



## Article 10 (SFDR)

# Website disclosure for an Article 8 fund

Lemanik SICAV – European Dividend Preservation

**Product name:** Lemanik SICAV – European Dividend Preservation Legal entity  
**identifier:** 22210018XJFH091ELA53

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

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: ___%</b>	<input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>



## A. Summary

The environmental and social characteristics promoted by the Sub-fund European Dividend Preservation (the "Sub-fund") consist of avoiding investment in companies that are considered as being controversial. Companies are considered as being controversial when these (a) develop or produce weapons or key components of weapons that violate fundamental humanitarian principles through their normal use, (b) produce tobacco or tobacco products, and/or (c) produce cannabis for recreational use.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

Lemanik Invest will exclude companies from the Sub-fund's investment universe which it considers as being controversial. The Investment Manager will exclude any company that produces cluster munitions or anti-personnel mines, nor will it invest in listed companies originating from countries that are on the European Union sanction list. Lemanik Invest also takes the Council on Ethics for the Norwegian Government Pension Fund Global exclusion list into account. If extra-financial factors drive the investment to exclusion, the fund manager will have one month before entirely divesting from the position. Finally, as part of the assessment of good governance practices, the Investment Manager will exclude any sovereign that is classified as

“Restricted” according to the Country Risk Rating list provided by the Management Company.

The binding elements of the investment strategy used to select the investments to attain each of the E or S characteristics consist of applying the following exclusion strategy:

- No investments in companies which are found to be in breach of the Oslo Convention.
- No investments in companies included in the exclusion list drawn up by the Council on Ethics for the Norwegian Government Pension Fund Global.
- No investments in companies producing cluster munitions or anti-personnel mines.
- No investments in listed companies originating from countries that are on the European Union sanction list.
- No investments in government bonds issued by countries classified as “Restricted” according to the Country Risk Rating list provided by the Management Company.

Investors should note that as indicated above, only an exclusion policy is applied to attain the E or S characteristics promoted by the Sub-fund.

Finally, in order to assess the attainment of the environmental and social characteristics promoted by the Sub-fund and to measure the achievement of each of them, the Portfolio Manager, in charge of the Lemanik SICAV Sub-fund management, uses the following sustainability indicators:

- % of investments in companies which are found to be in breach of the Oslo Convention.
- % of investments in companies included in the exclusion list drawn up by the Council on Ethics for the Norwegian Government Pension Fund Global
- % of investments in companies producing cluster munitions or anti-personnel mines.
- % of investments in listed companies originating from countries that are on the European Union sanction list.



### **B. No sustainable investment objective**

This financial product promotes environmental or social characteristics but does not have as its objective a sustainable investment.



### **C. Environmental or social characteristics of the financial product**

#### **What are the environmental or social characteristics promoted by this financial product?**

The environmental (E) and social (S) characteristics promoted by the Sub-fund consist of avoiding investment in companies that are considered as being controversial. Companies are considered as being controversial when these (a) develop or produce weapons or key components of weapons that violate fundamental humanitarian

principles through their normal use, (b) produce tobacco or tobacco products, and/or (c) produce cannabis for recreational use.



#### D. Investment strategy

##### **What investment strategy does this financial product follow and how is the strategy implemented in the investment process on a continuous basis?**

Lemanik Invest will exclude companies from the Sub-fund's investment universe which it considers as being controversial. The Investment Manager will exclude any company that produces cluster munitions or anti-personnel mines, nor will it invest in listed companies originating from countries that are on the European Union sanction list. Lemanik Invest also takes the Council on Ethics for the Norwegian Government Pension Fund Global exclusion list into account. If extra-financial factors drive the investment to exclusion, the fund manager will have a month before entirely divesting from the position. Finally, as part of the assessment of good governance practices, the Investment Manager will exclude any sovereign that is classified as "Restricted" according to the Country Risk Rating list provided by the Management Company.

