

# MULTIFLEX SICAV

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(the "SICAV")

## The Singularity Fund

(the "Subfund")

### **Sustainable related disclosures required for Article 8 funds under SFDR - Website Product Disclosure**

#### **(a) Summary;**

This Subfund promotes environmental or social characteristics but does not have sustainable investment as its objective. The Subfund invests a substantial portion of its assets in companies with sound environmental, social, and governance (ESG) quality by tracking the Nasdaq Singularity Index (the "**Index**"). The investment strategy centres around providing returns in line with the performance of the Nasdaq Singularity Index™, which exposes investors to global innovation leaders. The investment process involves the application of a proprietary innovation score ("**Singularity Score**"), determined by The Singularity Group, which assesses both the technological and ESG aspects of companies. The product primarily invests in equity securities, with a potential allocation of up to 10% in shares of collective investment schemes for cash parking between Index rebalances.

The Subfund excludes ESG laggards and applies binding exclusion criteria to filter out companies involved in controversial business practices. This screening process relies on data from Clarity AI, independent ESG data provider. Notably, the Subfund excludes investments related to controversial business areas.

From an investment perspective, 90% of the Subfund's assets are aligned with the promoted environmental or social characteristics, while the remaining 10% consist of other investments such as money market instruments and derivatives for risk management and liquidity purposes.

ESG integration in the investment process is continuously monitored, particularly during portfolio rebalancing, which occurs at least twice a year. The Investment Manager assesses the minimum ESG quality of investee companies, using binding exclusion criteria to maintain compliance with the Subfund's ESG standards.

Methodologies to promote ESG practices include the exclusion of companies in the bottom quintile of ESG risk scores as per Clarity AI's 115 ESG risk metrics. ESG data is sourced from self-reported company information and external assessments by Clarity AI, acknowledging inherent limitations in reliability and potential subjectivity.

During due diligence, the Investment Manager considers ESG assessments as binding factors in investment decisions, verifying and reacting to material changes in ESG information. Engagement with investee companies, based on innovation research and sustainability footprint discussions, is also integral to the investment process.

The Nasdaq Singularity Index, serving as the reference benchmark, comprises a proprietary innovation approach, revenue-based exclusions, and ESG score-based exclusions. This benchmark is designed to reflect global innovation leaders aligned with the ESG criteria promoted by the Subfund.

Further methodological details can be accessed directly at: [Nasdaq Singularity Index Methodology](#).

**(b) No sustainable investment objective;**

This Subfund promotes environmental or social characteristics, but does not have as its objective sustainable investment.

**(c) Environmental or social characteristics of the financial product;**

In the implementation of its investment policy, the Subfund promotes environmental or social characteristics in the meaning of article 8 of SFDR by investing a substantial portion of its assets in companies with sound environmental, social and governance quality by reference to the Nasdaq Singularity Index (the "Index"); the Subfund does not, however, have sustainable investments in the meaning of article 9 SFDR as its objective. By tracking the Index and its portfolio companies, the Subfund excludes investments with poor ESG performance, and ensures that the assets in which the Subfund invests benefit investors, society and the environment, while at the same time enhancing investment returns and protecting the value of the Subfund.

To ensure and promote an appropriate level of ESG practices among the companies in its portfolio, the Subfund excludes ESG laggards from the investable universe and uses binding exclusion criteria to screen and exclude companies based on controversial business involvement.. Analysis is performed on data provided by Clarity AI ("**Clarity AI**"), an independent provider of ESG Data, reports and ratings

**Exclusion of ESG laggards:** Clarity AI measures the ESG material factors that drive long-term financial value in a particular business. Its ESG scores are built upon a set of 115 ESG Risk metrics, distributed along 35 subcategories in the 3 domains Environmental, Social, and Governance. The Subfund applies a selectivity approach and excludes companies in the bottom quintile of total ESG Risk scores from the investable universe. Further information can be found under section "Methodologies" below.

Furthermore, controversial business areas exclusions are applied to the Fund based on revenue threshold. A detailed description can be found in section (g).

