3/ Pre-contractual disclosure template (Article 8 SFDR)

Product name:
Ofi Invest US Equity

Legal entity identifier:
2138006JB5Y6AFNR9E30

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

Does this financial product have a sustainable investment objective?

[ ] **Yes**	[X] **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 __**%** 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
[ ] It will make a minimum of **sustainable investments with a social objective:** __%	[ ] with a social objective
	[X] It promotes E/S characteristics, but **will not make sustainable investments**

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

<u>Mandate managed by Edgewood Management LLC</u>

Ofi Invest US Equity (the "**Sub-Fund**") aims to invest in companies that will achieve capital growth over the long-term and promotes the following environmental and social characteristics: ESG Integration policy identifying material ESG risks to a company's earnings long-term growth potential. As part of its research process, the Investment Manager seeks to promote environmental and social characteristics through the Investment Manager's ESG Integration Policy by applying certain environment, social, and governance criteria in addition to its financial assessment criteria. In addition to assessing how material ESG risks are being managed, the Investment Manager also applies exclusionary screening and will not invest in companies where a significant amount of revenues (greater than 5%) is derived from manufacturing tobacco products, producing pornography, or operating gambling establishments and will not invest in companies that manufacture cluster munitions and landmines. The Investment Manager applies its exclusionary screening utilizing data from one or more third party ESG data providers. Furthermore, the Sub-Fund/ Investment Manager utilizes engagement and proxy voting as part of the ESG Integration Policy.

The Sub-Fund does not have an ESG benchmark as a reference benchmark.

<u>Mandate managed by Kinetics Asset Management LLC</u>

The fund promotes Environmental and Social characteristics by investing in companies that have good Environmental, Social and Governance practices. As a Firm, we believe that, over an extended investment horizon, it is imperative to consider factors such as human rights, civil liberties, political freedom, equality, health, and environmental impact as risk factors to the longevity of businesses. Therefore, we consider the evaluation of ESG factors to be an integral part of our investment and risk management process.

Horizon Kinetics embeds sustainability considerations into its investment process, which determine both whether a company is eligible for investment and what, if any, additional discount rate should be applied due to sustainability concerns.

Companies that score poorly on ESG factors are evaluated both for whether the deficiencies can be remedied, and for whether the company is pursuing the necessary changes. The sustainability framework is used as part of an internal process that assesses the ability of the company to operate under existing supply, demand and profit conditions while considering its impact upon the environment and society, as well as corporate governance controls and transparency. This internal evaluation utilizes proprietary research, as well as ESG ratings provided by third parties, and self-reported data from individual issuers.

Mandate managed by Bamco, Inc.

The fund promotes a combination of environmental/social ("E/S") characteristics through its consideration of the risks and opportunities listed in the following table and its avoidance of sectors and companies whose activities are deemed by the Advisor as harmful to either the environment and/or society through the application of its "Exclusion Policy".

ESG and Sustainability Factors	Applicable to Corporate Investments
Environmental	• Climate change • Supply chain • Opportunities in cleantech • Circular economy • Pollution prevention & control
Social	• Human capital management • Employee safety & treatment • Cybersecurity/Data privacy • Diversity & discrimination • Supply chain • Product quality and safety • Access to healthcare • Access to finance Access to communications
Governance	• Board & management • Diversity • Business ethics • Corporate structure • Bribery & corruption • Compensation • Accounting & taxation • Lobbying & public policy

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?

Mandate managed by Edgewood Management LLC

To measure how 1) the ESG integration promoted by the sub-fund is attained, the Investment Manager compares the portfolio's ESG risk rating against the S&P 500 Total Return Index's ESG risk rating as assessed by an independent third party ESG risk rating service provider. The Investment Manager takes into consideration a portfolio company's material ESG risk factors including corporate governance, environmental and climate, human capital, cybersecurity and data privacy, and business ethics. Furthermore, the Investment Manager also takes into consideration the following principal adverse impact indicators (PAIs): greenhouse gas emissions, exposure to controversial weapons, water usage and recycling, lack of grievance/ complaints handling mechanism related to employee matters, and lack of anti-corruption and antibribery policies.

To measure how 2) the exclusionary screening will be attained, the value of investments which are inconsistent with the exclusion will be considered.

