

Website disclosure of product that promote environmental and/or social (the “E/S”) characteristics

according to art. 10 of Regulation (EU) 2019/2088 (the “SFDR”)

(LF) FUND OF FUNDS – NEXT GEN FOCUS

This sub-fund promotes E/S characteristics and qualifies as financial product in accordance with article 8(1) of SFDR

Legal entity identifier: 213800VBMFPJQOJJJ983

No sustainable investment objective

(LF) FUND OF FUNDS – NEXT GEN FOCUS (the “Sub-Fund” or the financial product) promotes E/S characteristics and while it does not have as its objective sustainable investment, it will invest a minimum of 25% of its net assets aligned with the E/S characteristics promoted by the Sub-Fund in sustainable investments, as defined under SFDR. Of this allocation, at least 10% will be in investments with an environmental objective (not aligned with the EU Taxonomy) and at least 5% in investments with a social objective.

Environmental or social characteristics of the financial product

The Sub-Fund’s investment strategy combines total return with equal focus on environmental, social and governance (the “ESG”) factors, ensuring a tilt to responsible investing. To achieve this, the Sub-Fund will follow a flexible allocation strategy and invest at least 80% of its net assets in underlying funds that meet the ESG factors promoted.

The E/S characteristics promoted include:

1. A lower fossil fuel involvement as a contribution to save Earth from global warming;
2. A positive contribution to the disruption of proliferation of controversial weapons;
3. Adherence to and conducting business activities in accordance with the United Nations Global Compact (UNGC) and/or the OECD Guidelines for Multinational Enterprises.

To measure the achievement of E/S characteristics described above particularly 1 & 2, the Sub-Fund will make ex-post comparisons with the indices selected for such purpose only, namely “MSCI All Country World index” and/or “Morningstar Global TME Index”. However, the Sub-Fund is actively managed and does not replicate any index for the purpose of attaining the promoted E/S characteristics. The Sub-Fund also promotes alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the application of exclusion criteria and the monitoring of principal adverse indicators (PAIs), including those relating to controversial weapons, where relevant.

Investment strategy

The Sub-Fund follows a flexible allocation strategy with ESG integration. As such, it may differentiate its risk profile under different market conditions by changing the percentage of assets invested in equity and/or fixed income UCITS.

The Sub-Fund’s investment process is based on E/S integration at fund selection, primarily when investing in underlying funds that have a pure equity, fixed income/bond or flexible allocation strategies. The process of fund selection involves:

1. Creation of relevant sub-universes of funds, i.e Global Equities, Thematics, Aggregate Bonds, etc.
2. From each sub-universe, create investment lists with the best 60% of “Portfolio Corporate Sustainability Score” provided by Morningstar.
3. Rank each investment list with the in-house evaluation process.

Each target fund selected from these investment lists is weighted with the help of the internal fund selection and evaluation process that also considers ESG/sustainability scores from Sustainalytics as provided by Morningstar. When allocation in fixed-income UCITS is deemed necessary as part of the flexibility clause, Eurobank Asset Management Mutual Fund Management Company Single Member S.A. (the “Investment Manager”) will use mainly “Article 8” and “Article 9” SFDR UCITS funds with well demonstrated E/S

characteristics. The latter may not apply when selecting money market instruments and/or other short-term liquidity UCITS.

More specifically, the overall investment strategy followed by the Sub-Fund is bound by the following elements:

