ANNEX

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.

Product name:

LYXOR / BRIDGEWATER ALL WEATHER SUSTAINABILITY FUND

Legal entity identifier:

549300DHK31PJYF2BK60

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 ___% 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 Fund will seek capital appreciation over the medium to long term while taking into account environmental, social, and governance objectives by maintaining exposure primarily to securities aligned with the United Nations Sustainable Development Goals (SDGs). SDGs are a set of global goals established by the United Nations General Assembly, oriented toward positive Environmental, Social and Governance impact. Through the SDGs, the United Nations recognise that ending poverty and other deprivations must go hand-in-hand with improvements in health, education, and economic growth, reduction in inequalities, all whilst tackling climate change and working to preserve the planet's oceans and forests, as set out in more detail on the UN website: https://sdgs.un.org/goals.

Sustainability indicators measure how the environmental or social characteristics promoted by the

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

The Investment Manager has developed a proprietary methodology drawing on a range of internal and external data sources in order to determine the extent to which a security is aligned with the SDGs. Within each asset class, the securities that have the highest level of alignment with the SDGs are kept to constitute a universe of sustainable securities irrespective of their business sector (also called a "best-in-universe" approach). This approach will ensure that at any time at least 20% of the securities of the initial financial product are attained.

investment universe for the relevant asset class that have the lowest level of alignment with SDGs (expressed in number of issuers) are excluded. On an ancillary basis, the Investment Manager may also retain and gain exposure to some securities that are not aligned with the SDGs for hedging and/or diversification purposes. However, the Investment Manager will ensure at any time that at least 90% of the securities composing the Fund's portfolio (expressed in number of issuers) are aligned with the SDGs.

❍ ***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. The Fund does not have a minimum commitment to invest in sustainable investments with an environmental or social objective as defined by SFDR.

❍ ***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? Details:*

Not applicable.

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 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,** the Fund considers Principal Adverse Impacts through a combination of exclusion policies (normative and sectorial), ESG rating integration into the investment process, engagement and voting approaches.

☐ **No**

What investment strategy does this financial product follow?

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

The Fund is actively managed i.e. it does not have an index-tracking objective as would a passive fund, and its portfolio is not constrained by reference to any index.

The Fund is a strategic medium to long-term systematic portfolio and seeks to achieve its investment objective by investing globally in equity, bond, interest rate, credit (through direct investments on debt securities or bonds, or indirect investments in derivatives such as credit default swaps "CDS"), currency, and commodities in both developed and emerging markets through the use of the instruments described in detail in the section headed "Instruments used to implement the Trading Strategy". It is not intended for the Fund to have any specific geographical, sector or market cap focus and in particular the Fund may invest in emerging markets without limitation. The Fund intends to invest predominantly on a long basis and may from time engage in short positions on all of the aforementioned asset classes for hedging and/or portfolio construction purposes only.

More specifically, the Fund will seek to generate returns while minimizing the volatility caused by shifts in economic conditions through diversification across the different asset classes (as listed above) and different financial instruments that feature different sensitivities to economic conditions. The Fund will seek to generate consistent returns with no material bias to perform better or worse in any particular type of economic environment - and will seek to perform approximately as well in periods of strong or weak economic growth, or periods of rising or falling inflation (which is the measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over some period of time).

Investment decisions will be made by implementing the Investment Manager's proprietary investment strategy (the "**Trading Strategy**") described below. Considering market conditions, the Investment Manager anticipates that the long-term volatility of the Fund (measured as the annualized standard deviation of monthly returns of the Fund) measured over long periods to be approximately 8%.

The investment process of the Trading Strategy will mainly consist on the following steps:

1/ The Investment Manager will determine allocations between the different asset classes described above so that they balance each other (i.e. represent an approximately equal portion of the portfolio's risk, as determined by the Investment Manager), thereby minimizing the portfolio's exposure to changing economic conditions. The Investment Manager will not determine this allocation based on any tactical view of how particular asset classes will perform, but rather attempt to balance the risk of the portfolio based on its understanding of the relationship between asset classes and economic environments. In order to determine which asset class and security overperform in which economic environment, the Investment Manager uses its in-depth understanding of the macroeconomic factors that drive each asset class and security's performance (such as growth, inflation, and interest rates). During certain market environments, the Investment Manager may decide, in accordance with the investment objective of the Fund, to vary the allocations to asset classes based on its assessment of market conditions and/or seek to reduce the Fund's degree of global exposure in a defensive manner.

2/ Further, the Investment Manager has developed a proprietary methodology drawing on a range of internal and external data sources in order to determine the extent to which a security is aligned with the SDGs. Within each asset class, the securities that have the highest level of alignment with the SDGs are kept to constitute a universe of sustainable securities irrespective of their business sector (also called a "best-in-universe" approach). This approach will ensure that at any time at least 20% of the securities of the initial investment universe for the relevant asset class that have the lowest level of alignment with SDGs (expressed in number of issuers) are excluded. On an ancillary basis, the Investment Manager may also retain and gain exposure to some securities that are not aligned with the SDGs for hedging and/or diversification purposes. However, the Investment Manager will ensure at any time that at least 90% of the securities composing the Fund's portfolio (expressed in number of issuers) are aligned with the SDGs.

3/ In order to select the securities for investment by the Fund, the Investment Manager will then combine the outputs of both of the above processes through the Investment Manager's in-house automated systems and decision rules. The principle of such selection process is for the Fund to obtain long exposure to the securities which (i) together will maximize the return of the Fund while minimizing the volatility caused by shifts in economic conditions and (ii) have a high level of alignment with the SDGs. The Investment Manager may engage from time to time in short positions for hedging purposes (for example to reduce currency and/or interest rates risk) and/or for portfolio construction purposes (for example to roll the maturity of certain FDIs such as futures or forwards). Short positions will be executed exclusively through the use of FDI.

