

Sustainability disclosure pursuant to Article 10 of Regulation (EU) 2019/2088

Symphonia Lux SICAV - Real Assets¹

Symphonia SGR (the "Company" or "Symphonia" or the "SGR") - in accordance with Article 10(1) of Regulation (EU) 2019/2088 (the "SFDR") and the related Regulatory Technical Standards set out in Chapter IV of Delegated Regulation (EU) 2022/1288 (the "RTS") - publishes this Sustainability Disclosure Statement in respect of the fund Symphonia Lux SICAV - Real Assets (the "Fund" or the "Sub-Fund"), which promotes environmental or social characteristics in accordance with Article 8 of the SFDR.

A) SUMMARY

Although the Fund does not have a sustainable investment objective, it promotes certain minimum environmental and social requirements through the application of exclusion criteria against products and business practices that the SGR considers harmful to society and incompatible with sustainable investment strategies. The Fund also promotes compliance of business activities with the United Nations Global Compact (UNGC) and limits investments in target companies with a high sustainability risk associated with the risk of very serious environmental, social and governance disputes. The Fund seeks to achieve its investment objective by actively managing a flexible and diversified portfolio of equity and related securities and bonds issued by companies, including closed-end real estate investment trusts (REITS), located worldwide and active in the infrastructure investment sector. The Fund chooses to invest in selected companies and/or issuers that have integrated ESG factors, that have an MSCI ESG rating for a total of 80% of the equity and bond instruments included in the financial assets and that have an ESG Letter Rating between AAA and CCC. To select the target investment companies, the SGR uses data provided by MSCI ESG Research and other databases such as: "Freedom in the World report", published by Freedom House, "World Bank Control of Corruption", "World Bank Voice and Accountability" and "World Bank Rule of Law", published by the World Bank, "Call to Action list", published by the Financial Action Task Force. The data on the sustainability of portfolio companies are taken directly from the research on the mentioned databases. The main limitations to the methodologies adopted and with respect to the data collected is the fact that the data is only processed by the aforementioned info providers and the fact that, at present, no sustainability information is available that is directly reported by the investment companies. Symphonia has incorporated sustainability aspects of investment strategies

¹ Please note that the Fund's updated Prospectus is in the process of being approved by the Luxembourg Supervisory Authority: the version currently published on the website is not yet up-to-date with the requirements of the ESG legislation and in particular of Regulation (EU) 2019/2088 and its RTS. This statement may be subject to change following the final approval of the updated Prospectus.

into appropriate due diligence processes and investment selection and monitoring procedures. The SGR, however, has chosen not to adopt an Engagement Policy, as permitted by current regulations

B) NO SUSTAINABLE INVESTMENT OBJECTIVE

The Sub-Fund promotes environmental and social characteristics, as defined in Article 8(1) of the SFDR, but does not have sustainable investment as an objective.

C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The Fund promotes certain minimum environmental and social guarantees through the application of exclusion criteria against products and business practices that the SGR considers harmful to society and incompatible with sustainable investment strategies. For example, products linked to tobacco producing and manufacturing companies and to business practices such as the production or marketing of controversial weapons banned by United Nations-sponsored treaties and whose use violates basic humanitarian principles and the production of energy from fossil coal are excluded from the investment universe. The exclusion criteria are further outlined in Section G). The Fund also promotes membership and conducting business in accordance with the United Nations Global Compact (UNGC) by monitoring companies that violate these principles. Finally, the Fund limits investments in target companies with a high sustainability risk arising from the risk of very serious environmental, social and governance controversies.

