

4.16. Multi Asset Balanced

Legal entity identifier: 549300R4FDYZZ8HUD175

Environmental and/or social characteristics

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 (portfolio) 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

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

Does this financial product have a sustainable investment objective?

☒ ☐ ☐ **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 will make a minimum of sustainable investments with a social 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

☐ 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 promotes E/S characteristics but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

The sub-fund manages its portfolio of investments according to the Swiss Life Asset Managers' Responsible Investment Policy and Swiss Life Asset Managers' Transparency Code, and promotes the following E/S characteristics:

ESG significant approach The sub-fund seeks to achieve an ESG positive tilt by investing at least 90% of assets (excluding cash) in funds that have the Socially Responsible Funds (SRI) label or an equivalent label in Europe.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the sub-fund.

Regulatory, normative and sectoral exclusions Exclusions of the sub-fund are applied on the level of the target funds. Those exclusion rules are considering regulatory, normative and sectoral aspects.

Active ownership The sub-fund seeks to engage with portfolio companies on material ESG issues, through dialogue with management and voting rights, and may discontinue investment if progress proves unsatisfactory.

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

The sub-fund does not use indicators other than ESG labels of the funds that it invests in.

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?

Not applicable.

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.

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.

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

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

Asset allocation describes the share of investments in specific assets.



Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes ☐ No

Principal adverse impacts of the sub-fund are addressed on the level of the target funds. Target funds managed by Swiss Life Asset Managers are using the proprietary rating model that aims to aggregate all 14 mandatory principal adverse impact (PAI) indicators into a single rating on a scale from AAA down to CCC. The sub-fund excludes or restricts investments in companies having from the investable universe all a CCC- rated issuers.

Information on the measurement of PAI indicators will be made available in the sub-fund's annual report.

► See also: "What environmental and/or social characteristics are promoted by this financial product?"



What investment strategy does this financial product follow?

Objective(s) To seek the best combination of capital growth and interest income from the Euro perspective by investing and/or being exposed in a broadly diversified portfolio of global bonds and equities through at least 90% of indirect investments (excluding cash) via other UCITS and/or UCIs.

Reference index(ices) Bloomberg Global Aggregate Index (hedged to EUR) and 15% MSCI Euro Net Total Return Local Index and 35% MSCI World Net Total Return (hedged to EUR)

Index, indices that do not take into account environmental, social and governance (ESG) factors. *Usage:* for portfolio reference and performance measurement.

Investment policy The sub-fund invests in, or gets exposed to, a range of asset classes, such as bonds, money market instruments and equities. These investments may be from anywhere in the world and some of the bond investments may be below investment grade.

Strategy In actively managing the sub-fund, the investment manager uses macroeconomic, market and issuer analysis to flexibly allocate investments across and within asset classes and geographic areas, with a focus on maintaining a balanced allocation between lower and higher risk assets. Because the sub-fund is not constrained to any reference index, its portfolio's securities and their weightings, and thus its performance, may or may not resemble those of the reference index(ices).

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's binding elements are:

- minimum 90% of assets (excluding cash) invested in funds which have obtained the French ISR label or funds with an equivalent label in Europe.

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

The sub-fund does not commit to reduce the scope of the investments prior to the application of the investment strategy.

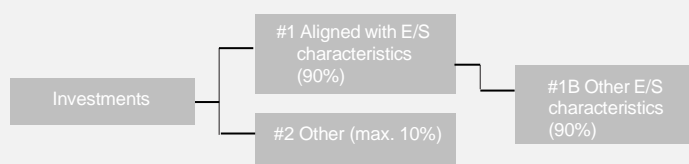
What is the policy to assess good governance practices of the investee companies?

The sub-fund assesses good governance practice on the level of the target funds. Funds managed by Swiss Life Asset Managers are following the good governance approach of Swiss Life Asset Managers. Furthermore, the governance practice of the fund manufacturers of external target funds is assessed during the fund due diligence.



What is the asset allocation planned for this financial product?

The sub-fund is must be invested at least at 90% of assets (except cash) in funds that have the Socially Responsible Funds (SRI) label or an equivalent label in Europe (#1). The sub-fund is allowed to invest the remainder of its NAV in remaining investments, such as, cash equivalents, direct investments, issuers that do not systematically integrate E/S characteristics, investments in other UCITSs/UCIs and/or derivative instruments (#2 Other).



#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 sub-fund does not currently commit to invest in any "sustainable investment" within the meaning of the Taxonomy Regulation.

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.

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.

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

Reference

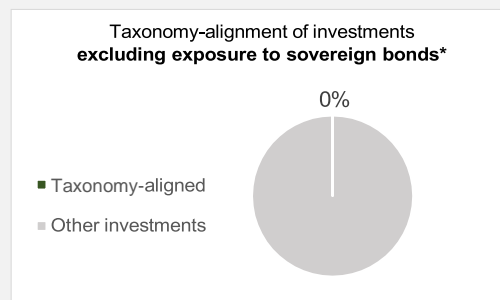
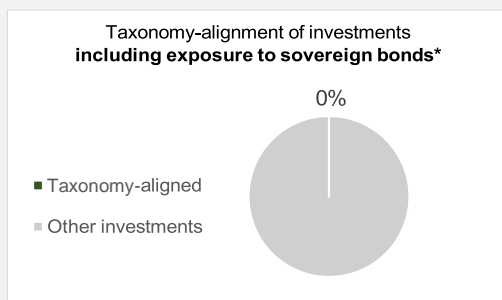
benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product? The sub-fund does not use derivatives to attain its environmental or social characteristics.



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

The two graphs below show 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.



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

Not applicable.



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?

These investments include derivatives, cash and cash equivalent positions ensuring the sub-fund's liquidity, investments in other funds and investments in securities that are not ESG rated. These investments are not measured against ESG criteria, including any minimum environmental or social safeguards as defined under SFDR.



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?

No. The sub-fund uses a variety of ways to assess its environmental and/or social performance, but does not use a reference benchmark to determine the alignment with the environmental and/or social characteristics it promotes.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://lu.swisslife-am.com/en/home/responsible-investment/sustainability-related-disclosures.html>.