

Article 10 SFDR website disclosure

Lightrock Global Small-cap Fund (the “Sub-Fund”)

Article 8 Fund

Summary

This document has been adopted by Lightrock Netherlands B.V. (“Lightrock NL”) in its capacity as Management Company in respect of the Sub-Fund. The following document meets requirements under the EU Sustainable Finance Disclosure Regulation (SFDR), specifically Article 10(1) of Regulation (EU) 2019/2088.

Sustainable investment objective and environmental or social characteristics of the financial product

The Sub-Fund has been categorised as an Article 8 fund under SFDR. This is a fund that promotes among other characteristics environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices. The Sub-Fund has no sustainable investment objective.

Investment strategy

The investment objective of the Sub-Fund is to generate positive returns, by outperforming the MSCI World Small Cap Index (“Benchmark”). Sustainability Factors are fully integrated in the investment process. Engagement with portfolio companies is a key part of the investment process. The Sub-Fund strives to invest in ESG Leaders, ESG Improvers, or Impact Solution companies. Lightrock NL excludes companies engaged in harmful business conduct (“conduct-based exclusion”) as well as certain harmful business activities (“activity-based exclusion”). Furthermore, Lightrock NL excludes companies involved in severe controversies (“controversy-based exclusion”).

Proportion of investments

The Sub-Fund is expected to invest 90-100% of its Net Asset Value in companies aligned with environmental and social characteristics. Furthermore, the Sub-Fund is expected to make Sustainable Investments. The Sub-Fund commits to investing a minimum of 15% of its Net Asset Value in Sustainable Investments.

Monitoring of environmental or social characteristics

Sustainability Risks are monitored throughout the investment holding period and taken into consideration in the portfolio construction process. The Sub-Fund considers Principal Adverse Impacts indicators to determine to what extent Portfolio Companies adversely affect the Sustainability Factors related to the environmental and social characteristics promoted by the Sub-Fund.

Methodologies, data sources and processing, and limitations to methodologies and data

The basis of Lightrock NL's analysis is in-house fundamental analysis, augmented with external data provided by 3rd party data vendors. Lightrock NL developed a proprietary ESG scoring framework.

Lightrock NL recognizes there are several limitations with respect to the methodologies and (external) data used. To mitigate these data issues, Lightrock NL performs extensive due diligence on the data used in the investment process. Third party data is validated by proprietary research and/or in dialogue with the relevant company.

Due diligence and engagement policies

An internal Impact & ESG Advisory Council has been established for the purpose of safeguarding quality and consistency with respect to assessing and monitoring ESG and impact considerations.

Engagement with Portfolio Companies, including on ESG topics, is key for Lightrock NL to properly identify investment opportunities, manage investments and Sustainability Risks, and monitor Portfolio Companies. Based on the philosophy of active and responsible ownership Lightrock NL will also exercise voting rights to act in the best interest of the Sub-Fund and its shareholders.

Designated reference benchmark

No specific reference benchmark has been designated for the purpose of attaining the above environmental and/or social characteristics.

No sustainable investment objective

The Sub-Fund has no sustainable investment objective.

The Sub-Fund is expected to make Sustainable Investments. These are companies deriving at least 20% of their revenues from Sustainable Activities¹, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices. See for more information on the assessment of good governance the “Methodologies” section below.

The Sub-Fund commits to investing a **minimum of 15% of its Net Asset Value** in such companies. These investments are broken down in taxonomy-aligned investments, and investments with other environmental and social objectives.

The Sub-Fund intends to avoid companies involved in significant controversies that violate global norms related to human rights, labour, the environment, and corruption. Companies violating international principles and conventions, such as the United Nations Global Compact, the UN Guiding Principles for Business and Human Rights, the UN Principles for Responsible Investment and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, are excluded from the investible universe.

The Sub-Fund makes use of the Principle Adverse Indicators (PAI) to demonstrate that investments qualify as sustainable investments by ensuring the investments do no significant harm (DNSH) to any of the environmental or social objectives.

