

**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:** Edgewood L Select – US Select Growth **Legal entity identifier:** 5299004N7VFLWF3USH54

**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 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?**

The sub-fund aims to invest in companies that will achieve capital growth over the long-term and promotes the following environmental and social characteristics: **ESG Integration policy** identifying material ESG risks to a company's earnings long-term growth potential. As part of its research process, the Investment Manager seeks to promote environmental and social characteristics through the Investment Manager's ESG Integration Policy by applying certain environment, social, and governance criteria in

addition to its financial assessment criteria. In addition to assessing how material ESG risks are being managed, the Investment Manager also applies **exclusionary screening** and will not invest in companies where a significant amount of revenues (greater than 5%) are derived from manufacturing tobacco products, producing pornography, or operating gambling establishments and will not invest in companies that manufacture cluster munitions and landmines. The Investment Manager applies its exclusionary screening utilizing data from one or more third party ESG data providers. Furthermore, the sub-fund/Investment Manager utilizes **engagement** and proxy voting as part of the ESG Integration Policy.

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

**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?***

To measure how 1) the ESG integration promoted by the sub-fund is attained, the Investment Manager compares the portfolio's ESG risk rating against the S&P 500 Total Return Index's ESG risk rating as assessed by an independent third party ESG risk rating service provider. The Investment Manager takes into consideration a portfolio company's material ESG risk factors including corporate governance, environmental and climate, human capital, cybersecurity and data privacy, and business ethics.

Furthermore, the Investment Manager also takes into consideration the following principal adverse impact indicators (PAIs): greenhouse gas emissions, exposure to controversial weapons, water usage and recycling, lack of grievance/ complaints handling mechanism related to employee matters, and lack of anti-corruption and anti-bribery policies.

To measure how 2) the exclusionary screening will be attained, the value of investments which are inconsistent with the exclusion will be considered, which is expected to be zero percent.

● ***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? Details:

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?

Yes

The Investment Manager takes into consideration principal adverse impact indicators (PAIs) as part of its ESG Integration Policy. The Investment Manager considers a number of PAIs including greenhouse gas emissions, exposure to controversial weapons, water usage and recycling, lack of grievance/ complaints handling mechanism related to employee matters, and lack of anti-corruption and anti-bribery policies.

Information on how principal adverse impacts on sustainability factors were considered for the sub-fund will be provided in the Company's annual report.

No

**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.



### What investment strategy does this financial product follow?

The Investment Manager applies an ESG exclusion and an ESG integration policy as part of its ESG-related investment policy, as indicated below. In addition, the Investment Manager utilizes engagement and proxy voting to address material ESG considerations at the level of the portfolio companies.

- ***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?***

As part of applies the binding elements of the investment strategy, the Investment Manager applies:

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

- **exclusionary screening** and will not invest in companies where a significant amount of revenues (as set out in the Investment Manager's ESG Integration policy) are derived from manufacturing tobacco products, producing pornography, or operating gambling establishments and will not invest in companies that manufacture cluster munitions and landmines.

- Furthermore, the Investment Manager integrates **ESG risk** factors into its fundamental analysis of a company's potential long-term value creation and assigns an ESG discount rate to its valuation model to offset the ESG risk factors that may impact a company's earnings growth. The Investment Manager has engaged one or more third party service provider(s) to assist with the identification and analysis of ESG risks for companies in its Large Cap Growth strategy. The Investment Manager applies a 100 basis points ESG discount rate to those companies deemed to have a high ESG profile, a 50 basis points ESG discount rate is applied to those companies with a medium ESG profile, and no ESG modifier is applied to those companies deemed to have a low ESG risk profile. ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

Not applicable

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

The assessment of a company's governance is a core component of the Investment Manager's fundamental investment analysis seeking to identify companies that can generate long-term, sustainable earnings. When assessing corporate governance, the Investment Manager looks, amongst other, to a company's alignment with long-term shareholder interests including management transparency, risk management framework including audit and accounting, executive compensation including stock-based compensation, and board oversight.

**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?**

At least two-thirds of the sub-fund's assets will be invested in exchange-traded common stock of companies located in the United States or whose main economic activities are based in the United States or which hold, as holding companies, prominent participations in companies based in the United States. The Investment Manager applies its ESG exclusion and Integration policy to all exchange-traded common stock in the sub-fund's portfolio, except those mentioned under #2Other below. The minimum proportion of investments aligned with the environmental and social characteristics promoted by the sub-fund is therefore expected to be 95%.

