

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 I
 Legal entity identifier: 213800644KLF6LF2BI26

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, 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 2 (Zero Hunger), through sustainable agriculture, improved food security and more resilient food value chains; 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 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 12 (Responsible Consumption and Production), through resource efficiency, waste reduction and more sustainable production and consumption models; SDG 13 (Climate Action), through climate change mitigation, adaptation and the reduction of environmental and carbon impact; and SDG 15 (Life on Land), through the protection of terrestrial ecosystems, biodiversity and sustainable land use.

Accordingly, the environmental characteristics promoted by the Sub-Fund include, in particular, climate action, resource efficiency, circular economy and circularity (e.g., waste reduction, reuse and recycling of materials), responsible production and consumption, the protection of biodiversity and ecosystems, and the development of solutions that contribute to reducing environmental impact. The social characteristics promoted by the Sub-Fund include, in particular, health and well-being, access to education and skills, food system resilience, decent work, inclusive economic growth, inclusivity and equal access to essential services (e.g., healthcare, education, housing and financial services), more liveable and safer urban environments, and innovation and infrastructure generating positive societal outcomes.

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, through the application of exclusion criteria in respect of sectors or activities deemed incompatible with the financial product's ESG approach, and through post-investment engagement with portfolio companies with a view to supporting the continuous improvement of their ESG practices and performance over time.

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.

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

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.

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 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.



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 practices, ensuring that such practices are embedded both in the entrepreneurial development of the company and in the design, development, and market delivery of its technologies, products, and services. 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 elements;
- **ESG integration**, using a questionnaire to assess companies' alignment with selected UN SDGs;
- **ESG engagement**, monitoring post-investment ESG performance and engaging with portfolio companies' management to encourage continuous improvement.

● ***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 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, as well as companies deriving significant revenues from conventional weapons;
- 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.

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

- **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.

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

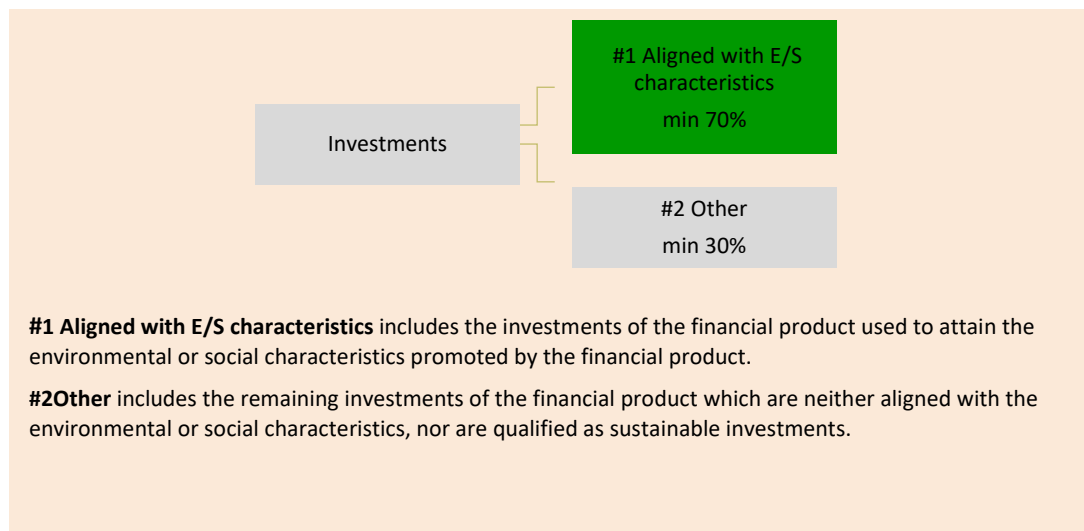
- composition of the board of directors, in terms of participation of independent directors and gender diversity;
- availability of a code of ethics;
- transparency and/or reporting on Non-financial information.

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?

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?

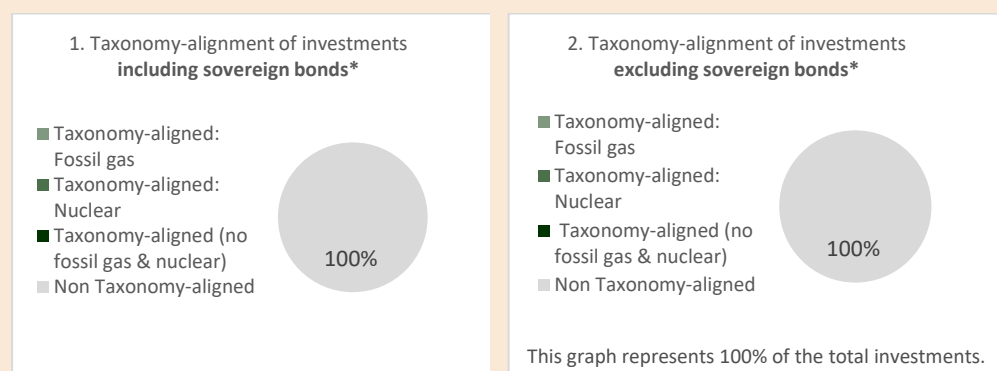
Yes:

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

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 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?

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