The Sub-Fund considers all 14 mandatory PAIs plus four additional impact indicators for this purpose. The additional climate and other environment-related indicators are: 1) the share of investments in companies without carbon emission reduction initiatives; 2) the share of investments in companies without a policy to address deforestation; 3) the share of investments in entities without a human rights policy, and; 4) the number of identified cases of severe human rights issues and incidents. The definitions used are those provided in Annex 1 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council.

Environmental or social characteristics or the sustainable investment objective

The Sub-Fund promotes the following environmental characteristics:

- > Climate change mitigation and climate change adaptation;
- > Protection and restoration of biodiversity and ecosystems;
- > Transition to a circular economy.

No specific reference benchmark has been designated for the purpose of attaining the above environmental characteristics. However, the Sub-Fund aims to contribute to achieving the climate goals as set out in the Paris Agreement. Accordingly, by 2030 the Sub-Fund aims to have

¹ A company’s economic activities (products and/or services) that are considered sustainable either from an environmental or social perspective. Environmental activities are focused on climate change mitigation and energy efficiency, pollution prevention and waste minimization, sustainable management of water, forestry, and land resources. Social activities include access to basic needs, such as health care, housing, and nutrition, provision of SME and personal loans, education services, and bridging the digital divide in least developed countries. Certain environmental Sustainable Activities may overlap with activities classified under the EU Taxonomy.

a carbon intensity that is below the EU Climate Transition Benchmark pathway (“mid-term target”). This pathway assumes a carbon intensity of the Sub-Fund that is initially 30% lower than the MSCI World Small-cap index in 2020, with the intention being a subsequent 7% annual reduction².

The Sub-Fund promotes the following social characteristics:

- > Decent work: such characteristics relate to people in their working lives or as workers, and build on the decent-work agenda by the International Labour Organization and its four pillars (employment creation, social protection, rights at work and social dialogue);
- > Adequate living standards and well-being for end-users: such characteristics relate to people in their role as end-users of certain products and services, which can either pose heightened health or safety risks or have the potential to help people to meet basic human needs (e.g. right to health, food, housing and education);
- > Diversity, equality and inclusion: such characteristics would, for instance, include gender diversity and equality.

No specific reference benchmark has been designated for the purpose of attaining the above social characteristics.

Investment strategy

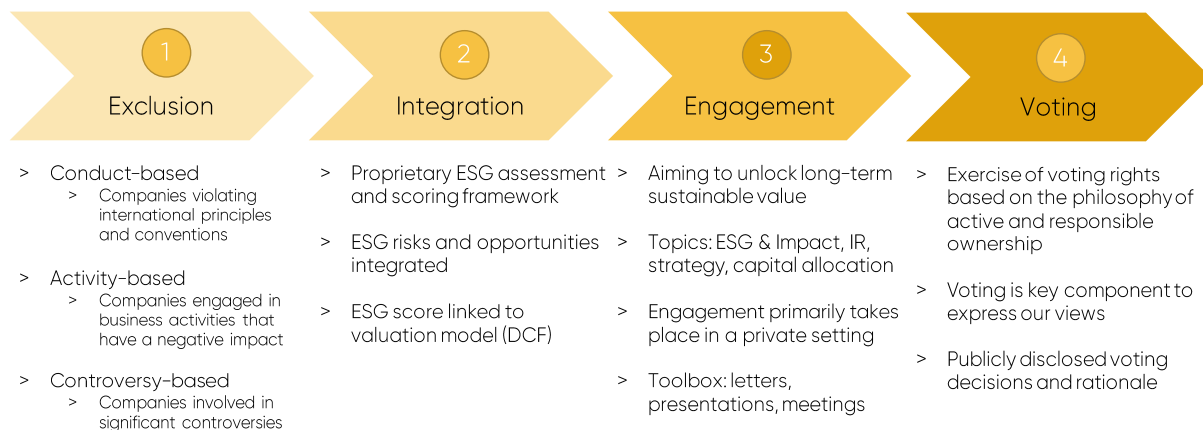
The investment strategy of the Sub-Fund is to generate positive returns, by outperforming the MSCI World Small Cap Index (“Benchmark”).