Exposure to commodities will only be achieved indirectly through the use of FDI or UCITS eligible transferable securities providing indirect exposures to commodities.

Exposure to the securities composing the Fund’s portfolio can be achieved through direct investment and/or through the use of the derivatives instruments.

- ***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 Investment Manager has developed a proprietary methodology drawing on a range of internal and external data sources in order to determine the extent to which a security is aligned with the SDGs. Within each asset class, the securities that have the highest level of alignment with the SDGs are kept to constitute a universe of sustainable securities irrespective of their business sector (also called a “best-in-universe” approach). This approach will ensure that at any time at least 20% of the securities of the initial investment universe for the relevant asset class that have the lowest level of alignment with SDGs (expressed in number of issuers) are excluded. On an ancillary basis, the Investment Manager may also retain and gain exposure to some securities that are not aligned with the SDGs for hedging and/or diversification purposes. However, the Investment Manager will ensure at any time that at least 90% of the securities composing the Fund’s portfolio (expressed in number of issuers) are aligned with the SDGs.

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

Within each asset class, the securities that have the highest level of alignment with the SDGs are k to constitute a universe of sustainable securities irrespective of their business sector (also calle “best-in-universe” approach).

This approach will ensure that at any time at least 20% of the securities of the initial investm universe for the relevant asset class that have the lowest level of alignment with SDGs (expresse number of issuers) are excluded.

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?***

The Investment Manager's methodology for assessing companies starts by asking the question “What does the company do?”, defining the revenue generating lines of a business, mapping each to applicable SDGs and scoring that alignment. They then ask the question “How does the company do it?”, mapping key business parameters (including corporate governance) to the applicable SDGs and scoring that alignment.

Overall, every security is analyzed through a governance lens: indicators such as (Governance: e.g., audit and internal control, executive pay Business Ethics: e.g., product safety, corruption or Countries’ commitments e.g. sign Paris Accord) are part of the final SDG alignment score depending on the asset class.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

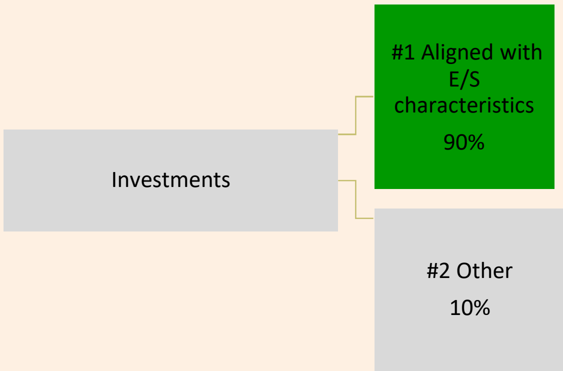
The Investment Manager will ensure at any time that at least 90% of the securities composing the Fund’s portfolio (expressed in number of issuers) are aligned with the environmental and / or social characteristics of the Fund in accordance with the binding elements of the investment strategy of the Fund. Included in the remaining 10% of "Other" assets are cash, hedging positions and securities that are not aligned with the SDGs, but which may be held for liquidity, efficient portfolio management or diversification purposes, and to achieve the investment objective of the Fund. There are no minimum environmental or social safeguards applied to these 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.



#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?

Financial derivative instruments for investment purposes are permitted. These instruments are aligned with the environmental and / or social characteristics of the Fund.

Financial derivative instruments may also be used for efficient portfolio management and hedging purposes. These instruments are not used to attain the environmental or social characteristics promoted by the Fund.

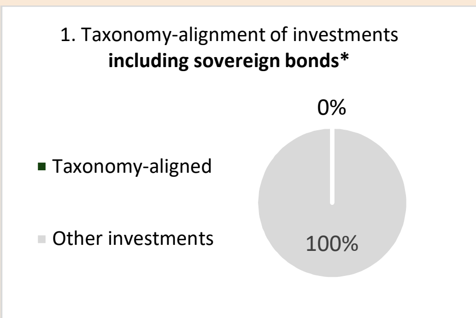
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

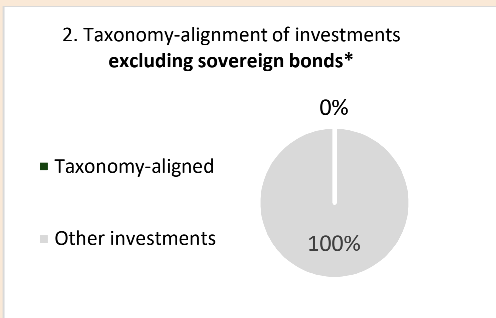
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

The Fund currently has no minimum commitment to 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?

Not applicable. The Fund has no minimum proportion of investment in transitional or enabling activities

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

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

Not applicable. The Fund has no defined minimum share of sustainable investments with an environmental objective.

What is the minimum share of socially sustainable investments?

Not applicable. The Fund has no defined minimum share of sustainable investments with a social objective.

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

Included in "#2 Other" are cash, hedging positions and securities that are not aligned with the SDGs, but which may be held for liquidity, efficient portfolio management or diversification purposes, and to achieve the investment objective of the Fund. There are no minimum environmental or social safeguards applied 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?

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

No.

- ***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.

Where can I find more product specific information online?

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

https://myaltplatform.amundi.com