##### **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?**

The binding elements of the investment strategy used to select the investments to attain each of the E or S characteristics consist of applying the following exclusion strategy:

- No investments in companies which are found to be in breach of the Oslo Convention.
- No investments in companies included in the exclusion list drawn up by the Council on Ethics for the Norwegian Government Pension Fund Global.
- No investments in companies producing cluster munitions or anti-personnel mines.
- No investments in listed companies originating from countries that are on the European Union sanction list.
- No investments in governmental bonds issued by countries classified as "Restricted" according to the Country Risk Rating list provided by the Management Company.

Investors should note that as indicated above, only an exclusion policy is applied to attain the E or S characteristics promoted by the Sub-fund.

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

Lemanik Invest wants to ensure that the investee companies are not involved in controversies at governance level. Although the primary intention is not to influence the board of the investee company, Lemanik Invest, through a range of

engagement activities, assesses the quality of the corporate governance practices of the target company and monitors potential changes in their procedures. In addition to this, Lemanik Invest does not invest in Government Bonds issued by countries classified as “Restricted” according to the Country Risk Rating list provided by the Management Company.

The good governance practices of issuers are assessed using the following binding criteria: (i) serious or systematic human rights violations, (ii) serious violations of the rights of individuals in situations of war or conflict, (iii) gross corruption or other serious financial crime, and (iv) other particularly serious violations of fundamental ethical norms.

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

Yes, the Sub-fund considers the following principal adverse impacts on sustainability factors:

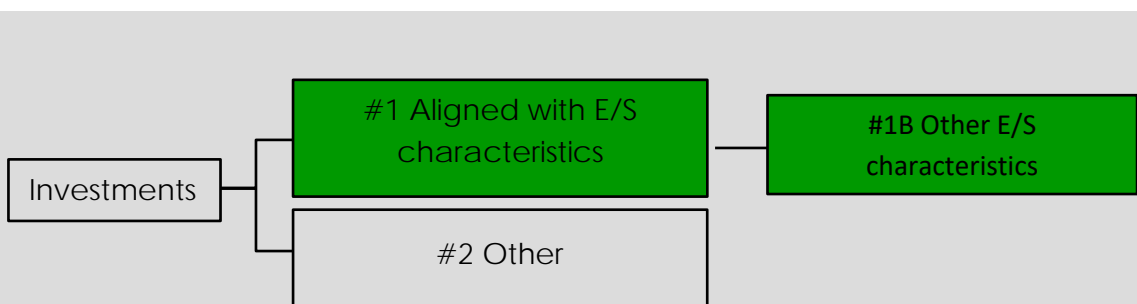
1. Exposure to companies active in the fossil fuel sector	Maximum 10% of the assets invested in companies with revenues > 50% from fossil fuels
2. Exposure to controversial weapons	Exclusion of companies involved in the production of controversial weapons

No



**E. Proportion of investments**

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



**#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.

#1 Aligned with E/S characteristics	70.0%
#1B Other E/S characteristics	70.0%
#2 Other	30.0%
Total AuM	100.0%

The Sub-fund invests at least 70% of its assets in investments aligned with the environmental and social characteristics promoted (#1 Aligned with E/S characteristics).

Investments in "#2 Other" are limited to 30% of the Sub-fund's assets and include in particular:

1. cash for ancillary liquidity provided that those cash transfers are done with counterparties previously authorized through a KYC process that allows to assess the AML legislative requirements; and
2. ETC on Gold provided that these adhere to the LBMA Responsible Gold Guidance in compliance with the highest ethical standards.

For further information on the assets covered by "#2 Other", please refer to the below section "*What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?*".

Please note that for this Sub-fund Lemanik Invest is investing in asset types that are aligned with environmental or social characteristics, based on the exclusion strategy defined hereinabove.

