

Additional information for products with Sustainable Investment Objective

Art.9¹



Summary

The Sub-Fund has a sustainable social objective to improve the wellbeing of society, by investing in companies that sell products and services related to mainly social issues in alignment with SDGs, with a particular focus on No Poverty, Good Health and Well-Being, Quality Education, Gender Equality, Decent work and Economic Growth and Reduced Inequalities that are related to three main social themes: 1)Health and Wellbeing, 2)Education and Financial Inclusion and, 3)Food and Nutrition.

This Sub-Fund is an all-cap fund, which may invest in large capitalisation companies, as well as small/mid capitalisation companies without predetermination of countries or sectors. The minimum percentage of sustainable investment of this Sub-Fund is 70%.

The selection of the companies is made from the eligible universe to which an avoid harm screen and a positive screen are applied as described below.

An exclusion screening is applied pre-investment to avoid investing in companies whose activities have significant adverse impacts on sustainability factors and which are therefore not aligned with the Sub-Fund's sustainable investment objective, or that clearly violate recognized international norms and standards. Companies excluded include those who have any business activities (measured in terms of turnover) related to controversial weapons, armament, tobacco, coal mining, coal-based power generation and fossil fuels. Additionally, there is an analysis of controversies leveraging external data provider research that allows to identify the violation of certain ESG values, such as those promoted by the UN Global Compact. Companies involved in controversies considered critical, are excluded from the Sub-Fund's investment universe.

Once companies with significant adverse impacts have been removed from the investment universe of the Sub-Fund, a positive screening ensures the selection of companies whose business intend to generate positive social outcomes and contribute to the achievement of SDGs, with a particular focus on No Poverty, Good Health and Well-Being, Quality Education, Gender Equality, Decent work and Economic Growth and Reduced Inequalities that are related to three main social themes: 1)Health and Wellbeing, 2)Education and Financial Inclusion and, 3)Food and Nutrition.

Companies in the investment universe have a link, through company specific metrics, to underlying indicators of the relevant SDG targets.

These metrics are used to measure the attainment of the sustainable objectives.

For a company to be eligible, it must have at least 30% of its revenues related to the SDGs, though can also include other companies that, according to the Investment Manager's assessment, provide a relevant contribution to solve the main social challenges, that could be reinforced by the Investment Manager's engagement with the relevant companies.

After completing the above exclusions and positive screenings, the Sub-Fund's portfolio construction methodology includes fundamental and quantitative factors in its process. That will allow the Investment Manager to build a portfolio assigning different weightings to the different names to maximize the risk/reward characteristics of the Sub-Fund's overall portfolio.

To ensure that the positive contribution to a social and/or environmental objective does not significantly harm other objectives, the Management Company has defined a number of safeguards based on its internal methodology with the aim of demonstrating that there is an intention not to cause such harm.

The Management Company carries out an analysis and monitoring with the aim of detecting and mitigating the main adverse impacts on sustainability arising from the activity of the companies in which it invests in accordance with its own methodology and indicators that can be consulted at www.santanderassetmanagement.lu.

(1) Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial sector ("SFDR").

It also maintains specific due diligence policies regarding these impacts in accordance with its investment policy.

The Investment Manager takes into account the main adverse impacts on sustainability factors when making investment decisions... These include all mandatory indicators in table 1 and a selection of optional indicators in tables 2 and 3 (as described in Annex I of the Regulatory Technical Standards supplementing SFDR). To do this, it monitors a series of environmental and social indicators (KPIs) that, through the consideration of published information on the issuers in which it invests, make it possible to warn of the negative effects of the investments.

For this Sub-Fund, the mitigation of these adverse impacts is carried out by applying certain exclusion criteria for those sectors with the greatest potential to generate them, as well as evaluating and following up on possible controversies of the companies analyzed that may derive in significant impacts due to non-compliance with internationally recognized regulations or standards.

In addition, the monitoring activities carried out in the ESG area are key to detect these potential adverse impacts on sustainability, to monitor the management of these adverse impacts by companies and establish procedures in the event of an inadequate or insufficient response by companies. Information on how principal adverse impacts on sustainability factors were considered for this Sub-Fund will be provided in the annual report

In addition, good governance practices are assessed through the analysis of controversies leveraging external data provider research that allows to identify corporate governance, business ethics and public policy incidents. Companies involved in controversies considered critical, are excluded from the Sub-Fund's investment universe.

No reference benchmark was designated for the purpose of attaining the sustainable investment objective.

Important information

"This document is intended to provide information that summarizes the main characteristics of the product and under no circumstances constitutes a contractual agreement, a recommendation, personalized advice, an offer or solicitation.

It is recommended that the Prospectus and the KIID (Key Investor Information Document) are consulted before taking any investment decision, subscribing or purchasing shares or redeeming investments, together with the list of countries where the product is registered for sale, available at www.santanderassetmanagement.lu or via authorized intermediaries in your country of residence. The product described in this document may not be eligible for sale or distribution in certain jurisdictions or to certain categories or types of investors. This product may not be directly or indirectly offered or sold to or for the benefit of a United States Person under FATCA regulation (Foreign Account Tax Compliance Act), in line with the selling restrictions of the prospectus of the fund.

This fund has a prospectus which is drafted in English and can be obtained from www.santanderassetmanagement.lu

For product information, please contact Santander Asset Management Luxembourg S.A. (43, Av. John F. Kennedy, L-1855 Luxembourg - Grand Duchy of Luxembourg), management company of the fund under the supervision of Commission de Surveillance du Secteur Financier (CSSF). The depositary and administrator of the fund is JP Morgan SE, Luxembourg Branch (6, route de Treves, L-2633 Senningerberg - Grand Duchy of Luxembourg).

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Prior to investment in the fund, it is advisable that the investor seeks personalized advice regarding taxation as it depends on the individual circumstances of each investor and may change in the future.

Investors can obtain a summary of investor rights from www.santanderassetmanagement.lu

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