



**LYRICAL VALUE FUNDS (LUX)**  
**Global Impact Value Equity Strategy (“GIVES” or the “Sub-Fund”)**  
**Article 10 (SFDR) – Website Disclosure for an Article 9 Fund**  
**Date: March 4, 2025**

**I. Summary**

GIVES has sustainable investment as its objective and is classified as Article 9 under the Sustainable Finance Disclosure Regulation (“SFDR”).

The purpose of this disclosure is to meet the requirements set out in Article 10 of the SFDR. The following sections are meant to improve transparency and inform investors about the sustainability-related practices, policies, and impact of their investments in the Sub-Fund. The disclosures provided herein should not be construed as investment advice.

**No Significant Harm.** Lyrical Asset Management LP (“Lyrical” or the “Investment Manager”) has aligned its quantitative do no harm metrics with the adverse impact indicators set out in the EU Taxonomy and Annex I, Table 1 of the SFDR. Additionally, Lyrical’s environmental, social, and governance (“ESG”) trackers measure each company’s adherence to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and other international norms-based frameworks. The trackers monitor a wide variety of ESG controversies related to the ILO Declaration on Fundamental Principles and Rights at Work.

**Sustainable Objective.** GIVES has sustainable investment as its objective and will only invest in companies that have a clearly stated and significant commitment and contribution to at least one of the United Nations’ 17 Sustainable Development Goals (“SDGs”). The Sub-Fund focuses on five main themes represented by these SDGs – SDG 3 (Healthcare), SDG 7 (Climate Change), SDG 8 (Economic Growth), SDG 12 (Circular Economy), and SDG 16 (Cybersecurity).

**Investment Strategy.** To be eligible for investment in the Sub-Fund, a company must meet each of Lyrical’s three general investment criteria (Value, Quality, and Analyzability) and four impact investment pillars (Material, Measurable, Intentional, and Sustainable).

**Proportion of Investments.** 100% of the Sub-Fund's investments in equities have a sustainable objective by contributing to at least one SDG. Lyrical cannot envisage any circumstance under which less than 20% of the Sub-fund's investments will pursue an environmental objective and Lyrical similarly cannot envisage any circumstance under which less than 20% of the Sub-Fund's investments will pursue a social objective.

Up to 20% of the net assets of the Sub-Fund may also be invested in assets that do not align with GIVES's objective. The minimum share of sustainable investment is 80% of net assets. Lyrical currently has set a minimum of 0% of the Sub-Fund's investments to fit taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities). Similarly, Lyrical has set a minimum of 0% of the GIVES's investments in taxonomy-aligned enabling and transitional activities.

**Monitoring.** Lyrical's Director of Sustainability, in collaboration with the Investment Team, measure, monitor, and verify both company fundamentals and each portfolio company's ESG policies, practices, and performance, including adverse impacts. The results of this process are captured in post-investment summaries and in Lyrical's qualitative and quantitative ESG and impact trackers. Post-investment ESG due diligence is conducted quarterly and on an ongoing basis.

The Investment Manager uses sustainability indicators listed in **VI. Monitoring of Sustainable Investment Objective** to measure, monitor, and verify the attainment of the Sub-Fund's sustainable investment objective. Lyrical's portfolio management team maintains an impact tracker which is updated annually and on an ongoing basis if new impact-related data is released

**Methodologies.** To measure GIVES's contribution toward the SDGs, Lyrical uses a logic framework to map a company's revenues and operating activities to its material impact on society. The Investment Manager has developed company-specific quantitative metrics using the SDG sub-goals and their related indicators. For the few companies whose impact is difficult to quantify, Lyrical has also developed qualitative measurements (e.g. grid stabilization projects, building efficiency) also using the SDG sub-goals.

**Data Sources.** These include, but are not limited to the CDP, Glass Lewis, and MSCI.

**Limitations.** Limitations include data availability, comparability, and quality. Limitations to its ESG and impact methodologies include a lack of clarity as to future best-practice exclusions, indicators, and regulations. Additionally, there is not an agreed upon impact verification methodology; this introduces a certain amount of subjectivity to its analysis.

