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: DNCA Invest – Strategic Resources
Legal entity identifier: 213800R4Q6XP2164SE27

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:** ___%	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ 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?

The characteristics promoted by the Sub-Fund are governance, environment, social and societal criteria.

The management of the Sub-Fund relies on the proprietary analysis tool on environment, social and governance: ABA (Above and Beyond Analysis).

The Sub-Fund is exposed mainly to commodities market via derivatives; the Sub-Fund is also directly invested in public issuers bonds.

DNCA Finance has created a variation of the "Above and Beyond Analysis" ("ABA", the proprietary tool) model specifically designed for commodities, focusing on environmental, social and societal characteristics (see below).

For the universe composed of direct investment (such as bonds or equivalent, money market instruments) and indirect investment (derivatives on UCITS-eligible financial indices comprised of commodities), the Sub-Fund is managed taking into consideration responsible and sustainable principles. In this way, the investment process and resulting commodities exposure and bond and money market instrument picking take into account internal scoring with respect to both issuers responsibility and sustainability profile based on an extra-financial analysis trough a proprietary tool developed internally by the Management Company, with the "best in universe" method. There may be a sector bias.

For commodities, as part of the promotion of such characteristics, The Sub-Fund will, in particular, consider the following ESG matters:

- Environment:
    - Negative effects related to the CO2 and/or GHGs emissions,
    - Negative effects related to water consumption,
    - Negative effects related to use of the land,
    - Opportunities to reduce the CO2 and GHGs emissions by facilitating low-carbon electricity generation technologies and low-carbon technologies for transportation,
    - Current and future recycling opportunities of commodities.

- Social and societal:
    - Negative effects related to human rights and fundamental freedom,
    - Negative effects related to working conditions,
    - Employment opportunities.

For Public issuers, the management of the Sub-Fund relies on the proprietary analysis tool on environment, social and governance: ABA (Above and Beyond Analysis), as part of the promotion of the characteristics listed above, The Sub-Fund will, in particular, consider the following ESG matters:

- Environment: carbon intensity and consumption energy mix breakdown.
- Social: respect of international standards (child labor, discrimination, freedom of association, money laundering, labor rights, human rights, freedom of press and torture).
- Governance: Accord de Paris signatory, UN-Biodiversity convention signatory, coal exit policy, nuclear weapon non-proliferation agreement.
- Global ESG risk rating and coverage.

The Sub-Fund does not use a benchmark for the purpose of attaining the ESG Characteristics promoted by the Sub-Fund.

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

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

The extra-financial analysis is applied on both (i) the underlying investment of financial derivative instruments linked to commodities, and (ii) bonds securities or equivalent and money market instruments which may compose the portfolio.
Commodities: For the universe exposed to commodities, the extra-financial approach is based on a proprietary tool used for the mapping of negative effects and

environmental, social and societal opportunities offered by commodities. The Tool is fed by the DNCA's research and by external quantitative and qualitative databases with notably the following indicators:

- The "Above and Beyond Analysis" ("ABA", Responsibility Risk Score: the main sustainability indicator used by the Sub-Fund is the ABA scoring (see part "Investment Strategy") based on Responsibility Risks and divided into three pillars: environmental responsibility, social responsibility, societal responsibility;
- The Transition to a Sustainable Economy Score: the Management Company completes this analysis by an assessment of commodities' exposure to sectors participating in the energy and ecological transition (the durable transition). This score is based on the estimates of commodities demand breakdown linked to those sectors.
- The country risk score: the Management Company completes the Responsibility Risk score with a Country Risk analysis based on the country-production breakdown relative to each commodity.
- The ESG momentum: for each commodity this analysis is based on demand trajectory, offer/demand balanced trajectory and news flow.

For public issuers, the main sustainability indicators used by the Sub-Fund are the following:

- ESG risks analysis which is made of 4 pillars, rated from 0 to 10:

- Governance: the pillar reviews Rule of law and respect for freedom, Quality and transparency of institutions and regulatory framework, Military status and defense, Democracy.
- Environment: this pillar reviews Agriculture, Climate change, Energy, Waste management and recycling.
- Social: this pillar reviews Education and training, Job, Health.
- Society: Living conditions, freedom and respect for fundamental rights, Inequalities.

- International standards infraction which is a binary approach to qualify the infraction to: Child labor, Discrimination, Freedom of association, Money laundering, Labor rights, Human rights, Freedom of press and Torture practices.