The risk related to the potential adverse sustainability impact of the Subfund's investments is managed in multiple ways, including via the exclusion of ESG laggards from the investable universe following a selectivity approach and the application of binding exclusion criteria to screen and exclude companies based on controversial business involvement. The analysis is performed on data provided by Clarity AI. In addition, a range of PAI indicators is monitored and reported: Apart from the mandatory 14 PAI

indicators, the optional environmental PAI Nr. 13 'Non-recycled waste ratio', as well as the optional social PAI Nr. 17 'Number of convictions and amount of fines for violation of anti-corruption and antibribery laws' are considered.

**(d) Investment strategy;**

The investment objective is to provide returns in line with the performance of the Nasdaq Singularity Index™. The goal of the Index is to provide exposure to global innovation leaders that have demonstrated the ability to allow exponential innovation to progress based on a proprietary innovation score (“**Singularity Score**”), determined by The Singularity Group.

The assets of this product will primarily be invested directly in equity securities to physically replicate the composition of the Index. Furthermore, the product’s assets may be invested up to 10% temporarily in shares of collective investment schemes for cash parking purposes between rebalancing dates of the Index.

The Subfund invests in innovation leaders globally across industries as determined by The Singularity Group based on a proprietary innovation score (Singularity Score). The selection process is driven by insights from the Singularity Think Tank composed of technology and sustainability experts that provide a meaningful understanding and assessment of key areas of innovation from both a technology and environmental and social (E/S) perspective.

In addition to this expert-led approach, in order to meet the promoted environmental and social characteristics, the Subfund applies a selectivity approach by excluding ESG laggards (bottom quintile) from the investable universe. Furthermore, undesired business area exclusions ensure that the Subfund is aligned with its E/S characteristics. The portfolio is evaluated on a regular basis to keep in line with the product’s innovation and E/S goals.

The Subfund promotes environmental and social characteristics by investing a substantial portion of the portfolio in companies with sound ESG quality and good governance based on the Investment Manager's ESG methodology as further described below under section “Methodologies”.

The Subfund does not invest in fossil gas/and or nuclear energy related activities that comply with the Taxonomy Regulation. Hence, the proportion of such investments under the Taxonomy Regulation is 0%.

**(e) Proportion of investments;**

#1	Investments aligned with E/S characteristics includes the Investments of the Subfund used to attain the environmental or social characteristics promoted by the Subfund	90%
#1B	- Other E/S characteristics – covers Investments aligned with the environmental or social characteristics that do not qualify as Sustainable Investments.	90% focused on social-oriented and environmental-oriented investments

#2	Other Investments that include the remaining investments of the Subfund which are neither aligned with the environmental or social characteristics, nor are qualified as Sustainable Investments	10%
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The Subfund may acquire and hold financial instruments that do not align with the environmental characteristics promoted by the Subfund which include investments such as money market instruments and derivatives made for efficient portfolio risk management, liquidity or hedging purposes.

**(f) Monitoring of environmental or social characteristics;**

The integration of ESG factors in the investment process as part of the selection and portfolio construction process is monitored by the Investment Manager on every rebalancing of the Index, at least twice a year. For specific cases the Investment Manager can assess if an investee company fulfils a certain minimum ESG quality in case there are discrepancies or contradicting views from the various ESG information sources. During the portfolio construction process the binding elements are used to exclude investments that do not fulfil the ESG quality.

**(g) Methodologies;**

To ensure and promote an appropriate level of ESG practices among the companies in its portfolio, the Subfund excludes ESG laggards from the investable universe and uses binding exclusion criteria to screen and exclude companies based on controversial business involvement. Analysis is performed on data provided by Clarity AI, reports and ratings.

**Exclusion of ESG laggards:** A selectivity approach is applied and excludes companies in the bottom quintile of total ESG Risk scores as defined by Clarity AI from the investable universe (all companies in the universe carrying a Singularity Score [= proprietary innovation score]).