**Due Diligence.** Investment due diligence is conducted by the portfolio management team of Lyrical, in collaboration with the Director of Sustainability. The results of this process are captured in Lyrical's pre-investment commentaries, and in its qualitative and quantitative ESG and impact trackers.

**Engagement.** The Director of Sustainability and the portfolio management team of Lyrical conduct formal ESG and impact engagements of the portfolio at least annually to monitor their progress, challenges, and future goals. This formal process takes place alongside our ongoing engagement and monitoring of

portfolio companies' ESG risks and impact opportunities. The findings from this engagement help inform investment decisions and are a basis for the Director of Sustainability and portfolio management team of Lyrical to track portfolio companies' progress across our holding period.

**Attainment of Sustainable Objective.** The MSCI World™ is used as a benchmark to monitor environmental and social risks, and its financial performance. However, Lyrical does not use a reference benchmark to meet the Sub-Fund's sustainable investment objective. To measure the attainment of the GIVES's sustainable investment objective, the Investment Manager uses the indicators stated in **VI. Monitoring of Sustainable Investment Objective.**

## **II. No Significant Harm to the Sustainable Investment Objective**

For GIVES to achieve its sustainable objective toward the SDGs, the Sub-Fund cannot cause harm to any of the EU Taxonomy objectives. Lyrical has developed quantitative and qualitative pre- and post-investment ESG trackers to comply with this criterion. Lyrical has aligned its quantitative due diligence metrics with the adverse impact indicators set out in the EU Taxonomy and Annex I, Table 1 of the SFDR. Additionally, Lyrical's ESG trackers measure each company's adherence to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and other international norms-based frameworks. The trackers monitor a wide variety of ESG controversies related to the ILO Declaration on Fundamental Principles and Rights at Work such as those pertaining to the freedom of association, human rights, child/compulsory labor, employee discrimination, working conditions, and more.

For more information, please see our Principal Adverse Impact ("PAI") Statement for more information: [https://info.lyricalam.com/hubfs/Sustainability\\_Related\\_Disclosures/GIVES\\_UCITS\\_Fund\\_PAI\\_Statement.pdf](https://info.lyricalam.com/hubfs/Sustainability_Related_Disclosures/GIVES_UCITS_Fund_PAI_Statement.pdf)

## **III. Sustainable Investment Objective of the Financial Product**

GIVES has sustainable investment as its objective, and this means the Sub-Fund will only invest in companies that have a clearly stated and significant commitment and contribution to at least one of the SDGs.

GIVES focuses on five main themes represented by these SDGs:

1. SDG 3: Healthcare
2. SDG 7: Climate Change
3. SDG 8: Economic Growth
4. SDG 12: Circular Economy

## 5. SDG 16: Cybersecurity

### IV. Investment Strategy

GIVES has sustainable investment as its objective and, as a deep value investor, Lyrical seeks to achieve long-term total returns by investing in companies whose core businesses, in Lyrical's opinion, aim to generate social and/or environmental change alongside a financial return. This means Lyrical will only invest in companies that have a clearly stated and significant commitment and contribution to at least one SDG.

To be eligible for investment in the Sub-Fund, a company must meet each of Lyrical's three general investment criteria - Value, Quality, and Analyzability - and four impact investment pillars:

- **Material:** At least 50% of the company's revenues must be directly tied to at least one Sustainable Development Goal. Lyrical views the SDGs as major problems the world needs to solve, and each of the target companies must be acting to solve one of these problems with at least half of its business.
- **Measurable:** Lyrical must be able to quantify the positive change the company is making.
- **Intentional:** Positive change must be deeply rooted in the company's culture and business.
- **Sustainable:** The good things a company is doing cannot be offset by bad things. Every company has negative externalities, and Lyrical analyzes them to make sure they are small in relation to the good being done.

