



FMP Entity Name: Deep Research Fund SICAV
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DEEP RESEARCH FUND - REGULATORY DISCLOSURE

SFDR - Transparency (Article 10 Compliance) / Nachhaltigkeitsbezogene Offenlegung

Offenlegung von Produktinformationen auf der Internetseite für Finanzprodukte, mit denen ökologische oder soziale Merkmale beworben werden, gemäss der Delegierten Verordnung (EU) 2022/1288 der Kommission.

Diese Offenlegung gilt für den Deep Research Fund SICAV:

1. Deep Research Fund Klasse A (CHF) ISIN: LI0307054317
2. Deep Research Fund Klasse B (EUR) ISIN: LI0338510220
3. Deep Research Fund Klasse I (CHF) ISIN: LI0474797094
4. Deep Research Fund Klasse J (EUR) ISIN: LI0474797144
5. Deep Research Fund Klasse K (USD) ISIN: LI0474797169
6. Deep Research Fund Klasse S (CHF) ISIN: LI0338510196
7. Deep Research Fund Klasse T (EUR) ISIN: LI0338510261

Zur Erfüllung der gesetzlichen Vorgaben gemäss Artikel 10 der EU-Verordnung 2019/2088 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor («SFDR») veröffentlicht die LLB Fund Services AG hiermit für die vorgenannten Fonds, mit welchen ökologische und soziale Merkmale beworben werden (im Sinne von Artikel 8 SFDR), Informationen zu den ökologischen oder sozialen Merkmalen bezogen auf die Anlagestrategie des Fonds. Darüber hinaus werden die Methoden zur Bewertung, Messung und Überwachung der ökologischen und sozialen Merkmale erläutert.

This document provides you with information about this Fund in relation to the Sustainable Finance Disclosure Regulation. It is not marketing material. The information is required by law to help clients and prospective clients understand the sustainability characteristics and/or objectives and risks of this Fund. You are advised to read it in conjunction with other relevant documentation on this Fund so you can make an informed decision about whether to invest.

A. Summary / Zusammenfassung

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D. Investment strategy

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G. Methodologies**H. Data sources and processing****I. Limitations to methodologies and data****J. Due diligence****K. Engagement policies****L. Designated reference benchmark****A. Summary / Zusammenfassung****English (for German see below)**

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment. There is no reference benchmark designated for the purpose of attaining the environmental or social character promoted by the Fund. Instead, the investment process includes an exclusion approach as well as an ESG integration approach. The Fund is an active owner and as a result, it votes at AGMs of investee companies. ESG criteria are first applied in a quantitative screening based on Bloomberg ESG data. In a subsequent intensive research process, the Fund applies norms-based, product-based and activity-based exclusions, the Sustainability Integration policy, and considers Principal Adverse Impacts. Compliance with the sustainability investment guidelines is assessed by the asset manager on a continuous basis. Compliance is also subject to regular external audits. The auditor assesses whether the necessary organizational structure of the asset manager is appropriate, whether ESG risks are adequately monitored by the risk management and whether compliance with the promoted environmental or social characteristics is adequately controlled.

Deutsch

Mit diesem Finanzprodukt werden ökologische oder soziale Merkmale beworben, aber keine «nachhaltigen Investitionen» angestrebt. Es wurde kein Referenzwert benannt, um die mit dem Fonds beworbenen ökologischen oder sozialen Merkmale zu erreichen. Stattdessen werden dazu die Nachhaltigkeitsansätze Ausschlussprinzip und ESG-Integration angewandt. Der Fonds ist ein aktiver Aktieninhaber und stimmt an den Generalversammlungen der gehaltenen Portfoliofirmen ab. ESG Kriterien werden im quantitativen Screening basierend auf Bloomberg Daten angewandt. In der anschliessenden vertieften Aktienanalyse werden normative, produktspezifische sowie aktivitätsbezogene Ausschlusskriterien, Nachhaltigkeit-Integration-Ansätze sowie die wichtigsten nachteiligen Auswirkungen berücksichtigt. Einhalten der Nachhaltigkeitspolitik und -richtlinien wird vom Asset Manager kontinuierlich überprüft. Zusätzlich beurteilt der Wirtschaftsprüfer die Angemessenheit der diesbezüglichen internen Organisation, ob Nachhaltigkeitskriterien im Anlageentscheidungsprozess angemessen berücksichtigt werden und ob die Einhaltung der den Fondsanlegern zugesicherten Nachhaltigkeitskriterien bzw. Restriktionen (Ausschlüssen) angemessen überwacht wird.