**What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? (including what methodology is used for the calculation of the alignment with the EU Taxonomy and why; and what the minimum share of transitional and enabling activities)**

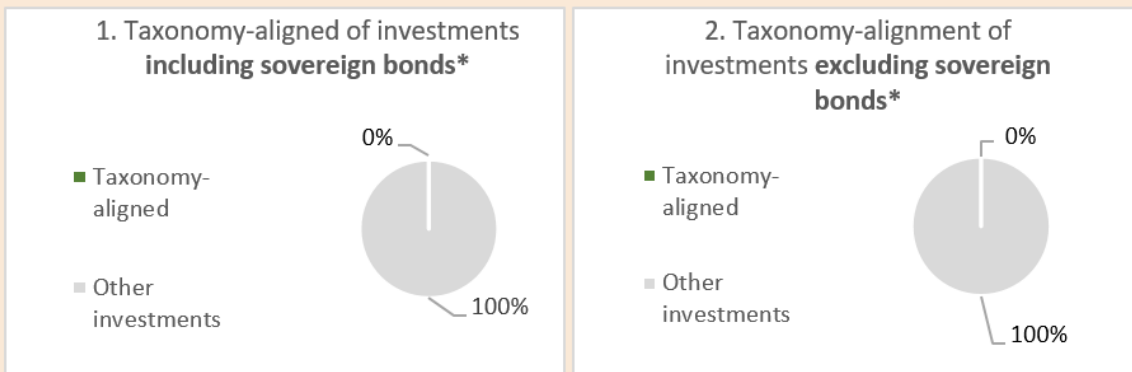
*The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

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.*

Zero. The Sub-fund does not aim or commit to invest in sustainable investments with an environmental objective aligned with 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.**



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

The Sub-fund does not aim or commit to invest in transitional or enabling activities under the EU Taxonomy.

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

Zero. The Sub-fund does not aim or commit to invest in sustainable investments with an environmental objective.

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

The Sub-fund intends to use techniques and instruments including listed derivatives and forward exchange contracts to hedge specific risks and improve the profitability of the portfolio in order to manage its assets efficiently.

The “Other” securities are reviewed based on minimum E and S safeguards in the selection process. The following securities are examples that can be considered as “Other” in the portfolio:

"#2 Other"	Minimum E or S safeguards
CDS on Indices	Lemanik does not invest in Indices with members listed in Countries "Restricted" according to the Country Risk Rating list provided by the Management Company.
Options on Indices	Lemanik does not invest in Indices with members listed in Countries "Restricted" according to the Country Risk Rating list provided by the Management Company.
Funds	Lemanik does not invest in Funds that invests in Countries "Restricted" according to the Country Risk Rating list provided by the Management Company.
Future on Indices	Lemanik does not invest in Indices with members listed in Countries "Restricted" according to the Country Risk Rating list provided by the Management Company.
TRS	Lemanik does not invest in TRS that have underlying Indices with members listed in Countries "Restricted" according to the Country Risk Rating list provided by the Management Company.
Cash i.e. deposits at sight (ancillary liquid assets)	The cash transfers are only possible with counterparties previously authorized through a KYC process that allows to assess the AML legislative requirements.
ETC on Gold	Lemanik invests only in Gold ETC that adhere to the LBMA Responsible Gold Guidance in compliance with the highest ethical standards.



## F. Monitoring of environmental or social characteristics

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

In order to assess the attainment of the environmental and social characteristics promoted by the Sub-fund and to measure the achievement of each of them, the Portfolio Manager, in charge of the Lemanik SICAV Sub-fund management, uses the following sustainability indicators:

- % of investments in companies which are found to be in breach of the Oslo Convention.
- % of investments in companies included in the exclusion list drawn up by the Council on Ethics for the Norwegian Government Pension Fund Global
- % of investments in companies producing cluster munitions or anti-personnel mines.
- % of investments in listed companies originating from countries that are on the European Union sanction list.