As well, the Investment Manager applies binding exclusions across the Sub-Fund due to ESG and impact considerations. For the exclusion criteria, i) the Investment Manager will not invest in any company where 10% or more of Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") come from the following areas: coal mining, tobacco, factory farms, for-profit prisons, small arms production, adult entertainment, opioid drug production, fossil fuels, metals/mining, chemical/plastics, or fossil fuel-powered automobile industries and ii) Lyrical applies legally required exclusions and certain international norms, such as the UN Global Compact and UN Security Council Sanctions. The strategy also applies the exclusion criteria from the [Paris-aligned Benchmarks \(PAB\) rules](#). Based on Lyrical's Quality and Analyzability investment criteria, the Investment Manager generally excludes banks, pharma, biotech, airlines, and direct metals/mining businesses.

During both pre-investment due diligence and post-investment compliance checks, the Investment Manager monitors a wide variety of controversies related to good governance, such as those defined in Article 2(17) of the SFDR, including i) management structures, ii) employee relations, iii) remuneration of staff, and iv) tax compliance. The Investment Manager uses Glass Lewis, MSCI, and other publicly available data sources to track and verify companies' governance practices.

## **V. Proportion of Investments**

Regarding the asset allocation and the minimum share of sustainable investments, the Investment Manager confirms that 100% of GIVES's investments in equities have a sustainable objective by contributing to at least one SDG. While Lyrical does not impose an explicit minimum on environmental or social investments. Lyrical is satisfied when an investment fulfills the criterion set forth in the immediately preceding sentence. Lyrical cannot envisage any circumstance under which less than 20% of the fund's investments will pursue an environmental objective and Lyrical similarly cannot envisage any circumstance under which less than 20% of the Sub-Fund's investments will pursue a social objective.

Up to 20% of the net assets of GIVES may also be invested in assets that do not align with the Sub-Fund's objective (i.e. cash and cash equivalents for liquidity purposes as well as derivatives for hedging purposes).

Consequently, the minimum share of sustainable investment is 80% of the Sub-Fund's net assets.

Lyrical currently has set a minimum of 0% of GIVES's investments to fit taxonomy-aligned environmentally sustainable activities (including investments in enabling and transitional activities). This is because sufficient information is not yet readily available from portfolio companies' public disclosures to determine such alignment. Similarly, Lyrical has set a minimum of 0% of the Sub-Fund's investments in taxonomy-aligned enabling and transitional activities.

The minimum share of taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities may be updated once data availability in relation to the Taxonomy Regulation improves.

## **VI. Monitoring of Sustainable Investment Objective**

Current holdings undergo an extensive, bottom-up research process. Lyrical's Director of Sustainability, in collaboration with the Investment Team, measures, monitors, and verifies both company fundamentals and its ESG policies, practices, and performance, including adverse impacts. The results of this process are captured in post-investment summaries, and in Lyrical's qualitative and quantitative ESG and impact trackers. Post-investment ESG due diligence is conducted quarterly and on an ongoing basis over the Sub-Fund's holding period.

The Investment Manager uses the following sustainability indicators to measure, monitor, and verify the attainment of the Sub-Fund's sustainable investment objective. Lyrical's portfolio management team maintains an impact tracker, which is updated annually and on an ongoing basis when new impact-related data is released. The Investment Manager primarily relies on company disclosures, data directly provided by company management, and third-party industry-level sources. These indicators include, but are not

limited to:

1. SDG 3: Healthcare
  - a. Number of Lives Saved
  - b. Healthcare Savings (\$)
2. SDG 7: Climate Change
  - a. Installed Capacity (MW)
  - b. Avoided emissions (tCO<sub>2</sub>e)
  - c. Avoided Cost to Society and Environment from Climate Change (\$)
3. SDG 8: Economic Growth
  - a. Economic Impact (\$)
4. SDG 12: Circular Economy
  - a. Water Savings (Liters)
5. SDG 16: Cybersecurity
  - a. Economic Savings (\$)

## **VII. Methodologies**

To measure GIVES's contribution toward the SDGs, Lyrical uses a logic framework to map a company's revenues and operating activities to its material impact on society. The Investment Manager does not rely on ESG ratings, proxy voting recommendations, or third-party data providers. Rather, its Director of Sustainability and Investment Team use these resources to complement their internal analysis. The Investment Manager has developed company-specific quantitative metrics using the SDG sub-goals and their related indicators. For the few companies whose impact is difficult to quantify, Lyrical has also developed qualitative measurements (e.g. grid stabilization projects, building efficiency) also using the SDG sub-goals. Lyrical engages with these companies to further its quantitative analysis.