Mandate managed by Kinetics Asset Management LLC

The sustainability framework is used as part of an internal process that assesses the ability of the company to operate under existing supply, demand and profit conditions while considering its impact upon the environment and society, as well as corporate governance controls and transparency. This internal evaluation utilizes proprietary research, as well as ESG ratings provided by third parties, and self-reported data from individual issuers.

Environmental issues considered include the baseline environmental impact of the company's operations, the necessity (or lack thereof) of its product or service, and the actions of the company to mitigate its environmental impacts. A holistic approach is applied to determine whether an industry is indispensable despite a negative environmental impact (e.g., airlines, utilities). Kinetics Asset Management LLC seeks to invest in only the best performing companies within these industries, and pays particular attention to the asset intensity of the business model within the context of the broader industry. Social issues considered include the societal impact of the product or service, as well as its impact on specific individuals and counterparties (customers, employees, suppliers). Governance issues considered include the alignment and actions of management and the board, and their operations with respect to ethical standards and the best interests of shareholders.

<u>Mandate managed by Bamco, Inc.</u>

The Sub-Fund assesses the materiality of the sustainability indicators in the previous table and uses those indicators or factors to assess or measure the attainment of the product's environmental or social characteristics. In addition, fund measures the attainment of the E/S characteristics through adherence to its exclusion policy as referenced above.

- ***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?***

<u>Common to all mandates</u>

Not applicable.

Principal adverse impact are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- ***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?***

<u>Common to all mandates</u>

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 not 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?

<u>Common to all mandates</u>

☐ Yes
☒ 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.

<u>Mandate managed by Edgewood Management LLC</u>

The Investment Manager applies an ESG exclusion and an ESG integration policy as part of its investment policy, as indicated below. In addition, the Investment Manager utilizes engagement and proxy voting to address material ESG considerations at the level of the portfolio companies.

<u>Mandate managed by Kinetics Asset Management LLC</u>

The Sub-Fund invests in U.S equity securities with the best ESG performance.

Horizon Kinetics takes a holistic approach to investment decisions and avoids reliance on formulaic methods that can lead to systematic risk when underlying factors change.

The Firm has established an ESG committee comprised of research analysts who are also ESG specialists, legal and compliance employees, and chaired by Steven Bregman, President and Co-Founder of Horizon Kinetics. This committee meets no less than quarterly to audit current investments as well as review new investments under consideration and provides recommendations to the investment committee/investment team on ESG factors.

Though third-party data sources are used to assess ESG factors for companies in which we are invested, this is only one input. We incorporate this data into our bottom-up fundamental analysis based on proprietary research that forms the basis for our capital allocation decisions. This includes industry level and company-specific data, as well as interviews with management teams in some instances. We believe this approach allows us to develop a more thorough assessment of each business. As such, ESG factors are taken into consideration when evaluating businesses for inclusion in the portfolio, along with many other factors.

Mandate managed by Bamco, Inc.

The Sub-Fund invest primarily in equity securities whilst applying an analysis of environmental, social, and governance ("ESG") factors in its research and investment process.

Among the resources the Investment Manager uses to generate ESG information that are integrated into its analysis are: proprietary company and industry-specific ESG research; third-party ESG ratings and research; portfolio reviews of ESG-related data; and ESG-specific engagements with investee companies. The Investment Manager also has established publicly available ESG policies that incorporate ESG considerations, including, an "ESG Policy," "Exclusionary Policy," "Statement on Climate Change," and "Proxy Voting Policies and Procedures".

The Investment Manager believes that sustainability or ESG analysis involves assessing both risks and opportunities that have the potential to materially impact the overall investment opportunity within investee companies. The Investment Manager's analysts and portfolio managers identify sustainability and investment risks and opportunities as part of its investment due diligence process. During this process, the Investment Manager regularly engages with a company's management to improve its understanding of these factors and determine how they will impact its views on the risks and rewards of the investment. In addition to engagements with management, the Investment Manager also regularly engages with competitors, regulators, legislators, experts, third-party research, and other stakeholders, along with accessing third-party research and information sources. The Investment Manager also believes that factoring the impact of these risks and opportunities into its valuation and analysis could sway its investment decisions. These considerations, however, may not be conclusive or employed in the analysis of all companies, and securities of companies may be purchased and or retained by the Sub-Fund for reasons other than ESG factors.

