

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: NEVERMIND (NVM) SICAV RAIF - NEVERMIND VENTURE LAZIO
 Legal entity identifier: 213800N9M68E8SR6IQ44

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**

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.



What environmental and/or social characteristics are promoted by this financial product?

The financial product promotes environmental and social characteristics by integrating ESG considerations into its investment process, by seeking, as part of its core investment strategy, to invest in portfolio companies whose activities contribute to selected United Nations

Sustainable Development Goals (SDGs), and by applying an exclusion policy designed to avoid exposure to activities considered materially inconsistent with such characteristics.

In particular, the financial product focuses on companies contributing to: SDG 3 (Good Health and Well-being), through products and services supporting healthcare, prevention, well-being and quality of life; SDG 4 (Quality Education), through improved access to education, training and skills development; SDG 7 (Affordable and Clean Energy), through the advancement of sustainable energy solutions and energy transition; SDG 8 (Decent Work and Economic Growth), through the promotion of quality employment, productivity, entrepreneurship and inclusive economic growth; SDG 9 (Industry, Innovation and Infrastructure), through technological innovation, resilient infrastructure and sustainable industrial development; SDG 13 (Climate Action), through climate change mitigation, adaptation and the reduction of environmental and carbon impact; and SDG 16 (Peace, Justice and Strong Institutions), particularly through the development and deployment of advanced dual-use technologies with both civilian and security applications that support resilient infrastructures, energy transition, environmental monitoring, public health, and institutional and sovereign capacity.

Accordingly, the environmental characteristics promoted by the Sub-Fund include, specifically, climate action, the advancement of clean and affordable energy solutions and the energy transition, resource efficiency, circular economy and circularity (e.g., waste reduction, reuse and recycling of materials), and the development and deployment of technologies that contribute to reducing environmental impact and enabling environmental monitoring, in particular through innovative and resilient infrastructure. The social characteristics promoted by the Sub-Fund include, specifically, health and well-being, access to education training and skills development, decent work, productivity and inclusive economic growth, as well as the promotion of strong institutions, public safety, and the rule of law.

These characteristics are promoted through the financial product's ESG due diligence and investment decision-making process, including the assessment of relevant qualitative and quantitative ESG factors, the application of exclusion criteria in respect of sectors or activities deemed incompatible with the financial product's ESG approach, and a strong emphasis on robust governance and responsible use frameworks. In addition, the Sub-Fund prioritises investments in companies that demonstrate effective end-use controls, compliance with applicable export control regimes, transparent customer selection processes, and alignment with international norms and standards.

Post-investment engagement with portfolio companies is also undertaken with a view to supporting the continuous improvement of their ESG practices and performance over time, while ensuring that their activities, including those involving dual-use technologies, appropriately balance security objectives with the promotion of peace, stability, and the rule of law, consistent with the spirit and objectives of the relevant SDGs.

No reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the financial product.

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

The sustainability indicator used to measure the attainment of the environmental or social characteristics promoted by this financial product consist of the Portfolio ESG Rating, calculated as the weighted average of the individual ESG ratings assigned to each underlying investment determined through a structured internal assessment framework based on a proprietary questionnaire.

The ESG rating, on an increasing scale ranging from 0 (less virtuous) to 100 (more virtuous), provides an indication of the degree of sustainability of each asset, ensuring that the financial product maintains an overall profile aligned with its promoted characteristics.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

- ***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

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.

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.



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

- Yes
- No



What investment strategy does this financial product follow?

The financial product follows an investment strategy that systematically integrates environmental, social, and governance (ESG) factors into its selection and management process, including: the screening and due diligence of potential investments; the ongoing monitoring of portfolio companies; and the active engagement with investee companies to promote sustainable and responsible practice. Such practices should be embedded both in the entrepreneurial development of the portfolio companies and in the design, development, and market deployment of their technologies, products, and services, including advanced dual-use technologies with both civilian and security applications. ESG considerations are embedded alongside financial analysis, with the aim of identifying risks and opportunities, supporting long-term value creation, and ensuring alignment with the environmental and social characteristics promoted by the Sub-Fund.

The strategy is designed to promote the environmental and social characteristics through a three-pillar approach:

- **Exclusion**, through the application of binding exclusion criteria to avoid investments in sectors or activities deemed incompatible with the Sub-Fund's ESG approach and its alignment with the above-mentioned SDGs;
- **ESG integration**, using a questionnaire to assess companies' alignment with the selected SDGs, with particular attention to innovation, energy transition, climate impact, public health, and institutional resilience;
- **ESG engagement**, monitoring post-investment ESG performance and engaging with portfolio companies' management to encourage continuous improvement, including the strengthening of governance, responsible use frameworks, end-use controls, and alignment with applicable regulatory requirements and international standards, particularly in relation to dual-use technologies and their contribution to security, stability, and the rule of law.

- ***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 financial product is bound by the following additional investment restrictions:

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

- the average portfolio ESG Rating will be equal or greater than 60/100;
- no more than 10% of the portfolio is invested in companies with ESG rating lower than 60/100;
- investment in issuers involved in the development, production, or sale of controversial weapons (cluster bombs, anti-personnel mines, biological or chemical weapons), as defined by international treaties and conventions, is not allowed. This exclusion also extends to issuers involved in the development, production, maintenance, or distribution of nuclear weapons outside the framework of international non-proliferation agreements;
- without prejudice to the above, investment in companies operating in the broader defence or security sector may be permitted where it is aligned with the Sub-Fund's ESG strategy and contribute to innovation, resilient infrastructure, and the strengthening of institutions, in particular through the development of advanced dual-use technologies. Such investment is subject to strict safeguards, including robust governance frameworks, effective end-use controls, compliance with applicable export control regimes, and alignment with international norms and standards, ensuring that its activities support legitimate security objectives while promoting peace, stability, and the rule of law;
- investment in issuers that are in breach of internationally recognized norms and standards, including those related to human rights, labor standards, environmental protection, and anti-corruption, is not allowed;
- investment in issuers in activities such as tobacco production, thermal coal extraction or power generation, and other activities deemed to have a materially negative environmental or social impact, is not allowed.