B. No sustainable investment objective

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

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics that the financial product promotes:

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Fund. Instead, the investment process applies the below described sustainability approaches:

- 1) "Exclusion approach": The Fund applies exclusion criteria with regards to products and business practices that the Fund believes are detrimental to society and natural environment. These exclusions help the Fund set a high sustainability baseline for the investable universe. More details can be found [here](#).
- 2) "Sustainability Integration approach": The Fund promotes high environmental and social standards by only investing in companies that meet strict environmental, social and governance criteria through the internally developed quantitative screening model.
- 3) The Fund promotes high environmental and social standards by only investing in companies that show strong performance on material sustainability topics in their respective industry. This is measured both quantitatively and qualitatively. More details can be found [here](#).
- 4) The Fund's sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labor Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights, via the Fund's Exclusion Policy and the Fund's Sustainability Integration Policy.
- 5) The Fund promotes good governance and sustainable corporate practices through active ownership by voting at the Annual General Meetings, which contributes to long-term shareholder value creation. This includes taking an active stance on social and environmental topics in line with the Fund's Voting policy. More information can be found [here](#).

D. Investment strategy

What is the investment strategy used to meet the environmental or social characteristics promoted by the final product?

Deep Research Fund is an actively managed fund that invests in stocks across the world. The selection of these stocks is based on fundamental equity analysis as described in the Investment Objective and Policy section of the Fund's Prospectus. The strategy integrates sustainability indicators on a continuous basis as part of the stock selection process. Amongst others, the Fund applies norms-based, product-based and activity-based exclusions, Sustainability Integration policy, and considers Principal Adverse Impacts in the investment process. More on the investment process and how ESG criteria are included in decision making at every step can be found [here](#).

What is the policy to assess good governance practices of the investee companies, including with respect to so management structures, employee relations, remuneration of staff and tax compliance?

The Fund's [sustainability policy](#) includes good governance.

The main aspects considered are:

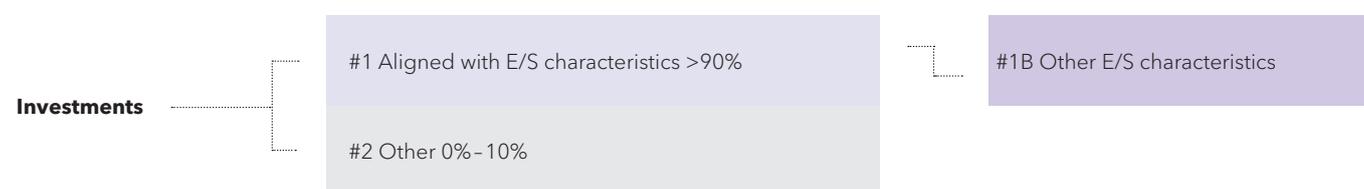
- 1) Diversity of the Board of Directors and Executive Management in age, gender, and skillset
- 2) Time commitment to the work required on the Board of Directors and Executive Management

- 3) Educational qualification to function as an effective oversight of management, especially for the members of the Audit Committee
- 4) Remuneration of Executive Management in line with long term shareholder interests
- 5) Presence of internal policies that indicate good and transparent management

E. Proportion of investments

At least 90% of all investments fulfill the exclusion and integration standards of the Fund and therefore promote environmental or social characteristics. The Fund holds no "sustainable investments" according to the definition of the Sustainable Finance Disclosure Regulation (SFDR).

Asset Allocation Table



F. Monitoring of environmental or social characteristics

How are the environmental or social characteristics promoted by the financial product and the sustainability indicators used to measure the attainment of each of those environmental or social characteristics promoted by the financial product monitored throughout the lifecycle of the financial product and what are the related internal or external control mechanisms?