The sub-fund also maintains a cash position up to 5% of the assets including foreign currency for hedging purposes. Currently no minimum environmental or social safeguards are applied to these assets.

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

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

Not applicable



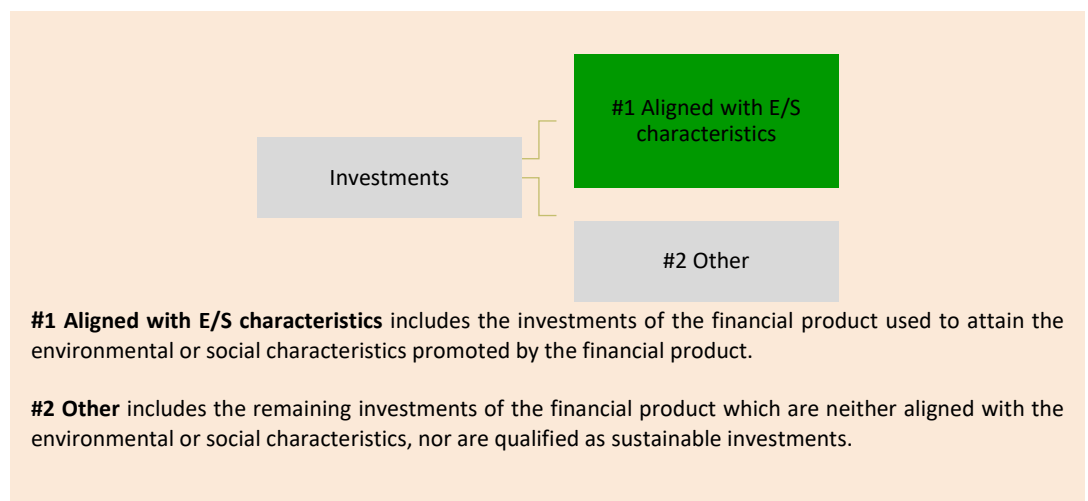
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The sub-fund invests in companies listed in the United States of America which are not subject to the EU Taxonomy Regulation and which accordingly do not report any of the Class I USD P's NAV per annum taxonomy-alignment. As a result, the sub-fund does not currently intend to invest in sustainable investments that are aligned with the EU Taxonomy and the minimum share of taxonomy-aligned investments (including transitional and enabling activities) is therefore assessed to be 0%.

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.



● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

Yes

In fossil gas In  nuclear energy

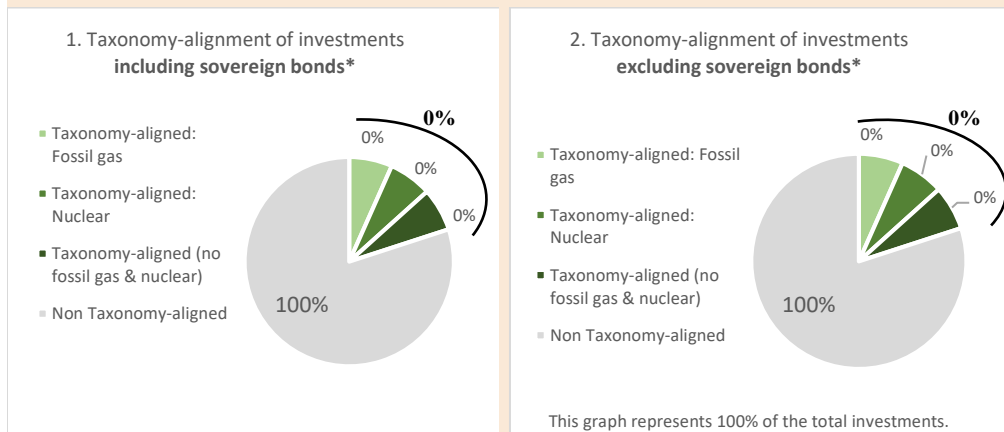
No

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.

<sup>1</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.

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.

● **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?**

"#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.


The sub-fund also maintains a cash position up to 5% of the assets including foreign currency for hedging purposes. Currently no minimum environmental or social safeguards are applied to these assets.



**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

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

**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 the website:**

More product-specific information can be found on the website:  
<http://www.edgewoodselectfund.com/>