**Exclusions of controversial business areas:**

Business Area	Description	Revenue Threshold
Cluster Bombs Participation	Includes the provision of relevant products or services for the production of cluster munitions, submunitions, or platforms. Financing companies that produce cluster munitions or holding a stake in such a company are also included.	0%
Cluster Bombs Production	Includes being involved in the manufacture of cluster munitions, submunitions, or platforms, including sensor fuzed weapons (SFW). Providers of key products or services for cluster bombs manufacturing are also included.	0%
Anti-Personnel Landmines	Includes the production of anti-personnel landmines or anti-personnel landmine components, including improvised	0%

	explosive devices (IED). Products and services relevant to landmines manufacturing are also included.	
Chemical and Biological Weapons	Includes companies involved in the manufacture of chemical and biological weapons. Products or services relevant to the production of those weapons are also included.	0%
Incendiary Weapons	Includes manufacturing weapons using white phosphorus exclusively for military purposes. Suppliers of key components, as well as companies providing relevant products or services to the manufacture of incendiary weapons are also included.	0%
Nuclear Weapons Participation	Includes relevant products or services for the production of Nuclear Weapons. Financing companies that produce Nuclear Weapons or holding a stake in a company producing Nuclear Weapons is also included in this category.	0%
Nuclear Weapons Production	Includes manufacturing either whole strategic parts or platforms for nuclear weapons, nuclear weapon systems, or nuclear weapon components. Nuclear submarines are also included.	0%
Small Arms	Includes the manufacture or retail of handguns, pistols, shotguns, rifles, revolvers, and ammunition for both civilian or military use. Companies manufacturing accessories for firearms or ammunition are excluded.	10%
Riot Control	Includes companies that manufacture protection equipment and riot control weapons. Holding a stake in another company involved in manufacturing protection equipment and riot control weapons is also considered involved.	10%
Armament Production	Includes manufacturers of military aerospace and defense equipment (military vehicles, tanks, aircrafts, radars, surveillance equipment, simulation systems, armaments...), parts, or products including defense electronics. Dual-use products are not included.	10%
Thermal Coal Mining	Includes coal mining activities (surface and underground mines) for thermal coal, which is used primarily for electricity production.	10%
Coal Power Generation	Includes companies primarily involved in the generation of electricity from coal or coal-based fuels.	10%
Fossil Fuel Production	Includes primary involvement in the extraction of fossil fuels, which are any class of materials of biological origin within the Earth's crust that can be used as a source of energy, mainly but not exclusively coal, crude oil (petroleum), and	10%

	natural gas. Also all services essential to the extraction or processing of fossil fuels like exploration, drilling, refining or upstream transportation and storage are included.	
Arctic Oil & Gas	Includes companies that are involved in the exploration and/or production of oil and gas in Arctic regions. Holding a stake in another company involved in the production and/or exploration is also included in this category.	10%
Shale Energy Production	Includes companies that are involved in shale energy exploration and/or production.	10%
Shale Energy Participation	Includes companies that are involved in products or services related to shale energy (equipment, storing or transport) or to shale energy exploration.	10%
Oil-sands Production	Includes the exploration, extraction or refining of oil-sands based fossil fuels.	10%
Oil-Sands Participation	Includes products or services related to oil sands production or oil sands exploration (equipment, storing or transportation).	10%
Tobacco Production	Includes companies that manufacture cigarettes and other tobacco products (cigars, snuff and pipe tobacco) as well as growing tobacco plants	5%

**(h) Data sources and processing;**

The Investment Manager excludes ESG laggards from the investable universe and uses binding exclusion criteria to screen and exclude companies based on controversial business involvement. Analysis is performed on data provided by Clarity AI, an independent provider of ESG data, reports and ratings.

Clarity AI measures the ESG material factors that drive long-term financial value in a particular business. Its ESG scores are built upon a set of 115 ESG Risk metrics, distributed along 35 subcategories in the 3 domains Environmental, Social, and Governance. The Subfund applies a selectivity approach and excludes companies in the bottom quintile of total ESG Risk scores from the investable universe.

