



Nevastar Finance (Luxembourg) S.A.
17A Rue de Bains • L -1212 • Luxembourg
Telephone: +352 27 48 72 1

Article 8 Website Product Disclosure

NSF CONVERGENCE TECHNOLOGY FUND

Sustainability-related disclosures

This sustainability-related disclosure includes information relating to environmental and social characteristics of the financial product, and sustainable investments, in accordance with Article 10 the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) requires that firms publish information on any environmental (E) or social (S) characteristic that their products promote and on any sustainable investment objective that their products pursue.

This document is intended to provide a description of these features for this Fund, together with information on the methodologies used to assess, measure and monitor them. This document should be read in conjunction with the Fund's Prospectus and Pre-Contractual Disclosure before investing.

A - SUMMARY

The Fund promotes certain environmental and social characteristics, however it does not use a reference benchmark for the purpose of attaining this, or has as its objective sustainable investment.

ESG is integrated into the investment strategy by (1) excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations and (2) by aiming for the fund to have a similar or better weighted average ESG rating than its broad market reference index

Nevastar Finance will invest a minimum of 90% of the Fund's holdings in investments meeting the environmental or social characteristics promoted, in accordance with the binding elements of the financial product. In addition to the environmental or social characteristics promoted, the Fund may invest up to 10% of its holdings in financial derivative instruments as well as deposits at sight and as other instruments.

Nevastar Finance relies on Refinitiv as third party source to provide data necessary to analyse the indicators to monitor the binding environmental and social characteristics referenced above. Investment decisions go through pre-trade compliance checks to reduce operational risks and safeguard the investment objectives in line with the investment strategy.

As part of the investment process, Nevastar Finance takes into consideration the negative impact of the Principal Adverse Impact ("PAI") on sustainability factors.

The Management Company carries oversight on the Investment Manager to ensure due diligence processes and procedures are implemented to ensure that they are carrying out due diligence on investments in the best interests of the Fund and its investors. Although the investment manager does not commit to engage with every issuer, it may engage with management teams of investee companies through ongoing company engagement, proxy voting, or ESG reviews, among other things.

B – DOES THIS FINANCIAL PRODUCT HAVE A SUSTAINABLE INVESTMENT OBJECTIVE?

☒ ☒ ☐ **Yes**

☐ 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:** ____%

☒ ☐ ☒ **No**

☐ 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**

This fund promotes environmental or social (“E/S”) characteristics, but does not have as its objective sustainable investment. The fund will not have a commitment to a minimum proportion of sustainable investment, as illustrated above.

C - ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

1. The negative impact of the Principal Adverse Impact (“PAI”) on sustainability factors is taken into consideration as an integrated part of the investment process.
2. The Sub-fund promotes certain minimal environmental and social standards and therefore applies exclusion criteria with regards to products (including controversial weapons, civilian arms and material thermal coal extraction) and business practices that Nevastar Finance believes are detrimental to society and incompatible with strategies promoting E/S characteristics as per its policy on good governance practices of the investee companies set forth in this disclosure.
3. The Sub-fund has a similar or better weighted average ESG rating than a broad market reference index, represented by the Morningstar Global Markets Index. More information on the ESG rating methodology can be found at :
https://www.refinitiv.com/content/dam/marketing/en_us/documents/methodology/refinitiv-esg-scores-methodology.pdf

D –INVESTMENT STRATEGY

Description of the investment strategy used to meet the environmental or social characteristics of the financial product

ESG is integrated into the investment strategy by (1) excluding companies and issuers due to their exposure to certain activities that have been deselected based on ESG considerations and (2) by aiming for the fund to have a similar or better weighted average ESG rating than its broad market reference index.

Exclusions

Companies that are materially involved in the below activities are excluded from the investment universe of the fund. Companies' involvement is measured as the proportion of revenues deriving from the excluded activities. Different thresholds apply for determining the level of involvement that will result in an exclusion of a company from the investment universe. The list shows an aggregation of exclusions that result from the specific investment strategy.

