corporate issuers and corporate single name underlying:

  The Sub-Fund excludes companies from the initial investment universe which have significant negative impacts on specific ESG factors as follows:

  Companies having violated the UN Global Compact, UN Guiding Principles, ILO convention and OECD guidelines for multinational enterprises; involved in extremely severe controversies; exposed to controversial weapons, nuclear weapons, tobacco, palm oil, and thermal coal.

  For more information on the criteria and applicable thresholds, please refer to the ESG Policy and the Coal Policy, available on the ELEVA Capital website: https://www.elevacapital.com/en/our-responsible-approach#approach.

  The main non-financial objective of the Sub-Fund is to invest in companies with good ESG practices (*i.e.* best in universe) or companies that are on an improving path regarding ESG practices (*i.e.* best efforts) while excluding companies that would not have a minimum absolute ESG score (40/100). An adjusted minimum ESG score of 30/100 applies to companies incorporated in non-OECD countries.

  The long invested pocket of the Sub-Fund must also show a better performance than its initial investment universe on two Principal Adverse sustainability Indicators (PAI):

  - carbon footprint (in tons of CO2 equivalent/million euros invested, covering Scope 1+2+3); and
  - exposure to companies without processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises (sum of the weights).

At the same time, the Sub-Fund does not short any company with excellent ESG practices (*i.e.* with an ESG score > 80/100). The exclusion policy also applies to the short invested equities.

2. Sovereign issuers and sovereign single name underlying:
The 40/100 minimum ESG score also applies to the sovereign, quasi-sovereigns and supra-national issuers and sovereign single name underlying. Countries on the GAFI "black list" are excluded

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

The minimum ESG scores apply on a long basis to corporate and sovereign issuers and single name underlying. In the event that a corporate, sovereign issuer or single name underlying sees its ESG score drop below the minimum required by the Management Company for ELEVA Global Multi Opportunities Fund, the position on the company will be sold no later than 3 months after the score has been downgraded in the best interest of the Shareholders.

The weighted average ESG score of the Sub-Fund long pocket has to be higher (*i.e.* better) than the average ESG score of its initial investment universe. Equities, bonds, long single name FDIs, money market instruments are in scope. Other instruments and products such as index FDIs, UCITS and Other UCIs, or equity basket swaps, are excluded from the calculation perimeter.

The Sub-Fund cannot take any short equity position in companies with excellent ESG practices (*i.e.* with an ESG score > 80/100). In the event that a company sees its ESG score go above the maximum required by the Management Company for ELEVA Global Multi Opportunities Fund (*i.e.* 80/100 score), the short position on the company will be closed no later than 3 months after the score has been upgraded, in the best interest of the Shareholders.

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

Assessing company's governance practices is an integral part of the Management Company proprietary ESG Scoring methodology (see the answer to question "*What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?*"). Governance criteria (essentially located in the pillars Shareholders and Civil society) account for 30% to 40% of the ESG score, depending on a company's sector. Where the proprietary ESG scoring is not available and/or the investee companies are incorporated outside of Europe, the ESG score from a single external data provider also considers governance practices.

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

What is the asset allocation planned for this financial product?

#1 Aligned with E/S characteristics: the Sub-Fund invests **at least 51%** of its net assets that have been determined as "eligible" as per the ESG process in place (hence in investments that are aligned with the promoted environmental and social characteristics). For the sake of clarity, the minimum of 51% will be calculated as the sum of all ESG-scored outstandings divided by the net asset value of the Sub-Fund.

Asset allocation describes the share of investments in specific assets.

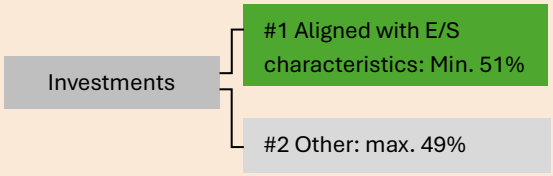
#2 Other: As a result, up to 49% of the Sub-Fund investments may not be aligned with the E/S characteristics.

*For more information regarding the investment categorised as "**#2 Other**" (i.e. notably the aim of their use and the safeguards in place), please refer to the element available under the question "What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?"*

A more detailed description of the specific asset allocation of this Sub-Fund can be found in the prospectus of this financial product.

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?

FDIs may be used to achieve exposure to underlying securities in line with the investment policy on both a long and short basis. Single name FDIs can be used to attain the environmental or social characteristics promoted by the Sub-Fund, in the sense that they are included in the scope of several ESG binding elements as presented above.

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.

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[34]?

☐ Yes :

☐ In fossil gas ☐ In nuclear energy

☒ No

[34] 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.

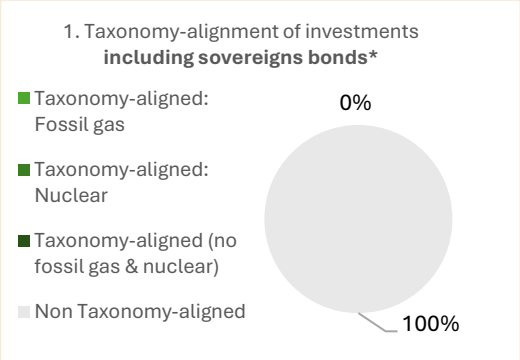
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

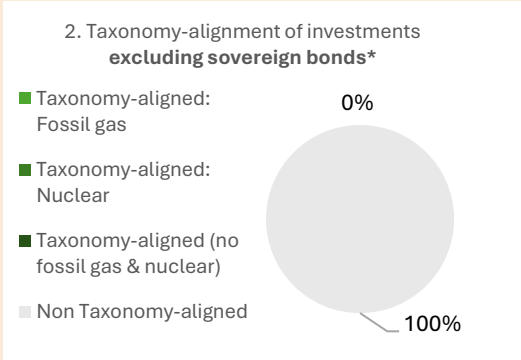
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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.*

This graph represents 100% of the total investments.





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

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?
The Sub-Fund might invest, in aggregate, up to 49% of the Sub-Fund's Net Asset Value in:

1. cash and cash equivalent;
2. financial derivatives instruments (index as underlying);
3. companies with no ESG score;
4. UCITS and Other UCIs; or, among others,
5. equity basket swaps.

For the sake of clarity, the above-mentioned investment, in aggregate, will never exceed the total of 49% aforementioned.

The investments indicated in n. 1, 2, 4 and 5 may be held for technical purposes and/or on a temporary basis. The investments indicated in n. 3 are held for investment purposes to provide investors with a wider range of opportunities.

The Sub-Fund does not consider any minimum environmental or social safeguards on these remaining investments "#2 Other".

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

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? Not applicable.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***
  Not applicable.
- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***
  Not applicable.
- ***How does the designated index differ from a relevant broad market index?***
  Not applicable.
- ***Where can the methodology used for the calculation of the designated index be found?***
  Not applicable.

Where can I find more product specific information online?
More product-specific information can be found on the website:
https://www.elevacapital.com/en/our-responsible-approach ; and
https://www.elevacapital.com/lu/funds/eleva-global-multi-opportunities