

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

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

Product name: LongRun Equity Fund
Legal entity identifier: 5493006HXJ0Y6T6RPH58

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> <input type="radio"/> Yes	<input checked="" type="radio"/> <input type="radio"/> No
<div><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____%<div><div><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div></div></div> <div><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____%</div>	<div><input checked="" type="checkbox"/> 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 15% of sustainable investments<div><div><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</div><div><input checked="" type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</div><div><input checked="" type="checkbox"/> with a social objective</div></div></div> <div><input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</div>



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

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

The product considers firstly investments in companies that plan to reduce their carbon emission in line with a global warming of 2°or below. Through the focus on these companies, the product promotes the development of technologies, processes and practices aiming at climate warming mitigation. The product considers, secondly, investments in companies that generate at least of 20% of their sales from products with a direct environmental and social contribution. These products are in alternative energy, energy efficiency, green building, sustainable water, pollution prevention, sustainable agriculture, nutrition, major

disease treatment, sanitation, affordable real estate small and medium-sized enterprise finance, education and connectivity. Thirdly the product also focusses on investments whose investee companies have a minimum rating of AA by MSCI ESG Research LLC. Companies with such a rating have environmental, social and governance standards well above those of their industry peers. The investment focus on these companies tends to exert appreciation pressure on their valuations and has also signaling character. It therefore promotes the adoption of the same standards by their lagging peers, such improving the ESG practices of the whole industry.

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

The sustainability indicators used are:

- ESG Ratings: overall and E, S and G scores provided by MSCI ESG Research LLC
- Principle Adverse Impact (PAI) indicators:
 - 1: amount of greenhouse gas emissions,
 - 2: carbon footprint,
 - 4: exposure to fossil fuel sector,
 - 5: share of non-renewable energy consumption,
 - 6: energy consumption intensity per high impact sector,
 - 10: violations of UN Global Compact principles and OECD Guidelines,
 - 13: board gender diversity,
 - 14: exposure to controversial weapons.
- For assessment of thermal coal involvement, the Global Coal Exit List provided by Urgewald (a non-profit environmental and human rights organization) is used
- For corporate investee companies the following metrics provided by MSCI ESG Research LLC:
 - The implied temperature rise metric,
 - the low carbon transition score,
 - the revenue share from sustainable impact solutions,
 - the estimated EU Taxonomy-alignment,
 - a controversy score/flag estimated and provided by MSCI ESG Research LLC.
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● ***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?***

A sustainable investment, as defined by the SFDR Article 2(17) should consider the three following building blocks:

- Positive contribution to an environmental or social objective,
 - do no significant harm,
 - good governance practices.
- a) Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, private companies selected in the financial product are considered as having a positive contribution to an environmental or social objective if:
- companies have carbon emissions reduction targets aligned with a global warming of 2° or less.,
 - or have a strategic business focus on products with a direct social or environmental products or services as shown by a share of revenues from those products of at least 20%.
- b) Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, financial instruments linked to sovereigns selected in the financial product are considered as having a positive contribution to an environmental or social objective if:

- the country is considered as having a credible carbon emission reduction trajectory (assessed by Carbon Action Tracker).
 - and the country has ratified some key environmental conventions and demonstrates good performances regarding corruption, rule of law, taxes, fundamental human rights, freedom and inequality reduction.
- c) Third party funds selected in the product might integrate a portion of sustainable investments which comply with the sustainable investment definition and objectives defined by the investment company managing the underlying product. When the underlying fund commits to a certain threshold of sustainable investments, we pay attention to the pertinence of this definition (and its three main components), but cannot ensure that it is fully aligned with our own interpretation of the SFDR requirements and objectives.

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?

- A sustainable investment, as defined by the SFDR Article 2(17) should demonstrate its involvement on the three following building blocks:

positive contribution to an environmental or social objective;

- do no significant harm;
- good governance practices.

a) Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, private companies selected in the financial product are considered as complying with the “do no significant harm” criteria if:

- They do not breach OECD and UNGC principles (PAI 10),

They consider the following principal adverse impacts:

- Greenhouse gas (GHG) emissions (1)
- Carbon footprint (2)
- Exposure to companies active in the fossil fuel sector (4)
- Share of non-renewable energy consumption and production (5),
- Energy consumption intensity per high impact climate sector (6) ,
- Board Gender diversity (13),
- Exposure to controversial weapons (14)

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?*

We take into consideration the principal adverse impact indicators in our definition of sustainable investments and measure all of the PAIs and their evolution/trend internally

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

Our definition of sustainable investments for private companies integrate the PAI 10 “Companies must not breach UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”.

Our assessment relies on data and research provided MSCI ESG Research LLC: “the overall company assessment signals whether a company has a notable controversy related to its operations and/or products, and the severity of the social or environmental impact of the controversy”.



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

Yes.

Rothschild & Co Bank AG recognizes principal adverse impacts (PAI) as defined by the SFDR regulation as a comprehensive analysis grid and we are in the process of further improving their integration in our monitoring tools.

At this stage, we pay a specific attention to the following PAIs:

- For private companies:

o Regarding environmental characteristics:

- The investment product complies with our investment policy relating to thermal coal (PAI 4);

- Our definition of sustainable investment takes indirectly into consideration the optional PAI relating to Investments in companies without carbon-emissions reduction initiatives;

o Regarding social characteristics: The financial product complies with our investment policies relating to fundamental principles and controversial weapons (PAIs 10 and 14).

What investment strategy does this financial product follow?

The main objective is to achieve a superior risk-adjusted performance relative to benchmark over the medium to long term through stock selection.