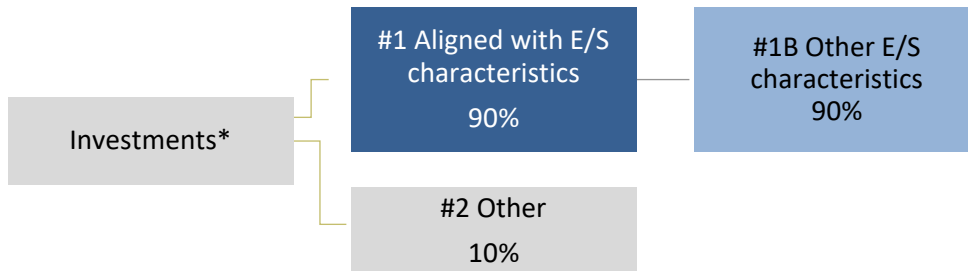
- Production of controversial weapons, including cluster weapons, anti-personnel mines, biological and chemical weapons, depleted uranium weapons, and/or white phosphorus munitions
- Production of civilian arms
- Production of nuclear weapons
- Production of palm oil
- Exploration, mining, extraction, distribution or refining of arctic oil & gas exploration
- Exploration, mining, extraction, distribution or refining of oil sands
- Exploration, mining, extraction, distribution or refining of hard coal and lignite

Good governance

Nevastar Finance's policy incorporates requirements amongst other with regards to sound management structures, employee relations, remuneration of staff and tax compliance. To that respect, companies that are non-compliant of the 3rd or 10th principle of the UN Global Compact and/or with severe governance-related controversies (ie. rated 5 out of 5) are excluded from the initial investment universe for Article 8 and 9 products. Non-compliance to other principles of the UN Global Compact will be scrutinised as part of the investment process. Companies should also have at least one independent board member on their Supervisory Board and published unqualified audited financial statements and reports.

E – PROPORTION OF INVESTMENTS

Illustrated below is the planned asset allocation for the investments of the financial product:



#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.

The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#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

*Investments refer to the fund's NAV which is the total market value of the fund

F – MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager uses internal compliance screening processes, and may rely on third party sources to provide data necessary to analyse the indicators to monitor the binding environmental and social characteristics referenced above. Compliance screening is performed pre-trade and continuously throughout the life cycle of an investment. Any exceptions that are identified by the compliance screening processes are analysed by the Investment Manager and the Investment Committee for assessment of whether or not such an exception represents a breach of the binding environmental and/or social characteristics as referenced above.

G – METHODOLOGIES

To comply with the Exclusion Policy referenced above that is based on exclusion criteria with regards to products and business practices that Nevastar Finance believes are detrimental to society and incompatible with investment strategies promoting E/S characteristics the relevant companies are systematically excluded from the fund's investment universe.

In order to maintain a weighted average ESG rating similar or better than its broad market reference index, ESG ratings and PAI indicators provided by LSEG Refinitiv are taken into consideration as an integrated part of the investment process.

LSEG Refinitiv establishes ESG ratings based on the following criteria:

- Environmental: climate risk, resource efficiency, emissions;
- Social: human capital management, health and safety, supply chain; and

- Governance: remuneration, independent board of directors, audit, shareholder rights, diversity, entrenchment, overboarding.

The fund continuously monitors ESG developments at the investee companies level and will take appropriate actions, such as divesting, in case a severe incident were to impact E/S characteristics.

The Refinitiv ESG scores are data-driven, accounting for the most material industry metrics, with minimal company size and transparency biases. The scores are based on relative performance of ESG factors with the company's sector (for environmental and social) and country of incorporation (for governance). Refinitiv does not presume to define what 'good' looks like but instead lets the data determine industry-based relative performance within the construct of criteria and data model. Refinitiv's ESG scoring methodology has a number of key calculation principles set out below.

1. Unique ESG magnitude (materiality) weightings have been included – as the importance of ESG factors differs across industries, each metric's materiality were mapped for each industry on a scale of 1 to 10.
2. Transparency stimulation – company disclosure is at the core of the methodology. With applied weighting, not reporting 'immaterial' data points doesn't greatly affect a company's score, whereas not reporting on 'highly material' data points will negatively affect a company's score.
3. ESG controversies overlay –companies' actions against commitments are verified, to magnify the impact of significant controversies on the overall ESG scoring. The scoring methodology aims to address the market cap bias from which large companies suffer by introducing severity weights, which ensure controversy scores are adjusted based on a company's size.
4. Industry and country benchmarks at the data point scoring level – to facilitate comparable analysis within peer groups.
5. Percentile rank scoring methodology – to eliminate hidden layers of calculations. This methodology enables Refinitiv to produce a score between 0 and 100, as well as easy-to understand letter grades.