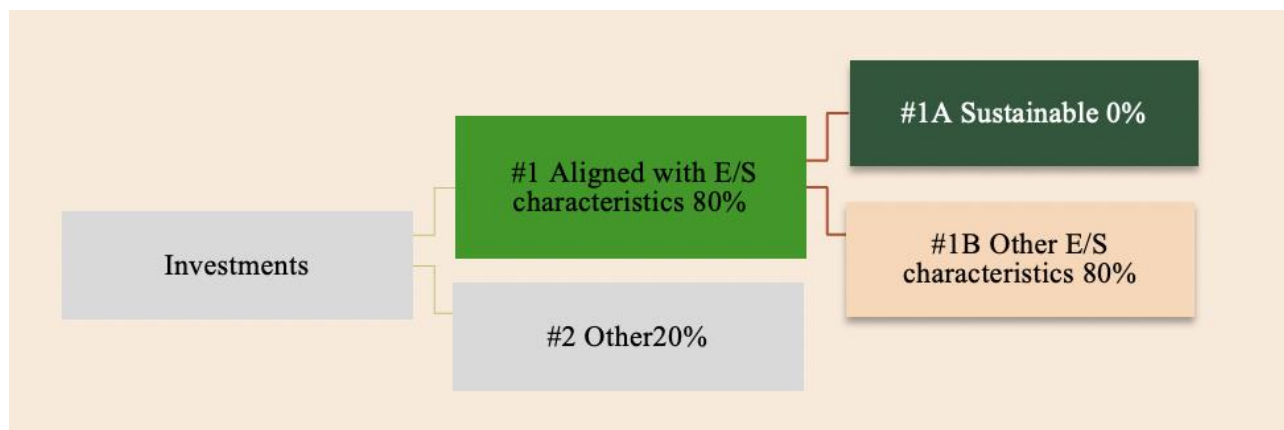
D) INVESTMENT STRATEGY

The Portfolio seeks to achieve its investment objective by actively managing a flexible and diversified portfolio of equity and related securities and bonds issued by companies, including closed-end real estate investment trusts (REITS), located worldwide and operating in the infrastructure investment sector.

The Delegated Investment Manager of the Sub-Fund will seek to achieve long-term total returns by investing in companies whose core business, in the opinion of the Delegated Investment Manager, is intended to contribute to social and/or environmental change along with a financial return, applying the binding elements for the selection of companies in which to invest described in the section "Monitoring Environmental or Social Characteristics".

The Delegated Investment Manager has due diligence policies in place to ensure sound corporate governance of investee companies and to identify governance issues and risks. Investee companies are assessed for governance aspects using MSCI ESG Research (www.msci.com).

E) SHARE OF INVESTMENTS



The Fund's strategy is to seek to achieve its investment objective by investing directly or indirectly its net assets in equity and related securities and debt securities issued by companies located worldwide and listed on official stock exchanges operating in the infrastructure sector.

The Sub-Fund will focus on investing in selected companies and/or issuers that have integrated ESG factors, that have an MSCI ESG rating for a total of 80% of the equity and debt instruments included in the financial assets and that have an ESG Letter Rating between AAA and CCC.

F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

For the purposes of monitoring the environmental and social characteristics outlined above, the SGR performs pre- and post-trade compliance checks related to ESG criteria. Where violations are detected, the Investment Department takes all necessary actions to rectify the situation. Compliance with the indicators is monitored by the risk management function.

The SGR considers fourteen (14) mandatory indicators relating to greenhouse gas emissions, biodiversity, water, waste and social indicators applicable to companies, sovereign and supranational entities and real estate assets. In addition, one (1) additional indicator was defined relating to climate and other environmental aspects, as well as one (1) additional indicator relating to social factors and employees, respect for human rights, and anti-corruption and bribery, for which reporting and integration is encouraged.

G) METHODOLOGIES RELATING TO ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The binding ESG (environmental, social and governance) criteria that companies must fulfil to be included in the investment universe are determined through internal research by the Investment Manager and approved by the Board of Directors. The ESG criteria are checked before and after the transaction and, in case of violation, the Investment Department will take all necessary actions.

The selection criteria are as follows:

- Exclusion filter based on UN Global Compact compliance: companies must comply with the founding principles of the UN Global Compact (human rights, labour law, environmental protection, anti-corruption). The Investment Manager uses MSCI ESG Research to determine whether or not a company complies with these principles.
- Exclusion filter for companies involved in major environmental, social and/or governance ("ESG") controversies: companies must not be involved in major ESG controversies, such as incidents or allegations related to environmental, social or governance issues. The Investment Manager uses MSCI ESG Research to assess the severity of the controversies to which companies are exposed and excludes the most serious controversies. The Delegated Investment Manager reserves the right to also exclude companies that it considers to be involved in environmental and/or social controversies that, in the opinion of the Investment Manager, are of significant severity.
- Exclusion filter for companies involved in controversial activities: the exclusion policy for controversial activities defined by the Delegated Investment Manager covers various economic sectors and activities that are the subject of debate with regard to their ethicality and sustainability and, in particular, tobacco producers and fossil-fuel power generation, companies that violate the UNGC Global Compact or that are exposed to controversial weapons and/or risk litigation that is considered very serious. Governments that have suffered widespread condemnation from the international community are also excluded.

For each of these economic sectors and activities, the controversial activities exclusion policy defines the exclusion criteria and thresholds. Companies involved in these controversial sectors and activities that meet the exclusion criteria set out in the policy are excluded from the investment portfolio.