Lightrock NL will aim to achieve the investment objective by:

- > investing in equities issued by smaller companies globally. The Investment Manager will invest principally in companies that are no larger by market capitalisation than the largest constituent of the Benchmark. Shareholders should be aware that the Sub-Fund will not be managed in reference to the Benchmark and may invest in securities not included in the Benchmark. Investment returns may deviate materially from the performance of the Benchmark. The Benchmark captures small cap representation across developed markets countries;
- > employing an investment strategy that combines the principles of long-term investing with responsible active ownership;
- > aiming to avoid permanent loss of capital through the selection of companies with resilient business models and strong balance sheets;
- > integrating ESG and positive impact considerations as part of the investment process;
- > aiming to acquire a portfolio for the Sub-Fund of quality companies at attractive share prices with a view to retaining them for a long-term period (i.e. on average 5 years or more).
- > in normal market conditions, investing in equities of between 50 and 75 companies. Using the above criteria, investments will be made on a ‘long-only’ basis and will be predominantly in equity securities.

Sustainability Factors are fully integrated in the Sub-Fund’s investment process through the pillars of Exclusion, Integration, Engagement and Voting.

² Please note that underlying company carbon data is typically reported on an annual basis with a lag of up to 2 years. Therefore, starting point is defined as Scope 1 & 2 carbon intensity of the MSCI World Small-cap Index based on carbon data over calendar year 2020, and holdings and weights as of 12/31/2022. Similarly, the mid-term target for the Sub-Fund’s Weighted Average Carbon Intensity (“WACI”) to be below the EU Climate Transition Benchmark, as described in the above, is based on portfolio weightings as at 31/12/2030 and underlying carbon emission data over calendar year 2028.



The Sub-Fund strives to invest in ESG Leaders, ESG Improvers, or Impact Solution companies. ESG Leaders are companies with best-in-class ESG ratings based on Lightrock NL’s proprietary ESG assessment and scoring framework. ESG Improvers are companies that are earlier in their ESG journeys and have an average ESG rating. These companies should be able to progress to ESG Leaders in a reasonable timeframe. Lightrock NL applies a proprietary impact framework to assess each Portfolio Company’s ability to achieve positive real-world impact. Impact Solutions are companies that derive de minimis 20% of revenues from activities related to impact themes.

Proportion of investments

The Sub-Fund is expected to invest 90-100% of its Net Asset Value in companies aligned with environmental and social characteristics. Only those companies that exhibit Good Governance practices may be considered aligned with environmental and social characteristics. In practice, the 0-10% of the Net Asset Value not invested in such companies relates to cash and cash equivalents.

The Sub-Fund is expected to make Sustainable Investments. The Sub-Fund commits to investing a minimum of 15% of its Net Asset Value in such companies. These investments are broken down in taxonomy-aligned investments, and investments with other environmental and social objectives. Lightrock NL makes use of third-party data vendors to determine whether a company is a sustainable investment, or an EU Taxonomy aligned investment, and whether it passes the Do No Significant Harm (DNSH) test. The Sub-Fund will report on Sustainable investments and Taxonomy aligned sustainable investments as per the Sustainable Finance Disclosure Regulation (“SFDR”).

The Sub-Fund’s minimum extent of investments aligned with the Sustainable Activities as stipulated in the EU Taxonomy will be 3%. The Sub-Fund aims for the total Sustainable Investments to be above the minimum commitment.

Furthermore, Sustainable Investments comprise of companies active in certain specified environmental and social activities. A minimum threshold of 20% of revenues is applied to determine if a portfolio company is a Sustainable Investment. The percentage of revenues of a Portfolio Company stemming from Sustainable Activities is provided by third-party data vendor(s).

