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

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.

Product name: Leadersel – Global Equity-Walter Scott & Partners (the Sub-Fund”)

Legal entity identifier: 213800AQTSR4OMA1UX82

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

☐ **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 **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 will make a minimum of **sustainable investments 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?

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

This Sub-Fund intends to promote good environmental, social and governance ("ESG") practices through deliberately avoiding investment in companies with below threshold ESG credentials as defined by the Investment Manager. Environmental and social credentials considered include the themes detailed below:

Environmental

- Greenhouse gas emissions
- Biodiversity and natural resources
- Climate and transition risks
- Pollution and waste management

Social

- Business ethics, bribery and corruption
- Data privacy and security
- Labour practices and human rights safeguards
- Diversity, equality and inclusion

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

Sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund. The Sub-Fund will use a number of data points relating to the themes detailed below as sustainability indicators. These data points are from a third party provider.

Environmental:

- Greenhouse gas emissions
- Biodiversity and natural resources
- Climate and transition risks
- Pollution and waste management

Social:

- Business ethics, bribery and corruption
- Data privacy and security

- Labour practices and human rights safeguards
- Diversity, equality and inclusion

The efficacy and data coverage of the sustainability indicators used will be reviewed periodically.

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. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

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

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.

Not applicable. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

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. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

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

The investment strategy followed by this Sub-Fund consists of a long term and bottom-up, fundamental driven, integrated ESG approach based on the compounding of returns and aims to invest in companies generating strong internal rates of return, available at reasonable purchase prices. The product aims to promote good ESG practices through deliberately avoiding investment in companies with below threshold ESG credentials. In general, the Sub-Fund's portfolio will be comprised of companies that embrace high standards of ESG practice or are attractive due to their progression in environmental & social practice and exhibit good governance. Stewardship, in terms of engagement and proxy voting, is an integral part of the Investment Manager's approach to investing.

In identifying investments, the Investment Manager will specifically determine whether an issuer engages in sustainable business practices and satisfies the Investment Manager's ESG Criteria. The Investment Manager considers whether the issuer (i) engages in such practices in an economic sense (e.g. the durability of the issuer's strategy, operations and finances), and (ii) takes appropriate account of the economic, political, governance and regulatory environment in which the issuer operates, which includes assessment of an issuer's environmental, social and/or governance practices.

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?

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

To attain the environmental or social characteristics, the Sub-Fund will:

- include companies which the Investment Manager has determined embrace high standards of ESG practices, or that are attractive due to their progression in environmental and social practices, and exhibit good governance as defined by SFDR;
- maintain a weighted average carbon intensity level at least 20% lower than the MSCI World index;
- comply with the requirements of the *General approach to ESG criteria and sustainability risks* section of the Leadersel prospectus under the heading *ESG Criteria and Sustainability Risks*;
- comply with the exclusions list issued by the Management Company which includes companies which do not attain the requisite environmental or social characteristics.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no commitment to reduce the scope of the investments by a minimum rate.

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

Good governance practices of the investee companies are assessed through qualitative and quantitative analysis.

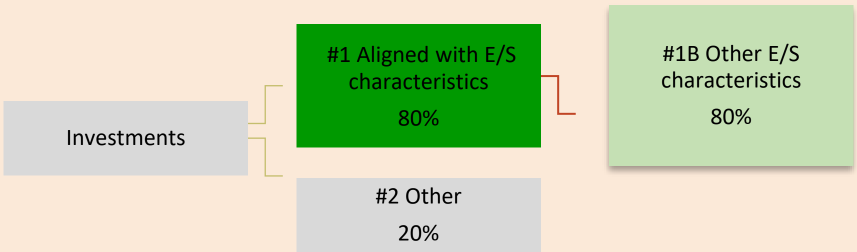
The Sub-Fund invests in companies that the Investment Manager considers to have high standards of governance. Companies are assessed and monitored across those governance factors considered material to their operations. These will include, but are not limited to:

- Sound management structures
- Remuneration of staff
- Employee relations
- Tax compliance

These governance pillars are supported with data points from a third party provider and internally set thresholds. If any data point flags, further analysis, comment and a conclusion as to whether the company meets the acceptable standard for good governance is required.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#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 category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

The diagram below is intended to illustrate the typical asset allocation of this Sub-Fund and reflect the minimum investments referred to in this document. However, the asset allocation of the Sub-Fund is not fixed and may vary from the asset allocation illustrated below.

At least 80% of the Net Asset Value of this Sub-Fund (net of the exposure to cash and liquid near cash assets, money market funds, and currency-related financial derivative instruments (the “Non-ESG Assets”)) must meet the Investment Manager’s ESG Criteria at time of purchase and on an ongoing basis. For the avoidance of doubt, the Non-ESG Assets are not required to meet the ESG Criteria.

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

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub- Fund.

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

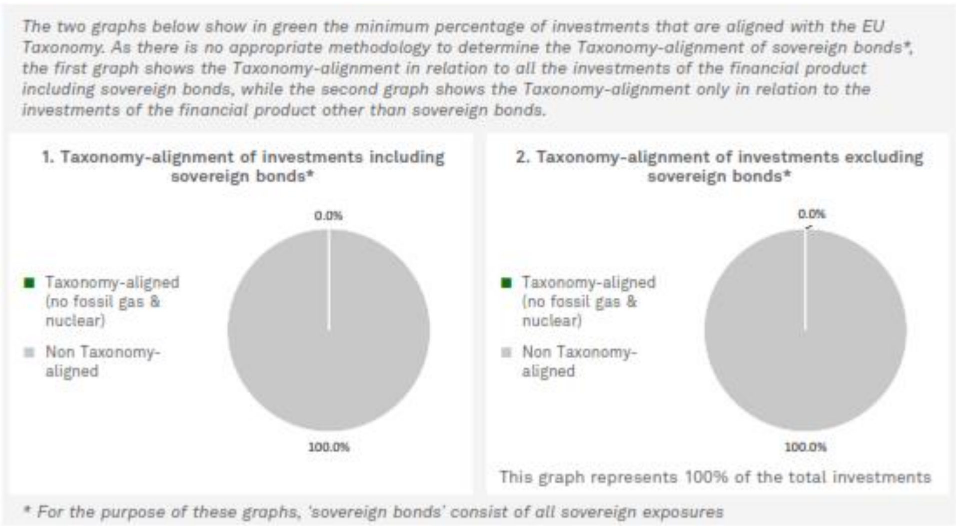
Not applicable. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No



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

[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 investments in transitional and enabling activities?***

The Sub-Fund does not have a minimum share of investments in transitional and enabling activities.

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

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

What is the minimum share of socially sustainable investments

Not applicable. This Sub-Fund does not commit to investing in SFDR Sustainable Investments.

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

This Sub-Fund may also hold, on an ancillary basis, 20% maximum in cash and liquid cash assets, money market funds, and currency-related financial derivative instruments. The Sub-Fund is generally invested so that cash sits below 20%. There are no minimum environmental or social safeguards associated with these investments.

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?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics

No specific index has been designated as a reference benchmark to determine whether the Sub-Fund is aligned with the environmental and social characteristics that it promotes.

- ***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.

Where can I find more product specific information online?

More product-specific information can be found on the website:

Further information on the product can be found at the following link:

https://www.ersel.it/gruppo-ersel/sostenibilita