- International convention engagement which is a binary approach to identify the commitment to SDGs (UN Sustainable Development Goals), Kyoto Protocol, "Accord de Paris", Un-Biodiversity Convention, coal exit, coal power capacity, nuclear weapons nonproliferation Treaty and fight again money laundering and financing of terrorism.

- Climate profile which is a combination of Energy mix evolution of the Energy mix, Carbon intensity and primary energy reserve.

- ***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?***

  The sub-fund does not intend to make sustainable investments.

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.

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

  Not applicable

  How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

  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, ______

Commodities: Although principal adverse impacts (PAI) are not directly applicable to commodities, the sub-fund seek to integrate adverse impacts in its investment decisions regarding commodities.
For public issuers, the Sub-Fund is taking into account the principal adverse impacts on sustainability factors.

The Principal Adverse Impact analysis is part of the Country Rating (See below).

- The Management Company is implementing an Adverse Impact on Sustainability Policy, measuring the PAI. The Policy first intend to monitor the contributions to climate change (CO2 intensity) and social issues (Country submitted to social violation, average income inequality score) and corruption (average corruption score).
- Further information may be found in the annual report in respect of the Sub-Fund.

☐ No

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

What investment strategy does this financial product follow?

The Investment process is based on two successive stages as described below:

- First, the initial Investment universe which includes both financial instruments exposed to commodities, bonds and money markets instruments, is subject to the extra-financial process described below, which participate to the durable transition while also seeking to limit negative impacts (including in particular "Principal Adverse Impacts and "Do Not Significant Harm" principle). This selection involves excluding commodities and issuers which do not comply with a minimum score of 2 on our "Above and Beyond" Responsibility Risk Score ranging from 0 to 10, or exposed to major controversies.

- Then, selection of commodities and issuers is based on a hybrid combination of extra-financial analysis and fundamental analysis. Extra financial scores described below, fundamental analysis and risks markets indicators such as volatility, duration, etc... will be used to size positions. The Sub-Fund allocation will be the result of this two-steps investment process. Below are described both the extra-financial and the financial approaches used by this two steps process.

The extra-financial analysis is applied on both (i) the underlying investment of financial derivative instruments linked to commodities, and (ii) bonds securities or equivalent and money market instruments which may compose the portfolio.

Extra financial analysis on commodities

For each commodity, the ABA scoring, proprietary tool of ESG analysis, is compose of:

- Responsibility risk rating (environment, social and societal) out of 10,
- Country risk rating,
- Exposition to sustainable transition sectors,
- ESG momentum.

The ABA analysis of responsibility risks is broken down into three pillars and the following criteria all rated out of 10:

Environmental responsibility	**CO2 Emissions** **Water consumption** **Energy consumption** **End of life recycling**
Social responsibility	Fundamental human rights Modern slavery and child labor Freedom of speech and association Treatment equality and discrimination
Society responsibility	Bribery and business ethics

The ABA analysis for Country risk is based on the public issuers analysis describe below that aims to a score out of 10. The global score of each country has a direct impact on the Responsibility Risk score based on commodities' production geographical breakdown.

The ABA analysis for Sustainable Transition exposure looks at the end-markets breakdown for the commodities analysed, the opportunities of saved CO2 emission and the recycling efforts. The share of low carbon energy generation or mobility technologies within those end-markets, the effective and potential recycling, the CO2 saved thanks to the potential displacement of fossil energy toward low carbon energy and mobility technologies facilitated by such commodities will allow, when possible, to compute an estimated spot and forward exposure of those commodities to the durable transition.

The ABA analysis for ESG commodities' momentum is based on macro-economic information and the outlook resulting from the analysis of supply and demand induced by the transition scenario established within the framework set by the scenarios mentioned above.

The combination of each rating involves a global extra-financial analysis.

The Responsibility Risk rating will be used to exclude some commodities from the investment universe, representing at least 20%, (rating below 2 out of 10) and may additionally be used for sizing the exposure of the portfolio.

The internal analysis is based on factual data published by the companies (commodities exchanges and basics resources companies) and/or organizations (NGO, OECD, ILO, UNO, supranational organizations,...) which may be incomplete or inaccurate, complemented by an ongoing dialogue with companies and organizations' officers.

Exposures to commodities not compliant with the extra-financial analysis will be systematically offset with a target exposure of 0. However, residual exposures in such commodities may arise but it will be kept minimal with the aggregated absolute value of corresponding notionals below 2%.