In the implementation of the ESG integration process, the Investment Manager is seeking to accomplish three main goals:

- Identify and Focus: Identifying and focusing on the factors that are likely to be the most financially material to a company given the nature of its business/ businesses and potentially the regions in which it operates.

- Analyse: Analysing how these factors can potentially impact that company's business model, social license to operate, its employees, communities, and shareholders.

- Quantify: Quantifying, where possible, the impact that these factors may have on the long-term view of the company and the stock by incorporating these material factors into the financial and valuation models.

The Investment Manager also applies an exclusion policy, details of which are included 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?

Mandate managed by Edgewood Management LLC

As part of the binding elements of the investment strategy, the Investment Manager applies exclusionary screening and will not invest in companies where a significant amount of revenues is derived from manufacturing tobacco products, producing pornography, or operating gambling establishments and will not invest in companies that manufacture cluster munitions and landmines. Furthermore, the Investment Manager integrates ESG risk factors into its fundamental analysis of a company's potential long-term value creation and assigns an ESG discount rate to its valuation model to offset the ESG risk factors that may impact a company's earnings growth. The Investment Manager has engaged one or more third party service provider(s) to assist with the identification and analysis of ESG risks for companies in its Large Cap Growth strategy. The Investment Manager applies a 100 basis points ESG discount rate to those companies deemed to have a high ESG profile, a 50 basis points ESG discount rate is applied to those companies with a medium ESG profile, and no ESG modifier is applied to those companies deemed to have a low ESG risk profile.

Mandate managed by Kinetics Asset Management LLC

ESG Integration is a binding element of the investment strategy. The sustainability framework is used as part of an internal process that assesses the ability of the company to operate under existing supply, demand and profit conditions while considering its impact upon the environment and society, as well as corporate governance controls and transparency. This internal evaluation utilizes proprietary research, as well as ESG ratings provided by third parties, and self-reported data from individual issuers.

Environmental issues considered include the baseline environmental impact of the company's operations, the necessity (or lack thereof) of its product or service, and the actions of the company to mitigate its environmental impacts. A holistic approach is applied to determine whether an industry is indispensable despite a negative environmental impact (e.g., airlines, utilities). Kinetics Asset Management LLC seeks to invest in only the best performing companies within these industries, and pay particular attention to the asset intensity of the business model within the context of the broader industry. Social issues considered include the societal impact of the product or service, as well as its impact on specific individuals and counterparties (customers, employees, suppliers). Governance issues considered include the alignment and actions of management and the board, and their operations with respect to ethical standards and the best interests of shareholders.

With respect to environmental factors, we utilize a holistic approach that determines whether an industry is indispensable despite environmental impact (e.g., airlines, utilities), and generates sustainable profits and value-add to consumers and society. To the extent that these criteria are met, we seek to invest in only the best performing companies within these industries, with a particular attention to the asset intensity of the business and progress towards innovation in the industry, actual and potential impacts of climate-related risks and opportunities on the business, including how they are factored into relevant products or investment strategies.

With respect to social factors, we believe that support for issues such as human rights, civil liberties, political freedom, equality, and health are consistent with long-term business success. In modern society we do not believe that businesses with serious deficiencies in these areas will be enduring, hence are not viable long-term investments. We approach these issues primarily from the stand point of regulatory risk, specifically as it pertains to anti-competitive behaviour, labor relations and impact on customers, suppliers, competitors and surrounding communities. A secondary approach is driven by the societal view of the company and businesses model, and whether any practices or components of the businesses itself may result in negative perception that is adverse to the business.

Mandate managed by Bamco, Inc.

The exclusion policy covers investment in adult entertainment, civilian firearms, and tobacco.

- Adult Entertainment: Baron portfolio managers are prohibited from purchasing securities of businesses that are involved in the production, distribution or retailing of adult entertainment products. The Investment Manager defines adult entertainment products as material in which the dominant theme is sexually explicit conduct, specifically the depiction or description of sexual activities in a lascivious way.

- Civilian Firearms: Baron portfolio managers will not purchase securities of businesses that manufacture handguns, pistols, shotguns, rifles, revolvers, and ammunition for civilian use. The Investment Manager does not exclude businesses whose products are sold to governments or are for military or police use.

- Tobacco: Baron portfolio managers will not purchase securities of businesses that produce, distribute, retail, license, or supply key tobacco products and services.

