

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.

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: Cantor Fitzgerald Multi Asset 70 Fund

Legal entity identifier: 213800THI17LXZEL1G64

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:** ____%

☐ 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 20% 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 Fund promotes the following social and environmental characteristics:

1. Environmental
 - a) Promotion of the reduction of thermal coal generation and extraction;
2. Social
 - a) Promotion of political rights;
 - b) Promotion of political stability and global peace;
 - c) Promotion of universal human rights;
 - d) Prohibition of forced labour; and
3. Promotion of good governance practices.

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 Fund uses the following sustainability indicators to measure the attainment of each of the above-mentioned characteristics:

- 1. Environmental
 - a) The percentage of investee funds that promote the reduction of thermal coals use;
- 2. Social
 - a) Number of investee funds that hold investments that make up more than 5% of the portfolio which violate the UNGC, ILO or OECD Guidelines for Multinational Enterprises and are therefore part of the Investment Manager’s norms-based engagement programme;
 - b) The number of investee issuers that are subject of European Union (EU) or United Nation’s (UN) sanctions;
 - c) Percent of direct sovereign investments flagged for having lack of political rights;
 - d) Weighted average direct sovereign investment stability and peace score as measured by MSCI ESG Research;
- 3. Good Governance
 - a) The number of holdings voted; and
 - b) Number of holdings that violate Sovereign and Fund screen as mentioned in the Investment Managers Good Governance Policy.

● **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?**

N/A – the Fund does not commit to making sustainable investments.

● **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?**

N/A

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

N/A

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

N/A

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.

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

Yes, _____



No



What investment strategy does this financial product follow?

The Fund pursues an actively managed investment strategy that gains exposures to a range of companies through investments in underlying funds and/or direct investments in the equities of such companies, integrating sustainability criteria throughout the investment selection process. The selection of these investments range across all sectors and focuses on maximising the rate of capital appreciation whilst considering the impact made by the investee company on the environment and society. In selecting its investments, the Investment Manager uses a screen to exclude companies that do not align with the characteristics promoted by the Fund. Further information in respect of this screening process is set out below.

- ***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 following elements of the Fund’s investment strategy are applied on a binding basis:

1. Environmental

The Fund will not invest in any issuer that violates the following criteria:

- Generation of more than 10% or more of total annual revenues from thermal coal extraction; or
- Generation of more than 30% of revenue from thermal coal-based power generation

2. Social

The Fund will not invest in securities of an issuer that:

- is the subject of European Union or United Nations sanctions;
- has been flagged for having poor political rights, as measured by MSCI ESG

- Research;
- iii. has a stability and peace score of less than 3, as measured by MSCI ESG Research;

The Fund will not invest in any fund where more than 5% of the portfolio of that underlying fund is found to violate the United Nations Guiding Principles (UNGPs), International Labour Organizations (ILO) standards, United Nations Global Compact (UNGC) or Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Where this limit is breached during whilst the Fund is already invested in the underlying fund, the Investment Manager will engage with the underlying fund.

Engagement is performed and monitored through a norm-based engagement service to which the Investment Manager subscribes. This engagement service pools together investors to engage directly with companies that violate any of the norm-based standards mentioned above in order to work towards rectification of any breach.

If engagement has proved to be ineffective in rectifying the issue after a period of one year, the Fund will divest itself of the sub-fund.

3. Good Governance

The Fund will not invest in any security that violates the Investment Managers Good Governance Policy.

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

The Fund does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

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

The Investment Manager assesses good governance through two different criteria, one for governments and another for the corporations in which it invests. To assess good governance for governments, the Investment Manager uses a proprietary screen that screens out countries which violate severe governance areas, such as labour freedom, civil liberties, and as well political rights. Additionally, screener eliminates any country that is the subject of either United Nations or European Union sanctions as a result of human rights violations.

To assess good governance of its corporate investments, the Investment Manager uses a third-party ESG research provider to identify a company's performance in four key governance areas: management structure, employee relations, remuneration of staff, and tax compliance. The Investment Manager uses a proprietary screen to identify companies that it considers are underperforming in these areas. Any companies identified by the screen are immediately subjected to further review by the Investment Manager. This additional analysis sees the Investment Manager consult with additional ESG data providers regarding the performance of the underlying company, with the results of that consultation then being used to further assess performance and confirm the view of the Investment Manager. Once the Investment Manager agrees that an issuer is underperforming in key governance areas, an estimation of scope and relevance will be made. If an underperformance in

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

a governance issue is deemed to be likely material, the Investment Manager will divest from the issuer. For further details on the screen and process used, please consult the Investment Manager's [Good Governance Policy](#).