Fundamental analysis on commodities

The fundamental approach involves a detailed, long-term discretionary analysis and assumptions including: the economic relevance of a commodity, predicted mid to long-term imbalances between supply and demand, the potential for supply risks, the commodity's role in new technology applications, notably in facilitating the economy's decarbonization, the share of green demand in the commodity's total consumption, and the economic interest of the commodity in crafting a diversified commodity portfolio.

Based on these criteria, the management team maps out its investment universe. This mapping distinctly represented by estimating a "strategic score" (rated between 0 and 10) based on a factual assessment of the aforementioned criteria but also discretionary (integration of management team scenarios). The strategic score is a tool that can be used by the team to support and help justify its preferences for overweighting or underweighting exposure to a commodity in the long term, relative to the benchmark index. Long-term analysis is useful for establishing strategic allocation within the eligible investment universe.

The fundamental approach also includes a short-term analysis: determining a target price per commodity, in comparison with the market consensus, by factoring in certain technical parameters like the levels of visible and invisible inventories, the curve structure, different news flows, etc., to create projections and formulate return expectations.

Generally, a pro-risk or risk-on positioning: favoring return prospects by allowing a higher risk budget and a stronger average correlation.

The short-term fundamental approach further integrates a macro-economic (top-down) analysis, incorporating key macro price drives (monetary and fiscal policies, economic cycle, leading and soft indicators, as well as hard indicators) to assess whether the Sub-Fund’s macro-economic outlook for 3 months to 1 year leans towards being more conservative or more optimistic compared to the consensus. This helps in addressing whether the macro-economic environment is supportive or detrimental to risk-prone and cyclical assets. In scenarios deemed favorable (risk-on), the management team might opt to guide the portfolio towards commodities with promising revaluation potential, accepting increased portfolio volatility. Typically, a risk-on or pro-risk stance involves prioritizing return potential over risk, endorsing a higher risk allowance and a greater average correlation.

Short-term fundamental analysis is useful for establishing tactical allocation, aligning with the strategic allocation.

This fundamental analysis of the demand integrates an internal scenario of transition towards a sustainable economy (based on International Energy Agency, Network for Greening the Financial System, the International Panel of Climate Change and Asia-Pacific Integrated Modeling-Computable General Equilibrium), and, in particular the displacement of fossil energy by alternative sources of energy. By seeking exposure to the commodities markets, the Sub-Fund may indirectly participate in commodities markets liquidity, and therefore, aim to promote environmental, social and societal characteristics across those markets.

Extra-financial analysis for public issuers:

With respect to investments in public issuers: this asset class is the subject of an extra-financial analysis in 4 dimensions comprising:

- ESG risks analysis, made of 4 pillars, rated from 0 to 10:
    - Governance: the pillar reviews Rule of law and respect for freedom, Quality and transparency of institutions and regulatory framework, Military status and defense, Democracy.
    - Environment: this pillar reviews Agriculture, Climate change, Energy, Waste management and recycling.
    - Social: this pillar reviews Education and training, Job, Health.
    - Society: Living conditions, freedom and respect for fundamental rights, Inequalities.

- ***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 Sub-Fund implement its strategy within two types of bindings elements: exclusions applied for the whole of DNCA Finance, and exclusions specific to the strategy.

Exclusions applied for the whole of DNCA Finance:

- Exclusion based on United Nations Global Compact breaches: after analysis and decision by the Director of Management, companies are listed by DNCA on a “worst offenders” list and excluded from all portfolios.
- Exclusion based on sector activity:
    - Exclusion of controversy weapons
    - Exclusion of the companies implied in thermal coal and unconventional oil and gas, according to the table below.

Activities	Exclusion from March 2022	Issuers having their registered office in the European Union or in the EOCD		Issuers having their registered office outside of the EOCD	
		Exclusion from December 2027	Exclusion from December 2030	Exclusion from December 2030	Exclusion from December 2040
Thermal Coal Productio n	From 10% of the revenues	From 5% of the revenues	Definitive exit (0% of the revenues)	From 5% of the revenues	Definitive exit (0% of the revenues)
Coal-based electricity generation	From 10% of the revenues	From 5% of the revenues	Definitive exit (0% of the revenues)	From 5% of the revenues	Definitive exit (0% of the revenues)

Activities		Exclusion from December 2030	Exclusion from December 2040	Exclusion from December 2030	Exclusion from December 2040
Productio n of unconvent ional oil of gas	From 10% of the revenues	From 5% of the revenues	Definitive exit (0% of the revenues)	From 5% of the revenues	Definitive exit (0% of the revenues)

Exclusions specific to the strategy followed by the Sub-Fund:

For public issuers:

- From the investment universe, are also excluded issuers with controversies or in severe breach to at least one of UN Global Compact Principles (example: human rights or fight against corruption) based on the internal approach.
- Moreover, a strict controversial weapons exclusion policy and sectorial exclusion is implemented and is available on the website of the Management Company (https://www.dnca-investments.com/lu/areas-of-expertise/sri).