Companies will be added to the Exclusion List if MSCI's ESG Business Involvement Screening Research (BISR) identifies them as being directly involved in adult entertainment, civilian firearms, or tobacco and if they derive a certain amount of revenue from their involvement.

The activities and thresholds are as follows:

- 5% or more of revenue is derived from production activities.
- 10% or more of revenue is derived from distributing, retailing, supplying or licensing activities.
- 10% or more of revenue from a combination of the above-mentioned business activities.

MSCI's ESG BISR allows investors to identify global publicly traded companies involved in specific business activities and provides a profile of each company's specific business involvement. The company profile includes details on the company's tie to the activity and provides the reported or estimated percent of total revenue derived directly from the business activity in question. To assemble the firmwide Exclusion List, the Investment Manager screens for publicly traded securities using MSCI ESG BISR revenue percentages for a given business activity. In this step, the Investment Manager can identify the companies that meet the criteria listed above. This List is updated quarterly. Because of ongoing updates to MSCI's ESG BISR coverage, the Investment Manager may add companies to the Exclusion List or remove them each quarter. Compliance enters them into the trading compliance system (Charles River) to prevent them from being purchased. The Exclusion List includes primary and secondary listings.

MSCI also identifies indirect involvement, such as ownership of or by a company with involvement in a given business activity. In these instances, MSCI does not disclose the level of involvement of the related businesses, but it will "flag" them as having indirect involvement in adult entertainment, civilian firearms, or tobacco. For these businesses, the Investment Manager maintains an Indirect Involvement List that flags these securities in the trading compliance system. If a portfolio manager wants to purchase a flagged stock with indirect involvement, the analyst and portfolio manager must first independently verify that the level of involvement does not violate this Policy. Otherwise, the purchase would be prohibited.

The third-party dataset the Investment Manager uses may not identify every company, directly or indirectly, involved in activities the Investment Manager seeks to avoid, and the Investment Manager recognize that different systems may estimate exposures using different methods and assumptions, producing disparate results. If an existing holding becomes involved in any of these areas directly or indirectly, or if a business in which the Investment Manager invests acquires part or all of a business engaged in these activities, the research analyst covering the company, the portfolio manager who invested in the business, and the ESG Committee will evaluate the activity and exposures collaboratively and determine if continuing to own the company complies with this Policy. The Investment Manager occasionally invests in private companies. In these instances, it is the responsibility of the analyst covering the stock and the portfolio manager who wants to invest in it to provide research and analysis supporting their assessment that an investment in the private business would comply with this Policy prior to initiating security set up.

The Investment Manager established an internal ESG Question Bank, the content of which is based on the materiality principles created by Sustainability Accounting Standards Board (SASB), which is now part of the International Sustainability Standards Board (ISSB). This resource helps the analysts to identify common sustainability risks and opportunities that are associated with specific industries, sectors, and business activities. It has standard sets of questions that analysts can use in engagement discussions or other correspondence with investee companies. This resource is used to enhance the already robust in-depth research, and engagements with the companies in which the Investment Manager invests.

Common to all the mandates

In addition to the aforementionned binding elements of the investment strategy specific to each mandates, all mandate apply an ESG filter to the investment universe. The 20% of issuers with the poorest ESG profile are removed from the investment universe. Also, at least 90% of the portfolio holdings is covered by a sustainability analysis following ESG criterion.

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

Common to all the mandates

The Sub-Fund applies exclusion criteria as defined in the previous question. Furthermore, the Sub-Fund excludes companies with low ESG ratings: at least 20% of the companies in the investment universe will be excluded.

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

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

Mandate managed by Edgewood Management LLC

The assessment of a company's governance is a core component of the Investment Manager's fundamental investment analysis seeking to identify companies that can generate long-term, sustainable earnings. When assessing corporate governance, the Investment Manager looks to a company's alignment with long-term shareholder interests including management transparency, risk management framework including audit and accounting, executive compensation including stock-based compensation, and board oversight.

Mandate managed by Kinetics Asset Management LLC

Governance issues considered include the alignment and actions of management and the board, and their operations with respect to ethical standards and the best interests of shareholders.

Mandate managed by Bamco, Inc.

The good governance of the investee companies is assessed during research and due diligence process against key governance and business integrity requirements as set out in the ESG Policy framework. The due diligence process will include assessment of the following parameters: how well the companies' interests align with the interests of minority shareholders, number of independent directors, reasonable compensation practices, and transparent management teams that think and act like owners. The fund looks for demonstrable alignment among the interests of shareholders, management, and the owners/founders.

