

Article 10 web disclosure

Sustainability-related disclosure

Equity Flexible

A sub-fund of Smart Value Investors • SFDR product category: Article 8

Summary

The objective of the sub-fund is to grow the capital invested above global equity markets in the long term while aiming to limit the impact of adverse shocks in equity and bond markets in the short term.

The sub-fund is actively managed without using a reference benchmark.

The sub-fund follows an ESG Policy applicable to the following assets

- Direct investments in equity securities ("Equity Securities"),
- Direct investments in bonds issued by corporate and governmental entities (together "Bond Securities"),
- UCITS and/or other UCIs. The sub-fund may invest up to 10% of its net assets into UCITS and/or other UCIs.

No sustainable investment objective

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

E/S characteristics

The ESG policy relies on three pillars:

1- An integration approach

The goal of this approach is to favor issuers that best address sustainability risks they face and adapt their business models and strategies to these new challenges.

The sub-fund relies on data provided by a well recognized independent agency specialized in ESG analysis. For each issuer, the Investment Manager will rely on the ESG Risk Rating ("the ESG Risk Rating") and the ESG Industry Percentile (the "ESG Industry Percentile") provided by the independent agency.

- The independent agency defines issuers faced with severe and high ESG risk as having an ESG Risk Rating higher than 30. The weighted average ESG Risk Rating of the rated issuers of the sub-fund shall be lower than 30,
- To favor issuers with ESG characteristics higher than their industry peers, the weighted average ESG Industry Percentile of the rated issuers of the sub-fund will be lower than 40.

The Investment Manager will further monitor the controversy analysis provided by the independent agency. In case of a controversy considered as severe, corrective measures will be implemented that could lead to the divestment of the issuer.

Investment in UCITS and/or UCIs that do not promote ESG characteristics will be limited at 10%.

A maximum of 10% of the net assets of the sub-fund can be invested in non-rated issuers or UCITS and/or UCIs that do not promote ESG characteristics.

2- An exclusion approach

The goal is to restrict the investment in issuers that do not meet minimum fundamental responsibilities or are active in controversial activities.

The sub-fund excludes investment in Equity and Bond Securities:

- for which the Luxembourg Law forbids the investment (such as corporate entities involved in the production of cluster munitions weapons or explosive submunitions),
- issued by entities that are under European Union or United Nations sanctions.

The sub-fund excludes investment in corporate entities that derives more than 10% of their revenues from:

- The manufacturing of controversial weapons
- The production of tobacco or tobacco products
- Thermal coal extraction or unconventional oil and gas extraction

The sub-fund excludes investment in Bond Securities issued by government entities that do not provide minimal politic rights and civil liberties to its citizens.

3- A stewardship and Engagement best practices guidelines

The goal is to encourage the promotion of good corporate behaviors through voting and constructive open dialogue with the issuers. E/S characteristics are an area of those guidelines.

Further details on the ESG policy can be obtained at <http://www.smart-pm.eu/wp-content/uploads/Smart Value Investors - Current ESG Policy.pdf>

Investment strategy

The sub-fund will invest its assets in a portfolio composed of the following assets:

- Equity Assets: equity securities, equity funds, equity exchange traded funds and listed closed-end equity funds and long short equity funds;
- Fixed Income Assets: fixed income securities, bonds and convertible bonds fixed income funds and fixed income exchange traded funds and listed closed-end bond funds;
- Time deposits and cash equivalents securities and investments.

The proportion of the sub-fund's assets invested in Equity Assets will vary from time to time based upon the Investment Manager's assessment of risk/return opportunities with however a minimum of 51% of its net assets being invested in Equity Assets.

Please refer to the prospectus and latest annual and semi-annual reports available at <https://www.conventumtps.lu/> for further details on the investment strategy and how it is applied by the Investment Manager.

Asset allocation

	<i>% of assets</i>
Investments aligned with the sub-fund's E/S characteristics	Min. 45%
Qualifying as sustainable investments	Min. 0%
- under the EU Taxonomy	-
- with a social objective	-
Not qualifying as sustainable investments but having other E/S characteristics	Min. 0%
Other investments (1)	Min. 0%

(1) Includes Bank deposit at sight, Exchange trading commodities involving precious metals, Direct Equities and Bond Securities that are not rated by the independent agency, UCITS and/or UCIs that do not promote ESG characteristics

Monitoring of E/S characteristics

The Investment Manager monitors regularly and at least on a monthly basis the ESG Risk Rating and the controversy analysis provided by the independent agency as well as other parameters to ensure that the ESG Policy binding elements are satisfied.