For commodities:

- Commodities linked to extraction and exploitation of coals, deemed incompatible with the objective of durable transition, are excluded from the universe, as well as agricultural commodities.
- Exclusion of commodities whose "Above and Beyond" Responsibility Risk Score is under 2 out of 10 (which represents at least 20% of the investment universe).

According to "investment strategy" section described above, exposures to commodities not compliant with the extra-financial analysis will be systematically offset with a target exposure of 0.
The result of the extra-financial approach will be binding on the Management Company.

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

The achievement of the extra-financial strategy through Responsibility Risk Score, the controversies and sectorial exclusion policy is consequently leading to reduce 20% of the investment universe.

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

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

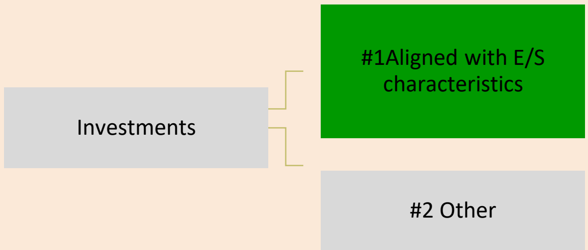
N/A

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

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 Sub-Fund intends to invest 80% minimum of the portfolio in “investments with environmental and social characteristics”. The remaining portion of the Sub-Fund’s net assets (#2 Other) will consist of financial derivative instruments, deposits at sight, money market funds, money market instruments and other deposits used for hedging and/or exposure purposes and to manage the liquidity of the portfolio or to reduce any specific financial risk.



#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.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

The sub-fund is using derivatives instruments to invest on commodities market but is not using derivatives directly to attain environmental or social characteristics.

The extra-financial analysis is applied on the underlying investment of financial derivative instruments linked to commodities derivatives 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.

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 performance.

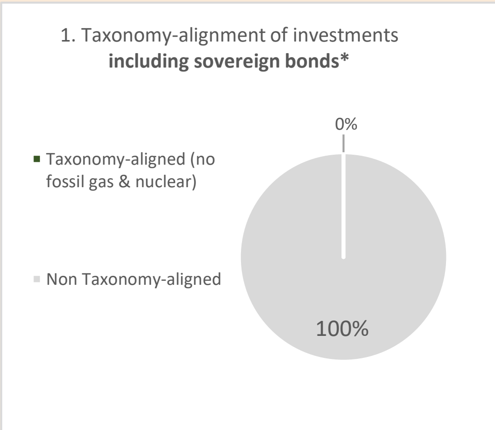
- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

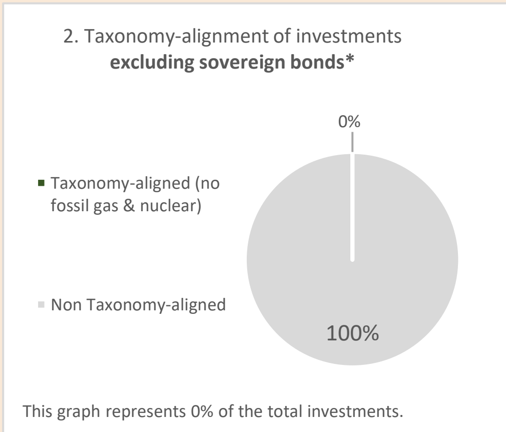
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally 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

[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 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 Sub-Fund may invest in derivatives, deposits, cash, and money market funds. These instruments are included in category "#2 Other" and are not intended to provide minimum environmental or social guarantees. These instruments may be used by the management company to manage the fund's liquidity, expose the Sub-Fund to commodities market or to reduce any specific risk (e.g. currency risk).

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?

The reference benchmark does not intend to be consistent with the environmental or social characteristics promoted by the Sub-Fund.

- ***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

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.dnca-investments.com/lu/funds/dnca-invest-strategic-resources/units/i-lu2707622390*** by clicking on section "Documents" and accessing the ESG information under the sub-section "SRI Documents".