● ***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?***

Through the integration into the pre-investment due diligence and ongoing monitoring process, the financial product assess the good governance practices of investee companies. In particular, the assessment focuses on ensuring that investee companies follow sound management structures, maintain appropriate employee relations, ensure fair remuneration practices and comply with applicable tax obligations, including in jurisdictions relevant to dual-use technologies.

The following drivers are taken into consideration to assess high standard of good governance:

- composition of the board of directors, in terms of participation of independent directors and gender diversity;

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

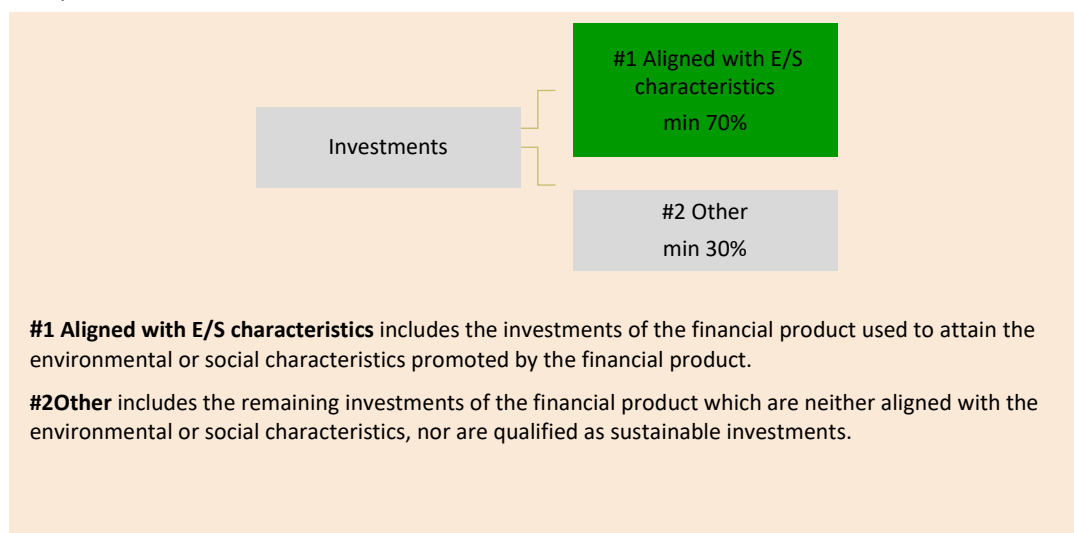
- adoption and implementation of internal policies, such as a code of ethics or equivalent principles, including safeguards relevant to the responsible development and use of dual-use technologies;
- transparency and/or reporting on Non-financial information;
- existence of procedures to identify and manage regulatory, ethical and reputational risks associated with dual-use applications.

Given the early-stage nature of many investments, the financial product may rely on a combination of available information and best-efforts engagement with portfolio companies, and seeks to progressively enhance governance practices over the holding period.



What is the asset allocation planned for this financial product?

The minimum proportion of investments aligned with E/S characteristics envisaged for the financial product is 70%.



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?**

Derivatives are not used to promote environmental and social characteristics.



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

The financial product promotes environmental characteristics but does not aim at investing in environmentally sustainable economic activities. Therefore, the investments underlying the financial product do not take into account the EU criteria for eco-sustainable economic activities, pursuant to the Taxonomy Regulation. However, the Sub-Fund may monitor developments and disclose alignment in the future where feasible.

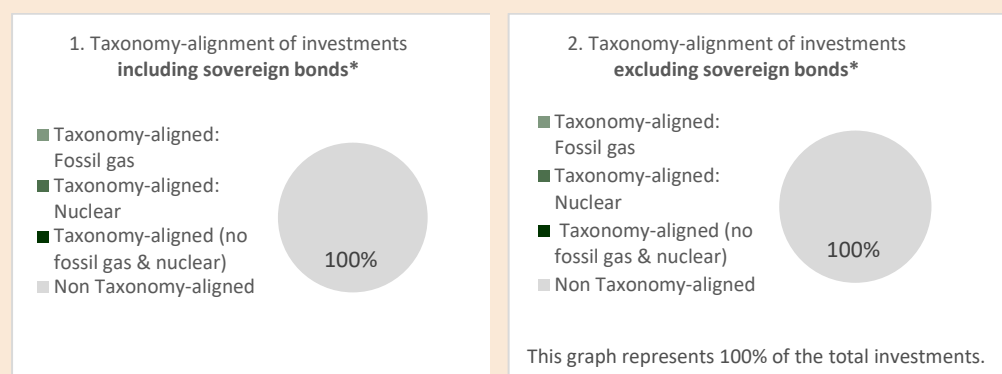
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

Yes:

In fossil gas In nuclear energy

No

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

¹ 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.



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

The "# 2 Other" category may include:

- ancillary liquid assets (cash and cash equivalents);
- other securities for which the ESG rating is low (lower than 60/100).



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



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:
https://www.natam.lu/it/ourfunds/details/4/nevermind_nvm_sicav-raif