H – DATA SOURCES AND PROCESSING

a) What are the data sources used to attain each of the environmental or social characteristics promoted by the financial product?

The investment manager uses a range of different internal and external data sources and data providers, including LSEG Refinitiv and Bloomberg LP, to ensure that the fund is invested in accordance with the environmental and/or social characteristics promoted. Data received from external providers may be complemented by internal research and analysis provided by the investment manager.

b) What are the measures taken to ensure data quality?

To the extent possible, data reported by companies, regulatory authorities and/or non-governmental organisations are prioritised over data from data providers' estimation models. This is done in order to minimise the reliance on third party estimation efforts which in turns improves the overall quality of the data the investment uses as input in investment processes.

The external data providers and other data sources are assessed on an ongoing basis for data quality, coverage and other attributes.

c) How is data processed?

The data used comes in part from third-party data providers that provide raw data at the issuer level. The investment manager tries to get as much data from companies as possible and as detailed as possible. External data received is enriched with other external data sets, may be supplemented by internal ESG analysis of the data, and company identifiers (ISINs) are matched against incoming raw data from companies in which the investment manager can potentially invest, as well as the current investee companies.

d) What proportion of data is estimated?

Where available the investment manager will always prioritise reported data over estimated data, however, where reported data is not available the investment manager will rely on internal estimates using reasonable assumptions. Specifically, the investment manager will use simple averages of indicators disclosed by companies within similar sectors and use them as estimated indicators. The use of estimated data, however, should not impede on the fund's attainment of its E/S characteristics. As the fund's investment strategy relies on third-party ESG scores and a strict Exclusion Policy, estimated data will only be utilised in the regulatory reporting of the fund's Principal Adverse Impact table.

I – LIMITATIONS TO METHODOLOGIES AND DATA

ESG scores rely on ESG data which is backward-looking and may not reflect forward-looking ESG information or risks of investee companies, which may change.

While the methodology used for estimated data is systematic, the human factor cannot be ignored in the construction or manipulation of these estimates. As mentioned above, internal estimates do not constitute a limitation to the fund's ESG methodology as estimated data will not be used to attain the fund's E/S objectives.

Prior to a data provider being chosen as a supplier, extensive market research is conducted, and the potential data providers are assessed on issues such as: data quality, coverage, security, methodology, price, reliability and conflict of interest. The quality of external data is evaluated on an ongoing basis and is subject to manual verification by the investment manager.

J – DUE DILIGENCE

The Management Company carries oversight on the Investment Manager to ensure due diligence processes and procedures are implemented to ensure that they are carrying out due diligence on investments in the best interests of the Fund and its investors. The Management Company carries out regular oversight on the Investment Manager to enable it to obtain an understanding of the Investment Manager's due diligence processes and procedures and to ensure that they are effectively implemented.

The Investment Manager has established several sources of external data on investee companies/issuers that along with proprietary research, enable the Investment Manager to make an informed decision prior to making an investment on behalf of the Fund, that includes considering sustainability risks and principal adverse impacts of an investment decision on sustainability factors.

The Investment Manager has also established several pre-trade and post trade investment controls, under the supervision of the Management Company, to ensure that the Fund only invests in assets that are aligned with the investment objective and policy of the Fund.



K – ENGAGEMENT POLICIES

The investment manager seeks to engage directly with the management teams of investee companies but does not commit to do so. Specifically, the investment manager may engage with the management teams of investee companies through ongoing company engagement, proxy voting, or ESG reviews, among other things.

In some cases, the investment manager may take a more focused approach, depending on the circumstances of investee companies; such approach may extend to meetings with the management teams or directors of investee companies, or participate in stakeholder dialogues.

The investment manager recognises that the exercise of voting rights is an important aspect of shareholder engagement, in particular if the funds' shareholding is material with regard to the outstanding shares of investee companies. The investment manager is ultimately responsible for determining whether and how to exercise voting rights.

L – DESIGNATED REFERENCE BENCHMARK

The fund uses a benchmark that is not aligned with the fund's E/S characteristics.