Provided that this main objective is not compromised the product has the following sustainability-related goals:

- 1) Share of investments aligned with E/S characteristics greater or equal 65%
- 2) Position-weighted ESG score by MSCI ESG research LLC equal or higher than that of the reference index.
- 3) Product carbon footprint (scope 1, 2, 3) equal or lower than that of the reference index
- 4) Product implied temperature (scope 1, 2, 3) as calculated by MSCI ESG Research LLC equal or lower than that the reference index.

The reference index is the MSCI World AC Index,



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?

A) Common investment exclusion policy framework

- Exclusion of companies that have any industry tie to landmines, cluster ammunitions, chemical weapons, or biological weapons. Industry tie includes ownership, manufacture or investment. Landmines do not include related safety products.
- Exclusion of companies that breach one or more of the principles of the UN Global Compact.
- Exclusion of investing in companies involved directly in thermal coal production as well as exploration, mining & processing and power generation using thermal coal (above defined thresholds).

B) Minimum Investment ESG criteria for single securities:

- Minimum MSCI ESG rating of BB.
- Minimum MSCI Low Carbon Transition Score 2.04, thus excluding of those companies deemed as asset stranding

C) At least 80% of the holdings must be covered by MSCI ESG Research.

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

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

We have not set a fixed minimum reduction rate on the investment universe. However, the investment universe is by default reduced by regulatory exclusions and the implementation of our common investment policies (see above).

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

We use different levers of analysis to assess good governance practices of the investee companies:

- Compliance with our common investment policies relating to fundamental principles and controversial weapons;
- Consideration of the ESG rating provided by MSCI ESG Research LLC (min. BB rating). The MSCI ESG Research LLC rating integrates a specific governance pillar score in its analysis. The governance score covers the themes of cooperate governance and corporate behavior. Topics such as ownership and control, board, pay, accounting, business ethics and tax transparency are considered across both themes.
- Our definition of Sustainable investment integrate good governance practices assessment including a minimum Governance Score (based on MSCI ESG Research data).

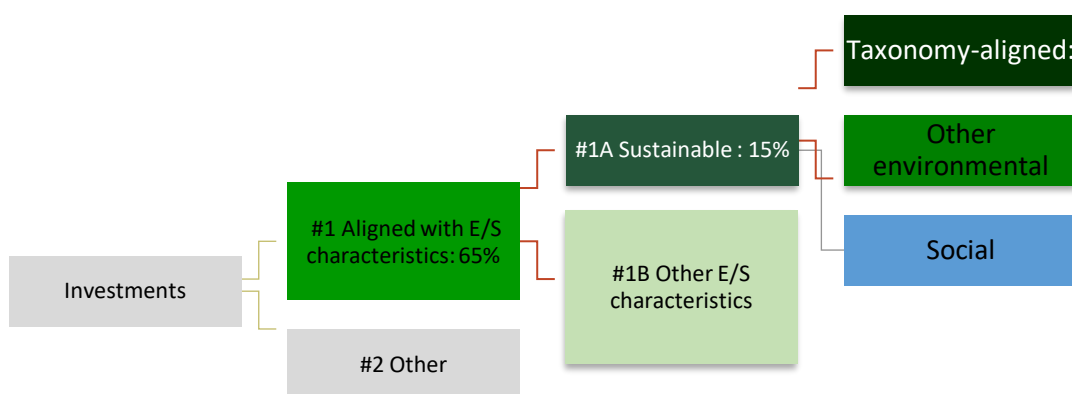


What is the asset allocation planned for this financial product?

This product should be invested in investments with Environmental and Social (E/S) characteristics of at least 65%. The share of sustainable investments, and the share of investments with other E/S characteristics can contribute to this share. The share of sustainable investments must be at least 15%. There are no thresholds in place for the share of sustainable, environmental and social investments, Taxonomy-aligned investments and investments with other E/S characteristics. Derivatives are not used to attain the E/S characteristics promoted by the product. The asset allocation is calculated as a position-weighted average.

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.



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

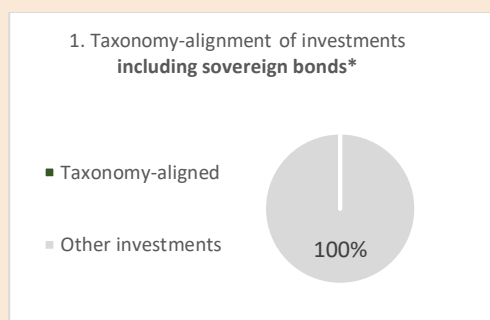
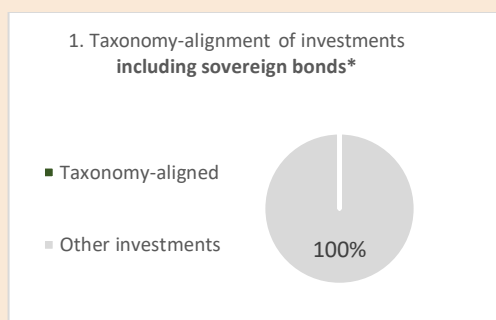
Derivatives are not used to attain the E/S characteristics promoted by the product.



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

The product does not apply a minimum threshold for sustainable investments with an environmental objective aligned with the EU Taxonomy

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? The product does not commit to a minimum share of transitional and enabling as defined by the regulation.



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

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is not set as a fixed number in this strategy.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is not set as a fixed number in this strategy.



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

The investment included in #2 Other are either assets for which ESG consideration do not apply such as cash or securities whose investee companies do not fulfill our criteria for sustainability and "other E/S characteristics". Nevertheless, these securities must meet the exclusion criteria described in the section "Binding elements"



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

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

N/A

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

N/A

- *How does the designated index differ from a relevant broad market index?*

N/A

- *Where can the methodology used for the calculation of the designated index be found?*

N/A



Where can I find more product specific information online?

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

<https://www.lu.rothschildandco.com/explore-our-funds>