**How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and the related internal/external control mechanism?**

In order to ensure that environmental and social characteristics are met throughout the lifecycle of the financial product, Lemanik Invest performs a quarterly review of the binding elements of the investment strategy (i.e., the exclusion list drawn up by the Council on Ethics for the Norwegian Government Pension Fund Global). In case an asset does no longer meet the characteristics required to be classified as eligible, the Investment Manager commits to sell this position within the following month. Lemanik Invest has in place pre-compliance controls performed pre-trade in order to ensure that no assets in breach with the sustainability indicators are purchased by the Sub-funds. The post-compliance controls are performed externally by the Management Company and, in second place, by the custodian bank.



**G. Methodologies**

**What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?**

The methodology to measure the attainment of the environmental and social characteristics is mainly based on a regular screening of the portfolio in order to ensure that the sustainability indicators listed at point F. are entirely taken into consideration (i.e., 0% of investments in companies producing cluster munitions). Portfolio managers implement the sustainability indicators, in their investment strategy and their valuation models, in order to fully take into consideration the environmental and social characteristics promoted by the Sub-fund.



**H. Data sources and processing**

**What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?**

Lemanik Invest uses Bloomberg as primary provider to attain the social and environmental characteristics. For the exclusion list and the sanctions lists the Investment Manager uses publicly data sources available on the relevant international organizations websites (i.e. European Union, Norwegian Government Pension Fund Global, United Nations). Lemanik Invest carries out due diligence of all the data fields used in the evaluation process in order to ensure the quality of the data. The data is processed internally by the ESG team. In case the data is not available on Bloomberg, the Portfolio Managers, on a best effort basis, try to engage with the investee companies to

obtain the disclosure of the missing information in order to rely, as less as possible, on estimated data.

For the voting process, Lemanik Invest relies on the documents directly received by the agent representing the investee company, or the information gathered through the intermediation of specialized brokers that are active on the security. Lemanik Invests carefully reviews the documents to ensure the quality of the data.



## I. Limitations to methodologies and data

**What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)**

The exclusion strategy is based on lists issued by relevant international organizations (i.e. European Union, Norwegian Government Pension Fund Global, United Nations), which are updated on a regular basis as a result of a constant observation and monitoring. Therefore, the Investment Manager do not see any particular limitation in this regard. In order to assess the Principal Adverse Indicators, Lemanik Invest relies on the availability of the data on Bloomberg which are based on the disclosures made by the investee companies. In case the data is not available, Bloomberg uses its own estimates to calculate an approximation of the indicator. If the estimated indicator is not available too, the Portfolio Managers, on a best effort basis, try to engage with the investee company to obtain the missing data. In regard of the voting process, possible delays could raise in the collection of the documents, which could have an impact on the analysis process. To mitigate the risk, Lemanik Invest tries to engage with the agent or the broker (as mentioned at point H) in order to obtain the necessary information as soon as available, in order to take the appropriate decision on matters that may affect the shareholders' interest. These measures address the limitations and enable the attainment of the E and S characteristics promoted.



## J. Due diligence

**What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?**

In its capacity as Investment Manager, Lemanik Invest, carries out pre-compliance checks to ensure that no investments are made directly in companies that are in breach with the sustainability indicators listed at point F. These checks are carried out on a pre-trade basis. In addition, on some indicators (i.e. investments in companies producing cluster munitions or anti-personnel mines), second-level monitoring is carried out by the post-compliance team of the Management Company, Lemanik Asset Management SA, as part of its post-compliance activity and risk management for the fund. These checks are carried out on a daily basis.



### K. Engagement policies

**Is engagement part of the environmental or social investment strategy?**

Yes

No

**If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in investee companies)**

Lemanik Invest would ensure each vote acts in the best interest of the investors by protecting their rights and is in line with Lemanik's Code of Conduct which promotes transparency, integrity and avoids any conflicts of interest should we vote. All data about the voting process would then be communicated to our compliance department, in particular the evidence that decisions have been taken in the best interest of our investors. Any major event that affected our investors' best interest would be subject to a communication / disclosure in the annual Financial Statements, providing reasons for the divestment for example and impacts on the over performance of the fund.



### L. Reference benchmark

**Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the financial product?**

Yes

No