The above exclusion filters are applied in more detail as follows:

1. corporate issuers with a clear direct involvement in the production or marketing of unconventional weapons banned by UN-sponsored treaties and whose use violates basic humanitarian principles; the turnover threshold is 0%; data on involvement are provided by MSCI ESG Research.

2. government bonds of countries for which there is condemnation or sanctions shared by the international community, based on publicly available data on civil liberties, political rights, degree of corruption, rule of law, freedom of expression and freedom of association. The list of countries is defined according to an internal methodology by the Investment Manager on an annual basis.
3. corporate issuers that produce tobacco products, such as cigars, blunts, cigarettes, electronic cigarettes, inhalers, beedi, kretek, smokeless tobacco, snus, dissolvable and chewing tobacco. Companies that grow or process raw tobacco leaves are also included. The turnover threshold is 0%, involvement data is provided by MSCI ESG Research.
4. corporate issuers operating in the hard coal power generation sector, with a minimum turnover threshold of 25% from thermal coal mining and exploration; hard coal is defined as all energy products derived from anthracite, coking coal and other bituminous coal. Data is provided by MSCI ESG Research.
5. corporate issuers that do not comply with the principles of the UN Global Compact (UNGC); the turnover threshold is 0%, data on compliance is provided by MSCI ESG Research;
6. corporate issuers that have a very severe rating, according to MSCI methodology, in terms of controversy risk. The turnover threshold is 0%, data on compliance with these principles are provided by MSCI ESG Research.

The Delegated Investment Manager may supplement the various ESG exclusion filters by using non-binding ESG risk assessment forms for each portfolio company, as well as non-binding checklists for assessing the quality of investment ideas, integrating ESG criteria. These ESG risk assessment forms are grids for analysing the most relevant and important ESG risks companies are exposed to. This approach systematically includes consideration of positive impacts on the UN Sustainable Development Goals in general and the Environmental and Social Impact Goals in particular. These impacts are analysed on the basis of the companies' exposure in terms of turnover and on the condition that these activities contribute directly and unequivocally to one of the Sustainable Goals and thus to an ESG impact issue. Therefore, the Delegated Investment Manager will determine whether the relevant target companies meet the criteria based on publicly available information and information provided by the ESG data provider, which is collected and analysed by the Delegated Investment Manager, who will make the final decision as to whether or not the intended investment meets the criteria described above.

H) DATA SOURCES AND PROCESSING

The Delegated Investment Manager, as reported above, uses data provided by MSCI ESG Research and other databases such as:

- "Freedom in the World report", published by Freedom House;
- "World Bank Control of Corruption", "World Bank Voice and Accountability" and "World Bank Rule of Law", published by the World Bank;
- "Call to Action list", published by the Financial Action Task Force.

It is possible that some data are estimated from the MSCI ESG research and not reported directly by the companies, but it is not possible at present to provide an accurate share of the estimated information.

For companies not in the MSCI database, an internal analysis will be carried out with publicly available data sources and other info providers to analyse sustainability criteria

I) LIMITATIONS OF METHODOLOGY AND DATA

The main limitation to the methodologies adopted and with respect to the data collected is the lack of sustainability information directly reported by the companies invested in. This retrieval difficulty is common to many other financial market participants. To overcome this problem, the Investment Manager resorts to the use of multiple data providers, who attempt - despite the fact that each of them has certain strengths and weaknesses - to provide a truthful representation of companies in terms of sustainability. This approach will be maintained at least until the Corporate Sustainability Reporting Directive comes into force, which will impose new reporting burdens on sustainability issues on a very wide range of companies that are currently not subject to disclosure obligations.

Another limitation with respect to methodology lies in the possibility that data providers present divergent data or treat certain topics differently. This can sometimes make the comparability of the same data difficult.

J) *DUE DILIGENCE*

Symphonia has incorporated sustainability aspects of investment strategies into appropriate due diligence processes and investment selection and monitoring procedures.

More detailed information can be found in the ESG Policy adopted by the Company, available at <https://www.symphonia.it/content/esg>.

K) ENGAGEMENT POLICIES

Symphonia, following internal evaluations carried out, chose to avail itself of the option provided for in Article 124-quinquies paragraph 3 of the TUF, i.e. not to adopt an Engagement Policy and related obligations.

L) «DESIGNATED REFERENCE INDEX».

No index is used to benchmark the performance of ESG investments.