

Website Disclosure of product that promote environmental or social characteristics according to art. 10 of (EU) 2019/2088

(LF) FUND OF FUNDS - GLOBAL MEGATRENDS

Legal entity identifier: 213800OEFVENX6VEYV54

Summary

(LF) Fund of Funds Global Megatrends (hereafter “the Fund”) promotes environmental and social characteristics and qualifies as product in accordance with Article 8 of SFDR.

The Fund will invest its assets primarily (at least 51%) in units of UCITS and/or other UCIs including Exchange Traded Funds (ETF’s) which mainly invest in equity securities and derivatives thereof and/or transferable debt securities and derivatives thereof that meet SFDR requirements of Article 8 or 9.

The Fund aims to provide a medium/long-term capital appreciation from total return by combining exposure in equity and/or debt securities of companies that appear to benefit from developments in fighting global warming, preserving scarce resources, food & water treatment and other activities under the broader theme “save Earth”, changing demographics, health and wellness, disruption, technological innovation, mobility, automation, space exploration and/or other global trends. To achieve this, the Fund will follow a flexible allocation strategy.

No sustainable investment objective

This financial product promotes Environmental / Social characteristics but will not make any sustainable investments.

Environmental or Social characteristics

Global Megatrends (hereafter “the Fund”) promotes E/S characteristics by investing at least 51% of its net assets in underlying funds that fit the megatrends thematic approach with a focus on themes such as “save Earth” (preserving scarce resources, global warming, food & water treatment, etc), changing demographics, health & wellness, and innovative technologies, among others.

The environmental and social 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 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”. The Fund is actively managed and there is no reference benchmark does not replicate any index for the purpose of attaining the promoted environmental or social characteristics.

Investment Strategy

The Fund follows a flexible allocation strategy, among thematic investments 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 Fund's investment process is based on thematic investments, primarily when investing with equity UCITS. Within each theme, each target fund is weighted with the help of the internal fund selection and evaluation process that also considers ESG/sustainability scores from third parties. When allocation in fixed-income UCITS is deemed necessary as part of the flexibility clause the Investment Manager will use mainly Article 8 & Article 9 UCITS funds with well demonstrated E/S characteristics. The later may not apply when selecting money market instruments and/or other short-term liquidity UCITS.

Proportion of investments

The 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 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 multi-thematic approach of the Fund. Furthermore, the 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.

Monitoring and due diligence

The Investment Manager has incorporated Environmental, Social, Governance (ESG) information / criteria into the investment processes and procedures for the selection and monitoring of investments. The Fund uses the following indicators to monitor the attainment of the environmental or social characteristics promoted:

1. Level 2 exclusion criteria of the "Responsible Investment Policy" established by the Investment Manager. The Fund's investments in underlying funds that fail to meet the Level 2 exclusion criteria are residual (i.e. equal or below 10% of the net assets of the Fund) as they are not aligned with the E/S characteristics promoted by the Fund.
2. The "Portfolio Corporate Sustainability Score" an asset-weighted average calculated by Morningstar®.
3. The Morningstar® "Sustainability Rating", a rating assigned by Morningstar by ranking all scored funds within its "Global Category".
4. The "Low Carbon Designation™" as assigned by Morningstar®. Such designation is assigned to portfolios that have low carbon-risk scores and low levels of fossil fuel exposure over a period of 12 months.

In this Fund, under the general provisions of point 1 (Level 2 exclusion criteria), "Involvement in Controversial Weapons" threshold for investment in UCITS is set to 0%.

Adequate investment due diligence processes and procedures for the selection and monitoring of underlying funds are incorporated in the investment process.

Data sources, methodologies, and limitations

The 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 fund factsheets and other fund relevant documents provided by the underlying funds' management companies, among other things. Data gathering period is monthly. All data processing is performed internally. Fund Selection, ranking and evaluation processes are used to assess the data gathered. The ranking / evaluation process is being assessed annually.

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 are not yet widely available and this is why the Fund does not take them into account in its investment process thus far.

Engagement policy

Being a fund of funds, the 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 Fund.