## Summary of the 35 material ESG categories assessed:

- ✓ Environmental

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  - ✓ E1 - Resource Use

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    - > E1.1 - Energy

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    - > E1.2 - Water

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    - > E1.3 - Land & Bio

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  - ✓ E2 - Emissions

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    - > E2.1 - Air Pollutant Emissions

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    - > E2.2 - Carbon Emissions

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    - > E2.3 - Waste

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    - > E2.4 - Other Emissions

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  - ✓ E3 - Suppliers Footprint

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    - > E3.1 - Environmental Management (Supply Chain)

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    - > E3.2 - Environmental Impact (Supply Chain)

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  - ✓ E4 - Product Footprint

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    - > E4.1 - Impact of Products on Environment

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    - > E4.2 - Sustainable Product Development

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  - ✓ E5 - Environmental Governance & Processes

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    - > E5.1 - Environmental Business Strategy

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› E5.2 - Environmental Management Team

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✓ Social

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✓ S1 - Employees

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› S1.1 - Labor Rights

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› S1.2 - Working Conditions & Employee Satisfaction

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› S1.3 - Health & Safety for Employees

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› S1.4 - Diversity

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✓ S2 - Customers & Products

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› S2.1 - Customer Experience

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› S2.2 - Product Responsibility

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✓ S3 - Supply Chain

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› S3.1 - Human Rights & Ethical Principles for Suppliers

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› S3.2 - Health & Safety for Suppliers

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✓ S4 - Community & Society

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› S4.1 - Society & Human Rights

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› S4.2 - Community Involvement

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▼ Governance
▼ G1 - Corporate Governance
> G1.1 - Corporate Governance Mechanisms
> G1.2 - Accounting & Audit
> G1.3 - Nomination Committee
> G1.4 - Board Composition
> G1.5 - Board Functioning
> G1.6 - Voting
> G1.7 - Compensation
▼ G2 - Corporate Ethics & Behavior
> G2.1 - Business Ethics & Code of Conduct
> G2.2 - Risk Management
> G2.3 - Public Affairs
▼ G3 - CSR & Sustainability
> G3.1 - CSR & Sustainable Business Strategy
> G3.2 - CSR & Sustainability Management Team
▼ G4 - Partnerships, Memberships, Awards & Certifications
> G4.1 - Partnerships & Memberships
> G4.2 - Awards & Certifications

**(i) Limitations to methodologies and data;**

ESG data and information is based both on self-reported information from companies i.e. inside-out view, but also from external sources reviewing companies i.e. outside-in view. The Investment Manager can only verify and rely on the information provided to him. But there will always be a certain amount of subjectivity in assessing ESG information. And there could be a time lag between material events occurring and how new information becomes available to the Investment Manager. The Investment Manager therefore does his utmost not only to react but try to verify ESG information and anticipate the materiality and impact it will have on the investments.

**(j) Due diligence;**

The results of impact and ESG assessments performed during due diligence will be considered by the Investment Manager binding factors in deciding whether or not to invest. The Investment Manager's ESG methodology verifies and controls any outliers and material changes as new information becomes available.

Please refer to section "Investment strategy" and section "Methodologies" above for further details on the ESG methodology applied.

**(k) Engagement policies**

When it comes to investing in individual companies, the Investment Manager's investment approach is primarily based on innovation research and scoring using a proprietary methodology that identifies the revenue share of each company derived from innovative product and services. Direct dialogue with investee companies before and during the period of investment in these companies is an integral part of the investment process to validate the exposure to the innovations in focus, discuss their environmental and social footprint and discuss sustainability related issues at a company level.

**(l) where an index is designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product, 'Designated reference benchmark**

The reference benchmark used for the Subfund is the Nasdaq Singularity Index. The Goal of the Index is to provide exposure to global innovation leaders that demonstrated the ability to allow exponential innovation to progress based on a proprietary innovation score, determined the Singularity Group.

The reference benchmark is built-on the three-pronged approach developed hereabove:

- The Singularity Group positive innovation approach;
- The revenue-based exclusion from Clarity AI, excluding controversial activities; and
- The score-based exclusion from Clarity AI, excluding poor ESG companies.

The Nasdaq Singularity Index's methodology can be found directly at:

[https://indexes.nasdaq.com/docs/methodology\\_NQ2045.pdf](https://indexes.nasdaq.com/docs/methodology_NQ2045.pdf)