Internal control mechanisms by the asset manager:

- All exclusions are implemented in our data download during the initial screening, which is the source of all our investment ideas. This ensures that excluded companies and industries are never taken into consideration.
- Compliance with own sustainability policy is achieved through a proprietary ESG score applied as parameter during the initial screening. **Each research step** deepens the sustainability research further, thereby ensuring compliance on a quantitative and qualitative level.
- ESG performance of all investments is continuously monitored. Any deterioration of ESG metrics is brought to the attention of the investment committee. If an investee company fails to provide a clear roadmap to improvement, we will divest.

External control mechanisms:

- Compliance with internal standards is subject to regular external audits. The auditor assesses whether the necessary organizational structure of the asset manager is appropriate, whether ESG risks are adequately monitored by the risk management and whether compliance with the promoted environmental or social characteristics is adequately controlled.

G. Methodologies

What are the methodologies to measure how the social or environmental characteristics promoted by the financial product are met?

Deep Research Fund maintains Insights that summarize our methodology documents of our proprietary analytical frameworks on our website. These Insights explain in great detail our data sources and processes that we apply at each research step. More information in relation to these Insights can be found [here](#).

H. Data sources and processing

a) Which data sources are used to attain each of the environmental or social characteristics promoted the financial product?

The Fund relies on third party data provided by "Bloomberg" in the initial screening stage. Bloomberg uses data directly as reported by the companies. In later stages of the research process, the Fund uses data directly as reported by the companies.

b) What measures are taken to ensure data quality?

The Fund periodically compares data provided by Bloomberg with actual company data to compare reliability. Furthermore, as the research progresses to the final stage, Bloomberg data is verified by double checking company reported numbers.

c) How is data processed?

- Data download is automated and directly linked to Bloomberg terminal.
- Data provided by companies is manually entered or processed.

d) What is the proportion of data that are estimate?

The proportion of data that is estimated is less than 5% in the initial screening. Estimations are based on group of peers. In later stages of the research process, the Fund uses data as reported in companies' official documents. If the Fund does not have sufficient first-hand data for analysis, the company is removed from the research universe. As a result, estimations are not used beyond the initial screening stage of research.

I. Limitations to methodologies and data

What are potential limitations to the methodologies or data sources and how do such limitations not affect how the environmental or social characteristics promoted by the financial product are met?

Our research is primarily based on corporate disclosure; we do not rely on third party data vendors, beyond sourcing initial data from Bloomberg. Accordingly, the main challenge for us is the lack of corporate reporting. While corporate transparency and disclosure have significantly improved in the past years, many gaps remain. Like many other financial market participants, we struggle to find adequate information on the principal adverse indicators. To overcome this issue, we reach out directly to companies to provides us with additional data points. In terms of methodology, we may be challenged by Bloomberg's approach to calculate GHG emissions as they blend corporate reporting with modelled data.

J. Due diligence

What due diligence is carried out on the underlying assets of the financial product, including the internal and external controls?

Sustainability is an integral part of the research process and stock selection. Sustainability due diligence is conducted at every step of the research, in line with the financial due diligence. Similarly, it is also part of investment monitoring of all current investments. Further details can be found [here](#).

K. Engagement policies

What is the engagement policy applied, in the case that engagement is part of the environmental or social investment strategy (including any management procedures applicable to sustainability-related controversies in investee companies)?

The holdings of the Fund are subject to a constructive dialogue between the Fund and the holdings. The Fund is in an intensive dialogue with each potential investment prior as part of the research process. Once invested, the dialogue continues on a need-based basis. Although the engagement is not necessarily a limited to the environmental, social investment strategy of the Fund, it can be that adverse sustainability impacts are addressed via this process as well. Additionally, we vote at the Annual General Meetings of our portfolio holding companies. More information can be found [here](#).

L. Designated reference benchmark

Has an index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the financial product? If yes, how that index is aligned with the environmental or social characteristics promoted by the financial product, and where can one find information with regards to input data, methodologies used to select those data, the rebalancing methodologies and index calculations?

There is no reference benchmark designated for the purpose of attaining the environmental or social character promoted by the Fund.

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