

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 Sub-Fund promotes E/S characteristics but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The primary objectives of the Sub-Fund are to promote social inclusion, workplace equality and diversity, societal stability, and fundamental labor rights such as the freedom to join trade unions, equal pay for equal work, and the prohibition of child labor and exploitative practices. Additionally, the Sub-Fund will prioritize investing in companies that have revenues from clean energy and sustainable technologies that contributes to combating climate change.

Investment strategy

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.

All investment subjects are analyzed before the investment decision is made, and continuously during the investment period with regard to ESG factors. Kavaljer monitors its active investments, and seeks to improve the companies' practices when deemed necessary. Fundamentally, the fund uses sector and norms based exclusion to limit its exposure against harmful environmental and/or social controversial activities and companies.

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	—
Other investments¹	Min. 80%
	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

The Investment Manager 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.

To measure the attainment of the environmental or social characteristics, the investment manager will use and evaluate the following indicators (including mandatory and optional principal adverse impact indicators in line with SFDR):

- Environment – Greenhouse gas emissions and Renewable energy ratio.
- Social – Adherence to internationally recognized principles for environment, human rights, labor rights and corruption.

Methodologies

The Sub-Fund integrates sustainability perspectives – both risks and an opportunity – into investment decisions based on three methods as follows:

- **Opt in:** 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.

- **Action:** 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 workpractices, among other things, through promoting long-term decisions. Kavaljer will also exercise its voting rights at annual general meetings when deemed necessary.

- **Opt out:** If an investee is found breaching one of the criteria, Kavaljer will assess the severity of the incident. Kavaljer may then engage in a dialogue with the company to advocate for appropriate remedial actions. However, if the problem seems unlikely to be resolved, the investee will be excluded from further investment and gradually divested.

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. The Investment Manager 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

The Investment Manager aims at maintaining 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

The Investment Manager's engagement principles can be found at kavaljer.se/en/about-kavaljer/

Designated reference benchmark

The Sub-Fund does not use a benchmark to evaluate its overall ESG profile.