1. Exclusion criteria as per the Investment Manager's Responsible Investment Policy: only 20% of the net assets of the Sub-Fund may fail to meet such exclusion criteria.
2. The Sub-Fund's investments in each equity or fixed income underlying funds which are not categorised as either "Article 8" or "Article 9" SFDR UCITS may not exceed 5% of its net assets.
3. The Sub-Fund invests only in underlying funds that rank on the top 60% of the "Portfolio Corporate Sustainability Score", within their assigned peer group:
 - a. Underlying funds that have a pure equity strategy are divided into peer groups for equity (global, thematic, US/North America, Europe etc.), fixed income (corporate, aggregate), and flexible allocation (one group);
 - b. Underlying funds that have a fixed/income or bond strategy are divided among 2 groups: aggregate, corporate;
 - c. Underlying funds that have a flexible allocation strategy (one single group).
4. The Sub-Fund's percentage of net assets with severe controversies may not exceed 1% (weighted average of underlying funds' percent of AUM with "Severe Controversies" as measured by Morningstar).
5. The Sub-Fund's relevant Morningstar "Sustainability Rating" is aimed to be at least "above average".
6. The Sub-Fund aims to retain a "Low Carbon Designation™" assigned by Morningstar. The Sub-Fund's aims to have a lower "Morningstar® Portfolio Fossil Fuel Involvement™" percentage compared to its Morningstar category or a more generic category if the former is not available.

Being a fund of funds, the Sub-Fund does not have a direct relationship with the investee companies. However, it encourages the underlying funds' managers to engage with the corporates they invest in in adherence with the E/S characteristics promoted by the Sub-Fund.

Proportion of investments

The Sub-Fund follows a flexible allocation strategy. As such, it may differentiate its risk profile under different market conditions by changing the percentage of assets invested in equity and/or fixed income UCITS.

The Sub-Fund invests at least 80% of its net assets in "Article 8" and "Article 9" SFDR UCITS aligned with the E/S characteristics promoted by the ESG approach of the Sub-Fund. Furthermore, the Sub-Fund may not invest more than 5% of its net assets in any UCITS that does not meet Art. 8 or Art. 9 SFDR requirements.

In any case, the Sub-Fund will not invest more than 20% of its net assets in money market and/or other short-term liquidity UCITS that are not aligned with the ESG characteristics promoted.

Monitoring of environmental or social characteristics

The Investment Manager monitors the ESG compliance of its investments in underlying funds on a regular basis to verify that their investment strategy is consistent with the E/S characteristics promoted by the Sub-Fund. The Investment Manager monitor the exclusion criteria (described in the section below) updated monthly on Morningstar Direct. Moreover, investment process filters are run ad hoc when there is the need to change/rebalance the portfolio. The proportion of investments that fail to meet the Level 2 exclusion criteria may not exceed 20% of the Sub-Fund's net assets.

Methodologies

The methodologies used to attain the promoted E/S characteristics rely on a set of exclusion criteria developed by the "Responsible Investment Policy" of the Investment Manager and on a positive ESG integration in the selection of underlying funds.

Exclusion criteria

ACTIVITY/CRITERIA	REVENUE THRESHOLD
FOSSIL FUELS	
Thermal coal extraction	>30%

Thermal coal power generation	>30%
Oil sands extraction	>30%
Shale energy extraction	>30%
Off-shore arctic oil & gas exploration	>20%
WEAPONS	
Involvement in Controversial Weapons (i.e. chemical and biological weapons, incendiary weapons, nuclear weapons)	>0%
Small Arms Civilian Customers (Assault Weapons)	>10%
COMPANIES and COUNTRIES	
Direct investment in companies in severe breach of UN Global Compact Principles on human rights, labor standards, environmental protection and anti-corruption	0%
Direct investment in countries subject to hard sanctions by Switzerland, the European Union and the US Office of Foreign Assets	0%

The Sub-Fund's investments in underlying funds that fail to meet the exclusion criteria are residual (i.e. equal or below 20% of the net assets of the Sub-Fund) as they are not aligned with the E/S characteristics promoted by the Sub-Fund.

Positive ESG integration

The Investment Manager uses a combination of different methodologies:

1. The **"Portfolio Corporate Sustainability Score"** of Morningstar® which is an asset-weighted average calculated by Morningstar.

The Sub-Fund aims at having a better Portfolio Corporate Sustainability Score compared to "MSCI All Country World index" and/or "Morningstar Global TME Index", selected for comparison purposes only.