E/S methodologies

The ESG Risk Rating measures an issuer's exposure to industry-specific material ESG risks and how well it is managing those risks as analyzed by the independent agency:

- For Equity Securities and Corporate Bond Securities, the independent agency may include the following material ESG Issues: Corporate Governance, Resource Use, Human Capital, Product Governance, Carbon-own Operations, Humans Rights – Supply Chain, Land Use and Biodiversity – Supply Chain, Business Ethics, E/S Impact of Products and Services, Occupational Health and Safety, Resource Use – Supply Chain as well as the robustness of the Company's ESG programs, practices and policies,
- For Government Bond Securities, the independent agency may include the following material ESG Issues: Natural (agriculture, forestry, etc...), Produced (machine, buildings etc), Human (skills, experience of population) and Institutional (quality of institutions) Capitals as well as the management of those risks (risk factors potentially impacting those risks, material negative impact, trend on country's performance),

In case and ESG Risk Rating is not available for a governmental issuer, the Investment Manager will rely on the ESG Country Risk Rating associated with the issuer.

The ESG Industry Percentile measures how well the ESG risk are managed by the issuer compared to its peers active in the same industry as defined by the independent agency.

For UCITS and/or other UCIs, environmental and/or social characteristics are based on the specific ESG policy of the UCITS and/or other UCIs.

Data sources and processing

Data sources include regular reports or communications provided by the issuers as well as reports provided by the independent agency.

The sources are analyzed by the Investment Manager.

See also *E/S methodologies, Monitoring of E/S characteristics and No sustainable investment objective*.

Limitations of methodologies and data

Data provided by any source, in particular companies themselves, may be incomplete, biased or incorrect. Data comparisons can often identify such situations, but in some cases little data is available to make comparisons. In some cases, metrics that appear to be comparable may have been derived using non-comparable measurements. Any of these issues could leave the sub-fund potentially vulnerable to data flaws.

Data provided by the independent agency is based on the methodology developed by the independent agency. The methodology can differ from ESG Rating agency to ESG Rating agency. As such, inconsistencies can exist between the ESG Risk ratings provided by different ESG Rating agencies. In some cases, such inconsistencies can be material.

See also *Data sources and processing*.

Due diligence

The Investment Manager evaluates and continually monitors both actual and potential investments using widely accepted standards and a variety of internal and external data sources, including major financial industry providers.

See also *E/S methodologies, Monitoring of E/S characteristics and No sustainable investment objective*.

Engagement policies

See also *E/S methodologies, Monitoring of E/S characteristics and No sustainable investment objective*.

Reference benchmark (ESG)

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

Terms to understand

E/S Environmental and/or social.

ESG Environmental, social and governance.

Sustainability Risk ESG event or condition that, if it occurs, could cause an actual or potential negative impact on the value of an investment.

ESG Policy The Environmental Social and Governance factors and sustainability risks integration Policy adopted by the Board of Directors in order to mitigate Sustainability Risks.

EU Taxonomy The EU's official classification of economic activities that contribute to an environmental objective (such as climate change mitigation, water protection, circular economy, pollution prevention or biodiversity protection). In future the taxonomy will include activities with a social objective.

issuer A company, government, government agency, government-sponsored organisation, or supranational or public international entity that registers and sells securities.

UCITS and/or other UCIs UCITS and/or other UCIs, including Exchange Traded Funds (ETF) comparable to UCITS and other UCI, provided that such ETF is subject to supervision considered by the CSSF to be equivalent and comply with the provision of article 41 (1)e) of the Law of 2010

Exchange trading commodities involving precious metals exchange-traded commodities involving precious metals in accordance with Article 41 (1) a)-d) of the Law of 17 December 2010 on undertakings for collective investment and Article 2 of the Grand-Ducal Regulation of 8 February 2008 as well as point 17 of the CESR/07-044b guidelines, provided that these products do not contain embedded derivatives and do not involve physical delivery of the underlying metal.

reference benchmark An index or combination of indices used by the fund to attain or compare its E/S characteristics.

SFDR Regulation (EU) 2019/2088 on sustainability-related disclosures for financial products.

sustainable investment An investment in economic activities, undertaken by companies that follow good governance practices, that contribute to an E/S objective without significantly harming other E/S objectives.