The Sub-Fund’s minimum share of Sustainable Investments with an environmental objective that are not aligned with the EU Taxonomy will be 5%. Similarly, the minimum share of socially Sustainable Investments will be 1%. The Sub-Fund aims for the total Sustainable Investments to be above the minimum commitment.

Monitoring of environmental or social characteristics

During the holding period, Lightrock NL periodically reviews its ESG due diligence and monitors progress on the implementation of action plans and ongoing compliance with the Sub-Fund's ESG requirements.

For each investment, Lightrock NL aims to carry out regular standardised ESG assessments and performance measurement. These assessments culminate in periodic reports which seek to provide quantitative and qualitative snapshots of the ESG practices, work and performance, as well as the impact performance of investments.

The Sub-Fund considers Principal Adverse Impacts indicators to determine to what extent Portfolio Companies adversely affect the Sustainability Factors related to the environmental and social characteristics promoted by the Sub-Fund.

In addition to the 14 PAI indicators under the Sustainable Finance Disclosure Regulation annex 1 statement, the Sub-Fund considers several additional PAI indicators. The Sub-Fund considers the following additional climate and other environment-related indicators: 1) the share of investments in companies without carbon emission reduction initiatives; 2) the share of investments in companies without a policy to address deforestation; 3) the share of investments in entities without a human rights policy, and; 4) the number of identified cases of severe human rights issues and incidents.

On an annual basis, the portfolio holdings are screened to determine to what extent these holdings remain in compliance with the global norms described above.

Methodologies

Exclusion

In the first step of the investment process, companies are screened on ESG criteria. Lightrock NL excludes companies engaged in harmful business conduct ("conduct-based exclusion") as well as certain harmful business activities ("activity-based exclusion"). Furthermore, Lightrock NL excludes companies involved in severe controversies ("controversy-based exclusion"). Companies that fail to pass on these ESG criteria are excluded from the investable universe.

The Sub-Fund intends to avoid companies involved in significant controversies that violate global norms related to human rights, labour, the environment, and corruption. Companies violating international principles and conventions, such as the United Nations Global Compact, the UN Guiding Principles for Business and Human Rights, the UN Principles for Responsible Investment and the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises, are excluded from the investable universe.

The Sub-Fund excludes companies that are in breach of or are on a watchlist for UNGC compliance. Furthermore, significant controversies are identified as category 4-5 (on a scale of 1-5, with 5 being the most severe type of controversy). The Sub-Fund avoids investing in companies facing significant controversies.

Proprietary ESG score

For each new investment, Lightrock NL prepares a proprietary ESG analysis. As part of that analysis, Sustainability Risks and corresponding indicators that are material will be taken into consideration and will be subject to further due diligence. Lightrock NL employs a proprietary ESG scoring model, with separate scores for Environmental, Social, and Governance risk and risk

mitigation. This due diligence analysis is periodically reviewed. Companies with low scores will either be avoided or, to the extent Lightrock NL identifies room for sufficient improvement, will be subject to engagement (see below).

The proprietary ESG score is ranked from 1 (high risk) to 5 (low risk). Lightrock NL will not invest in companies with a score of either 1 or 2. Lightrock NL may invest in companies with a score of 3 out of 5 (“ESG Improvers”), and 4 or 5 out of 5 (“ESG Leaders”). In the case of ESG Improvers, Lightrock NL will establish an engagement plan for these companies to improve the score to at least 4 out of 5 and become an ESG Leader. For this purpose, milestones and deadlines are set. Companies that fail to transition to a score of at least 4 out of 5 in a reasonable timeframe will ultimately be divested. This timeframe is contingent on the specific engagement case, but an improved score should typically be achieved in 3 to 5 years.

