

## WEBSITE DISCLOSURE UNDER ARTICLE 10 OF SFDR

FOR A FINANCIAL PRODUCT HAVING A SUSTAINABLE INVESTMENT AS ITS  
OBJECTIVE ACCORDING TO ARTICLE 8 OF SFDR

Product Name: The Cantor Fitzgerald Optimum Ethical Model Portfolio

### A. Summary

This section provides detailed sustainability-related disclosures regarding the **Cantor Fitzgerald Optimum Ethical Strategy** now categorised as Article 8 as outlined in Article 10 of the Sustainable Finance Disclosure Regulation ("SFDR"):

The Cantor Fitzgerald Optimum Ethical model portfolio is a Strategy that gains exposure to a range of companies through investments in underlying Strategies and/or direct investments in the equities of such companies, integrating sustainability criteria throughout the investment selection process. The selection of these investments range across all sectors and focuses on maximising the rate of capital appreciation whilst considering the impact made by the investee company on the environment and society. In selecting its investments, the Investment Manager uses a screen to identify securities that do not align with the characteristics promoted by the Strategy. Using this criterion, the model portfolio promotes environmental and social characteristics and is categorised in accordance with Article 8(1) of the SFDR.

The model portfolio promotes the following environmental and social characteristics: reduction of thermal coal generation and extraction, reduction in carbon intensity, promotion of universal human rights, reduction in exposure in controversial weapons, adult entertainment, gambling, tobacco products. The model portfolio dedicates at least 70% of its net assets in investments that are aligned with the promoted environmental and social characteristics, of which at least 10% is sustainable investment. Up to 30% of the investments are not aligned with these characteristics (#2 Other) to be able to raise cash levels during periods of high volatility to protect clients from drawdowns. To ensure achievement of this capital allocation, the Strategy uses a series of sustainability indicators from external ESG data providers. The sustainability indicators used are outlined in section F below.

The Strategy does not use a benchmark to assess its environmental or social performance but uses the indicators mentioned to assess such performance of investee companies.

### B. No Sustainable Investment Objective

This financial product promotes environmental or social characteristics and although it does not have a sustainable investment objective, it will include a minimum of 10% sustainable investments.

### C. Environmental or Social Characteristics of the Financial Product

The Strategy promotes the following environmental and social characteristics:

#### Environmental

- a) Promotion of the reduction in carbon intensity
- b) Promotion of the reduction of thermal coal use

## Social

- a) Reduction of exposure to revenues from controversial weapons
- b) Reduction of exposure to revenues from adult entertainment
- c) Reduction of exposure to revenues from gambling
- d) Reduction of exposure to revenues from tobacco products
- e) Promotion of universal human rights.

The Portfolio will have a minimum proportion of 10% of sustainable investments composed of investments with an environmental or social objective in economic activities that are classified as sustainable within the meaning of Article 2(17) of the Disclosure Regulation.

The Portfolio's sustainable investments will be those which have been categorised as such by MSCI ESG Research which consider three criteria in determining what qualifies as a 'sustainable investment', namely whether each issuer:

1. abides by the Do No Significant Harm principles.
2. practices good governance; and
3. contributes to the achievement of at least one of the following objectives:
  - I. mitigating climate change and transitioning to a low carbon economy: the issuer must have an emission reduction target approved by the Science Based Target Initiative (SBTI).
  - II. financing economic activities from issuers that generate at least 20% of their revenues providing a significant sustainable impact solutions in the areas highlighted below.

Regarding impact solutions mentioned at (ii) above, investments are classified as having a significant "sustainable impact" if 20% of their revenue contributes to one or multiple of the following objectives:

1. Climate change mitigation and energy efficiency:
  - a. Alternative Energy
  - b. Carbon & Energy Efficiency
  - c. Green Building
  - d. Climate Adaptation
2. Natural Capital:
  - a. Sustainable Water
  - b. Pollution Prevention
  - c. Sustainable Agriculture
3. Basic Needs:
  - a. Nutrition
  - b. Major Diseases Treatment
  - c. Sanitation

d. Affordable Real Estate

4. Empowerment:

- a. SME Finance
- b. Education

These sustainable impact metrics align with the 17 United Nations Sustainable Development Goals. Revenues in these areas are considered to provide products and services that are consistent with the 17 United Nations Sustainable Development Goals. Sustainable impact data from MSCI ESG Research is used to measure these impacts. The contribution to meeting these objectives will be assessed by the Portfolio Manager and monitored on an ongoing basis. For further information on criteria methodology, please visit MSCI ESG Research.