In addition, the Investment Manager adopts a Proxy voting policy, which is designed to support good governance policies, and it has a separate section providing guidance on ESG and disclosure proposals. The Investment Manager analyses each shareholder proposal related to these topics on a case-by- case basis.

Proxy Policy: https://www.baroncapitalgroup.com/sites/default/files/2024-06/proxy-policies-and-procedures-6.3.2024.pdf
Proxy Voting Record: https://www.baroncapitalgroup.com/regulatory-documents

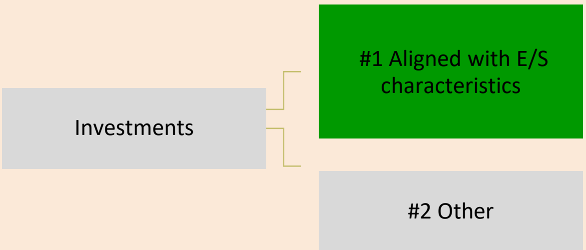
What is the asset allocation planned for this financial product?

The Sub-Fund has at least 80% of its investments used to attain the environmental and social characteristics promoted (#1 Aligned with E/S characteristics).

A maximum of 10% of its investments in equity securities may not be subject to an ESG or SRI rating (#2 Other).

In addition, a maximum of 10% of the investments of the Sub-Fund will be derivatives, cash, and/or cash equivalents held for liquidity purposes (#2 Other).

Asset allocation describes the share of investments in specific assets.



#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.

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.

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

Common to all mandates

Not applicable.

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

While the Sub-Fund promotes environmental and social characteristics, it does not aim at making sustainable investments. Therefore, its commitment to make "sustainable investments" within the meaning of the EU Taxonomy is set at 0%.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

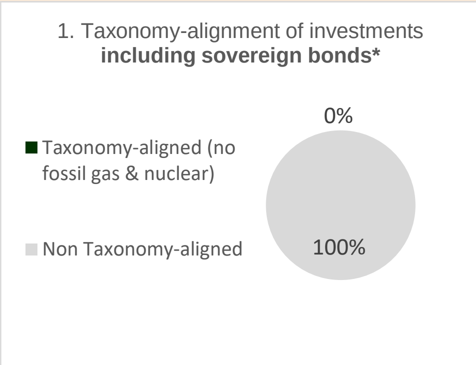
☐ Yes

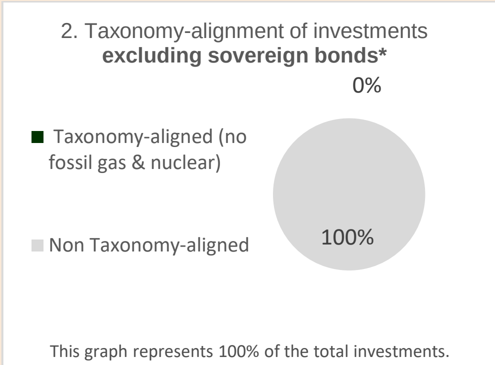
☐ In fossil gas ☐ In nuclear energy

☒ No

[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.

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 Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum extent of sustainable investments with an environmental objective aligned with the EU Taxonomy, neither to a minimum share of investments in transitional and enabling activities.

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

Are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy

The Sub-Fund promotes environmental and social characteristics but does not commit to making any sustainable investments. As a consequence, the Sub-Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

<u>Common to all mandates</u>

Not applicable.

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

These investments, represent a maximum of 20% of the Sub-Fund's investments, will consist of:

- Cash and/or cash equivalent (excluding monetary UCIs classified as Article 8 according to SFDR regulations and managed by OFI Invest AM), within a total limit of 10%,
- Financial derivative instruments, used as defined by the investment policy of the Sub-Fund, within a total limit of 10%,
- Non ESG-rated assets, within a total limit of 10%.

Although this category does not have an ESG rating and no minimum environmental and social guarantee has been put in place, its use will not result in significantly or permanently distorting the environmental and/or social characteristics promoted. by the Sub-Fund.

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?

Not applicable.

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

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.ofi-invest-lux.com/fund/ofi-invest-esg-us-equity-class-i-eur/LU0185495818