The proprietary ESG score feeds into the required rate of return (“cost of capital”) used in Lightrock NL’s valuation models. Thus, a higher ESG risk warrants a higher required rate of return. In practice, this means that for ESG Leaders, Lightrock NL’s required return will be lower than that of average performers in terms of ESG. Note that, as mentioned in the above, below average ESG scores are excluded from the Sub-Fund.

Policy to assess good governance practices

For each potential Portfolio Company, a corporate governance assessment is prepared, which results in an internal governance score. Third party validated research (source: Sustainalytics) is used as a starting point for analysis. Lightrock NL reviews the third party ESG research and overwrites if such adjustments are warranted. Governance is scored on a 1–5-point scale, where which 1 is a low score / high risk, and 5 is a high score / low risk.

A Portfolio Company may be said to exhibit good governance practices if the proprietary governance score is 2 or higher, and if there are no significant governance controversies.

Data sources and processing

External data vendors include, but are not limited to:

- > Sustainalytics is used for ESG Risk Ratings, governance research, product involvement data, principal adverse impact indicators, carbon data, and to what extent investments classify as sustainable investments based on contribution to certain environmentally and socially sustainable economic activities measured by turnover (using Sustainalytics’ Impact Themes framework).
- > ISS is used for proxy voting, and voting research and recommendations.
- > Bloomberg is used, amongst other purposes, for product involvement data, principal adverse impact indicators, and carbon data.

Lightrock NL relies on 3rd party data provided by Sustainalytics to determine whether a sustainable investment company demonstrates Do No Significant Harm. To obtain information on PAI indicators, we source data from Sustainalytics on an individual holding level. Overall portfolio PAI information is prepared by aggregating the individual holding data. Measurement is conducted minimally on a quarterly basis, while reporting is done annually.

Lightrock NL recognises that, currently, data availability and quality may be limited, particularly for small-cap companies. Where data is not relevant, unavailable or is of insufficient quality, Lightrock NL considers a particular PAI to be out-of-scope.

In the case of an out-of-scope PAI, Lightrock NL engages in a best effort attempt, and where it is deemed relevant, through its active ownership approach, to determine if a company does not violate the Do No Significant Harm test.

We make use of third-party ESG research providers (source: Sustainalytics and Bloomberg) to assess the level and materiality of controversies. In addition to the vendors mentioned above, Lightrock NL conducts proprietary research employing a variety of primary and secondary sources.

Various data analytics tools are used to collect and process both internal and external data. Lightrock NL uses Bloomberg as its core research platform. Third party data is validated by proprietary research and/or in dialogue with the relevant company.

Lightrock NL expects in certain instances to rely on estimates when external data is not available or accurate. The proportion of estimates versus external data is contingent on the specific data item, but Lightrock NL expects to have external data available for the majority of companies under consideration. Furthermore, Lightrock NL expects to availability of external data to improve over time.

Limitations to methodology and data

Lightrock NL recognizes there are several limitations with respect to the methodology and (external) data used and referred to in this document. The table below describes several of the relevant limitations. Note this list may not be exhaustive.

To mitigate the data issues listed in the table below, Lightrock NL performs extensive due diligence on the data used in the investment process. Third party data is validated by proprietary research and/or in dialogue with the relevant company. Lightrock NL expects to regularly engage with ESG data vendors and companies to further increase the quality of ESG data.

Lightrock NL believes the combination of external data and in-depth, fundamental research performed in-house is sufficient to ensure data limitations discussed in this segment do not negatively affect the environmental or social characteristics promoted by the Sub-Fund.