For more information, please see our Sustainability-Related Disclosures:

<https://lyricalam.com/sustainability-related-disclosures/>

## **VIII. Data Sources & Processing**

Lyrical conducts bottom-up research using company disclosures, publicly available sources, and third-party data providers to measure, monitor, and verify the Sub-Fund's alignment with its sustainable objective. The Investment Manager developed its quantitative ESG tracker using MSCI to streamline its post-investment due diligence and performance checks. If a company's disclosures differ from MSCI or if there is missing data, Lyrical's ESG trackers and post-investment summaries are updated to reflect the company's publicly available reporting. Approximately 0% of Scope 1-2 data is estimated and 15% of the portfolio company holdings within the Sub-Fund do not report Scope 3 emissions.

Data sources include, but are not limited to the CDP, Glass Lewis, and MSCI.

## **IX. Limitations to Data & Methodologies**

Lyrical's data sources and methodologies are subject to various limitations. Limitations for its data sources include data availability, comparability, and quality. Limitations to its ESG and impact methodologies include a lack of clarity as to future best-practice exclusions, indicators, and regulations. Additionally, there is not an agreed upon impact verification methodology, and this introduces a certain amount of subjectivity to its analysis. To mitigate these concerns, Lyrical engages with its portfolio companies to determine if its data and impact measurements are in line with those companies' expectations. These limitations do not have a material effect on the attainment of the Sub-Fund's sustainable objective.

## **X. Due Diligence**

Investment due diligence is conducted internally by the Investment Team of Lyrical, in collaboration with the Director of Sustainability. The Investment Team seeks to develop an in-depth understanding of each business, including drivers of growth and profitability. Concurrently, the Director of Sustainability identifies material ESG-related risks and impact opportunities by reviewing available documents and speaking directly with portfolio companies. ESG and impact factors are considered when they are material to the investment case. Lyrical's ESG materiality assessment is viewed in the context of SASB standards and also considers a company's broader impact on the economy, environment, and society. Lyrical complements our internal analysis with independent third-party research provided by Glass Lewis and MSCI, as well as other organizations such as the CDP. Material ESG issues are integrated quantitatively and qualitatively as part of our assessment of the long-term sustainability of our companies' earnings. Overall, this process allows us to maximize long-term investment returns, promote favorable environmental and social characteristics, and contribute to meaningful improvements to society over time.

The results of Lyrical's due diligence are captured in its pre-investment commentaries, and in its qualitative and quantitative ESG and impact trackers.

## **XI. Engagement Policy**

The Director of Sustainability and the Investment Team of Lyrical conduct formal ESG and impact engagements of the portfolio companies at least annually to monitor their progress, challenges, and future goals. The Investment Manager uses its four pillars of impact, Decarbonization Strategy, Net Zero Stewardship Policy, and ESG engagements goals to focus the strategy's engagement. This formal process

takes place alongside Lyrical's ongoing engagement and monitoring of portfolio companies' ESG risks and impact opportunities. Lyrical has developed an internal template to measure and track company risks and progress toward ESG, as well as yearly proxy voting proposals.

The Investment Manager verifies its analysis with independent third-party data, indicators, and ratings from Glass Lewis and MSCI, and uses ProxyEdge via Broadridge to vote all client proxies and track and reconcile all ESG-related votes. The findings from this engagement and research help inform investment decisions and are a basis for the Director of Sustainability and portfolio management team of Lyrical to track portfolio companies' progress across the Sub-Fund's holding period.

## **XII. Attainment of Sustainable Investment Objective**

The MSCI World™ is used as a benchmark to monitor the Sub-Fund's environmental and social risks, and its financial performance. However, Lyrical does not use a reference benchmark to meet the Sub-Fund's sustainable investment objective. To measure the attainment of the Sub-Fund's objective, the Investment Manager uses the indicators stated in **VI. Monitoring of Sustainable Investment Objective**.

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