2. The Morningstar® **"Sustainability Rating"** which assigns a "Sustainability Rating" by ranking all scored funds within a Morningstar "Global Category".

Percent Rank Rating Depiction:

- i. Top 10% High
- ii. Next 22.5% Above Average
- iii. Next 35% Average
- iv. Next 22.5% Below Average
- v. Bottom 10% Low

The Sub-Fund aims at a Morningstar Sustainability Rating of "Above Average" or better.

3. The **"Low Carbon Designation™"** as assigned by Morningstar: the Morningstar® Low Carbon Designation™ is assigned to portfolios that have low carbon-risk scores and low levels of fossil fuel exposure.

To receive the designation, a fund must have a 12-month average Portfolio Carbon Risk Score below 10 and a 12-month average Fossil Fuel Involvement of less than 7% of its net assets.

The Sub-Fund retains a Low Carbon Designation™ assigned by Morningstar.

Data sources and processing

The Sub-Fund's investment and portfolio management team has several sources for gathering data such as reliable third parties including Sustainalytics (a Morningstar company), Morningstar Direct and Bloomberg as well as the underlying funds pre-contractual documents and other underlying funds relevant documents provided by their management companies. Data gathering period is monthly. Periodically, data provider(s) disclose data errors and occurrences of erroneous values. By using and combining different data sources, the Investment Manager ensures that data quality remains at a high level.

All data processing is performed internally by using appropriate methodologies and tools. Fund selection, ranking and evaluation processes are used to assess the data gathered. The ranking / evaluation process is being assessed annually.

The Investment Manager relies on estimations made by the third-party ESG data providers on specific indicators according to their methodology.

Limitations to methodologies and data

The primary limitation to the methodology and process is data source is availability accuracy, and the lack of corporate disclosures. Adequate information on the principal adverse indicators is not yet widely available and this is why the Sub-Fund does not fully integrate the SFDR Principal Adverse Impact indicators in its investment process but considers selected indicators, such as UN Global Compact violations and controversial weapons exposure, during the selection of underlying funds.

The Investment Manager uses data sourced or derived from third-party providers pursuant to commercial licenses. Notwithstanding the measures taken to ensure data quality, the Investment Manager relies on the aforementioned third-party data providers, meaning that there is no direct control over the data collected. In addition, it should be considered that the different data providers use different methodologies to collect their data, which cannot be fully disclosed as to protect the intellectual property rights of the considered data provider. Data points are collected on a monthly basis. However, certain data points may have extended reporting cycles spanning more than 1 (one) month (e.g. 6 months). In such cases, the Investment Manager will use the latest data points available for its review.

The diversification on the data stemming from third-party providers ensures that such limitations do not affect the promoted E/S characteristics.

Considering the fund of funds investment strategy, the Sub-Fund does not have a direct relationship with the investee companies. However, it encourages the managers of the underlying funds to engage with the corporations they invest in, in adhering to the E/S characteristics promoted by the Sub-Fund.

Due diligence

In order to qualify for initial investment, the investments into underlying funds must meet the criteria disclosed in the investment strategy. As an exception, when contradictory data are found, the Investment Manager will conduct further investigations. For instance, this may involve interviewing the underlying fund manager and seeking additional, alternative data sources. Taking into consideration all information gathered, the Investment Manager reserves the right to make the investment decision.

Engagement policies

Being a fund of funds, the Sub-Fund does not have a direct relationship with the investee companies. However, it encourages the underlying funds' managers to engage with the corporates they invest in in adherence with the environmental and social characteristics promoted by the Sub-Fund.

Designated reference benchmark

The Sub-Fund aims at having a better Portfolio Corporate Sustainability Score than the indices “MSCI All Country World Index” and/or “Morningstar Global TME Index” (comparison ex post). However, the Sub-Fund is actively managed and does not replicate any index for the purpose of attaining the promoted environmental or social characteristics.