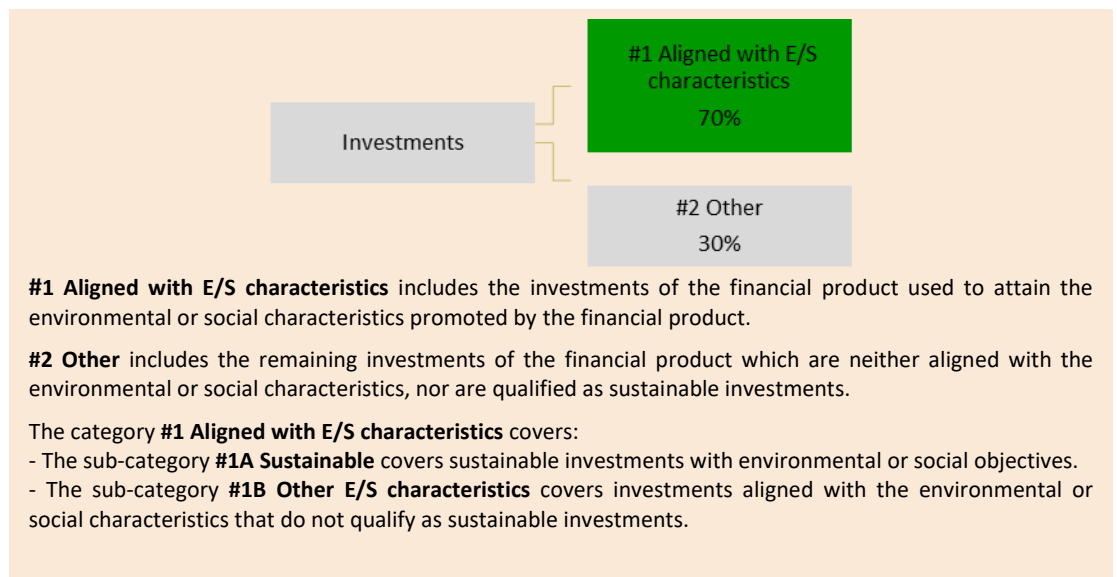


What is the asset allocation planned for this financial product?

The Fund invests at least 70% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics).

Up to 30% of the investments are not aligned with these characteristics (#2 Other).

The asset allocation is constantly monitored by the Investment Manager and reviewed quarterly.



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

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.



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

N/A - the Fund has not made a commitment to making a minimum percentage of sustainable investments with an environmental objective aligned with EU Taxonomy and as such an alignment of 0% is shown in the graphs provided information.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?



Yes:



In fossil gas

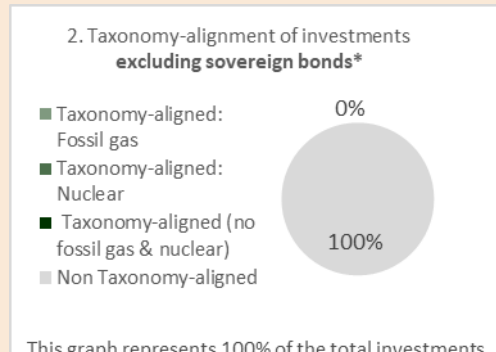
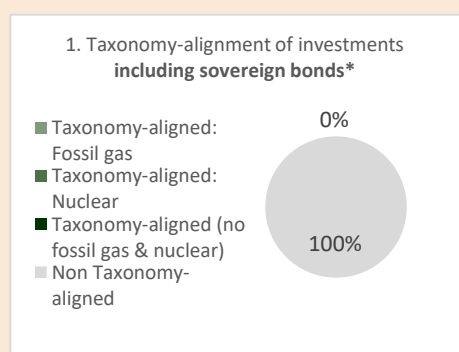


In nuclear energy



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?

N/A

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.



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

N/A



What is the minimum share of socially sustainable investments?

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.

N/A



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

The investments categorised under the “#2 Other” will be used for cash management and hedging purposes and will consist of ETFs, derivatives, cash and other cash equivalents. No minimum safeguards are applicable to these assets.



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?

N/A

- ***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://cantorfitzgerald.ie/merrion-investment-managers/sustainability-disclosure/>