Reliability 3 rd party data	Lightrock NL relies on third party sustainability data in several steps of the investment process. Such third-party data vendors may devote relatively less of their resources to small-cap companies. Hence, in some instances the reliability and quality of data provided by third party vendors may be insufficient.
Data availability	Generally speaking, small-cap companies receive less coverage by data vendors. As a result, Lightrock NL may not have ESG data availability for the full scope of the Sub-Fund’s portfolio. In cases where there is no data availability, Lightrock NL will use its best judgement to assess the Sustainability Risks related to an investment.
Backward-looking data	Sustainability data and third-party analysis tends to be backward-looking. Data used in third party analysis, or ratings / scores by third party data vendors, may become obsolete due to corporate actions or other changing circumstances.
Regulatory framework is still developing	ESG reporting and disclosure is governed by various regulations. A key example is the European Union Sustainable Finance Disclosure Regulation (SFDR). Lightrock NL also relies on the EU Taxonomy for

	Sustainable Activities. The regulatory framework and definitions used by governing bodies is not static and still developing.
Inconsistency between data vendors	ESG data may be inconsistent between the leading third-party data vendors. Different methodologies and the subjective nature of ESG ratings / scores potentially lead to vastly different outcomes.

Due diligence

The Lightrock NL team believes they have the skills to select the most attractive stocks from a group of comparable companies. The basis of Lightrock NL's analysis is in-house fundamental analysis.

An internal Impact & ESG Advisory Council has been established for the purpose of safeguarding quality and consistency with respect to assessing and monitoring ESG and impact considerations. The council advises on monitoring, reviewing, and approving any material changes to ESG ratings, related in-house methodology as well as progress on implementation of related engagement strategy. This advisory body acts as a sounding board and is non-discretionary in nature. Portfolio management decisions reside solely with the portfolio management team of Lightrock NL.

The Impact & ESG Advisory Council comprises of 5 members: two members of Lightrock NL's portfolio management team on rotating basis and three members independent of the portfolio management team. These members independent of the portfolio management team may be employed by Lightrock NL or by parties affiliated with Lightrock NL. There are regular quarterly ESG review meetings to run through above aspects in structured manner.

Engagement policies

The Sub-Fund pursues an investment strategy that combines the principles of long-term investing with responsible active ownership. Engagement with Portfolio Companies, including on ESG topics, is key for Lightrock NL to properly identify investment opportunities, manage investments and Sustainability Risks, and monitor Portfolio Companies.

Lightrock NL may choose to engage with a Portfolio Company on ESG and/or strategic topics. In the case of the former, factors that may trigger engagement include, but are not limited to: a proprietary ESG sub-score (on E, S or G) of 3 or lower; a material ESG controversy; poor mitigation of material Sustainability Risks; or a significant worsening of Principal Adverse Impact indicators. Furthermore, Lightrock NL intends to engage with Portfolio Companies that underperform from the perspective of climate change mitigation and adaption. A special focus will be on high impact climate sectors, as well as the top 50% contributors to the portfolio's weighted average carbon intensity. A specific framework for engagement on climate change will be used. This framework is based on the four pillars of measuring, target-setting, acting and governing.

For each engagement, Lightrock NL sets clear engagement objectives that are specific, measurable, actionable, realistic and timely. Progress towards engagement objectives is tracked on a quarterly basis. Lightrock NL distinguishes three distinct phases in each engagement: acknowledgment, when the company agrees there is an issue; commitment, when the company commits to achieving the engagement objective; achievement, when the engagement objective is met.

The Sub-Fund aims to be transparent with respect to its engagement efforts and aims to disclose on-going engagements, engagement objectives, and the phase of each engagement on a

quarterly basis to the relevant stakeholders. Lightrock NL may engage directly with Portfolio Companies or may participate in collaborative engagement with other investors.

If a company engagement fails to reach its objective in the pre-determined timeframe, Lightrock NL may decide to escalate the engagement. Escalation steps may include but are not limited to: voting against management on the company's Annual General Meeting; the voicing of concerns through a private or public letter; the proposal of agenda items on the company's Annual General Meeting; and ultimately divesting the Sub-Fund's position in the Portfolio Company.

Designated reference benchmark

No specific reference benchmark has been designated for the purpose of attaining the environmental and/or social characteristics promoted by the Sub-Fund.