

Sustainability-related disclosure

Lux MultiManagers SICAV

Kavaljer Investmentbolagsfond

SFDR product category: Article 8

Summary

The Sub Fund is actively managed and seeks to create long term capital growth via stock selection focused on investment companies, conglomerates and "serial acquirers", with a global perspective, using fundamental analysis. Investment companies invests in both listed and unlisted companies. Conglomerates are companies that mainly invest in unlisted companies in various industries. "Serial acquirers" are companies that continuously acquire other companies at a high rate. Common to these three categories is that they provide good risk diversification and active management at low costs. The Sub-Fund's investments will be of a buy and hold character which also contributes to low costs.

The Investment Manager integrates financially material sustainability risks and opportunities into its research, analysis and investment decision-making processes. The Investment Manager believes that the consideration of these risks and opportunities can help to enhance long-term risk adjusted returns for investors.

The Investment Manager considers, in addition to economic and financial aspects, the integration within the investment decision process of ESG factors, based on an internal methodology.

No sustainable investment objective

This fund promotes E/S characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Sub-Fund promotes the following sustainability-related characteristics:

- 1) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (UN goal 8).
- 2) Affordable and clean energy (UN goal 7). The Sub-Fund promotes environmental characteristics that are in line with the Paris Agreement's goal of preventing climate change, which is achieved through reduced carbon dioxide emissions and emissions of other greenhouse gases, as well as the increased use of renewable energy.

Investment strategy

Objective

The Sub-Fund is an index-independent equity fund investing with a long-term horizon, in 20 – 35 investment companies, conglomerates and "compounders". The Sub-Fund can invest worldwide. Investment companies are companies that invest in other companies. These companies can be both listed and unlisted. Conglomerates are companies that usually own 100 % of the shares in other unlisted companies in various industries. "Compounders" are companies that continuously acquire other companies at a high rate. The common factor provided for these categories is a good spread of risk and active management at low costs.

ESG is an important part of the investment strategy and goes hand in hand with the fact that Kavaljer wants to create long-term good returns for our savers, keep the fees low and be a responsible company. As an integrated part of the work to create high returns, the Sub-Fund takes sustainability into account in the management. This means that Kavaljer takes sustainability risks and opportunities into account as an integral part of the investment decisions. The Sub-Fund integrates sustainability perspectives – both risks and opportunity – into investment decisions based on three methods as follows:

- Opt out: In the composition of portfolios, exclusion is applied to limit investments in companies and issuers with a significant exposure to certain activities considered harmful to the environment or society at large in line with Kavaljer's Climate Principles and the fundamental exclusion criteria discussed above.
- Opt in: the Sub-Funds' managers integrate ESG analysis into the investment process by using third party data and its own in-house built analysis tool. To this end, companies and issuers are analyzed and audited using the Sub-Funds' managers and third-party data to identify and select sustainable investments that contribute to increasing the share of such investments.
- Influence: On behalf of the shareholders, Kavaljer may, if deemed appropriate, enter dialogues with companies in which the Sub-Fund has invested or intends to invest. The aim is to encourage enhanced sustainability work practices, among other things, through promoting long-term decisions. Kavaljer will also exercise its voting rights at annual general meetings when deemed appropriate.

Proportion of investments % of assets

Investments aligned with the fund's E/S characteristics	Min. 80%
Qualifying as sustainable investments under the EU Taxonomy with a social objective	Min. 0%
Not qualifying as sustainable investments but having other E/S characteristics	Min. 80%
Other investments¹	Max. 20%

¹ include cash and cash equivalents may be held as a complement or for risk balancing. It may also include ESG unrated securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.

Monitoring of environmental or social characteristics

Kavaljer, the investment manager of the Sub-Fund, measures the impact of environmental or social characteristics using climate-related, other environmental-related and social indicators to the extent that relevant information is available. The following indicators are used to measure and follow up the promoting characteristics:

- **Affordable and clean energy:** Kavaljer measures carbon dioxide emission using data from a third-party supplier and monitors the carbon footprint in the Sub-Fund on an annual basis. Scope 1 includes the emissions that occur directly in the company's own operation. For example, from production in their own factories. Scope 2 covers indirect emissions from the production of purchased electricity, steam, heating and cooling that is consumed by the reporting company.
- **A conscious sustainability work:** Investments in the Sub-Fund must meet Kavaljer's guidelines for sustainability levels in the investments, which aim to ensure investments in companies that have a conscious sustainability work. Kavaljer measures this primarily through the service of a supplier of sustainability analysis for ESG ratings as well as analysis that Kavaljer itself performs. Kavaljer regularly monitors the companies' ESG ratings.

Methodologies

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In addition, the binding elements of the investment strategy that are used for investment decision making shall be in line with the promotion of environmental and social characteristics are as discussed sector- and norms-based exclusion criteria. Kavaljer shall not exceed the predefined thresholds of accepted exposure to excluded activities or invest in companies that breaches international norms or conventions. All potential investment subjects are analyzed before the investment decision is made and regularly during the investment period. ESG factors are integrated into the analysis of the companies and their selection for investment by the Sub-Fund

Data sources and processing

Data sources include:

- Third-party ESG assessment and database
- Interviews with representatives from the Investees
- External reports
- External research

Kavaljer aims to maintain quality by comparing information from multiple sources such and reviewing data on an ongoing basis.

Limitations of methodologies and data

Due to challenges in transparency and comparability during data collection, along with ongoing development in methodologies and actual data, there may be instances of incomplete, biased, or incorrect information in the provided data. These issues expose the fund to potential vulnerabilities stemming from data flaws.

Due diligence

The investment manager assesses and consistently monitors existing and prospective investments, employing widely recognized benchmarks and leveraging a diverse array of internal and external data sources, which encompass prominent financial industry providers.

Engagement policies

Kavaljer's engagement principles can be found at kavaljer.se/en/about-kavaljer/

Designated reference benchmark

The fund does not use a benchmark to evaluate its overall ESG profile.