In the investment process, the Portfolio Manager's consideration of these indicators is based on a positive list of Strategies that meet the above key indicators and have a track record in addressing environmental and/or social objectives. Information from MSCI ESG Research for the individual key indicators is used as the basis for this positive list and is kept under review to ensure that the Portfolio's sustainable investments continue to contribute to these objectives.

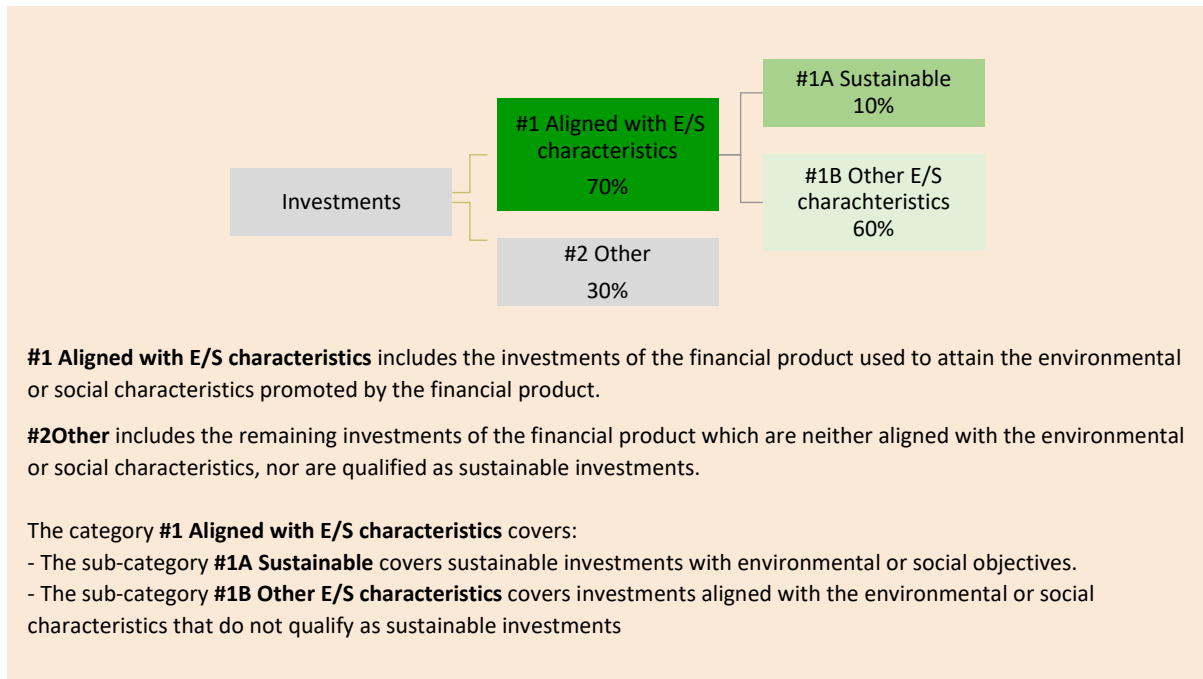
## D. Investment Strategy

The portfolio pursues an actively managed investment approach that gains exposure to a range of companies through investments in underlying Strategies and/or direct investments in the equities of such companies, integrating sustainability criteria throughout the investment selection process. The selection of these investments range across all sectors and asset classes and focuses on maximising the rate of capital appreciation whilst considering the impact made by the investee company on the environment and society. In selecting its investments, the Investment Manager uses a screen to identify securities that do not align with the characteristics promoted by the Strategy. Additionally, the Strategy incorporates a good governance assessment into their stock selection process. To do this the Investment Manager uses a third-party ESG research provider to identify a company's performance in four key governance areas: management structure, employee relations, remuneration of staff, and tax compliance.

## E. Proportion of Investments

The Strategy invests at least 70% of its net assets in investments that are aligned with the promoted environmental and social characteristics (#1 Aligned with E/S characteristics), of which at least 10% is sustainable investment. The asset allocation is constantly monitored by the Investment Manager and reviewed quarterly.

Up to 30% of the investments are not aligned with these characteristics (#2 Other). No minimum safeguards are applicable to these assets.



## F. Monitoring of Environmental or Social Characteristics

The following sustainability indicators are used to measure the attainment of the environmental and/or social characteristics promoted by the Strategy.

### 1. Environmental

- Overall portfolio carbon intensity
- Thermal coal involvement

### 2. Social

- Percent of portfolio with ties to the manufacture or selling of controversial weapons
- Percent of portfolio with revenue from: Tobacco, Gambling, Adult Entertainment
- Number of investee companies and/or % of Strategy holdings that violate EU sanctions, the UNGC, ILO, or OECD guidelines for multinational enterprises.

The Investment Manager does not use external control mechanisms to review monitoring of the sustainability indicators. The Investment team and Sustainability Team monitor the integration of ESG requirements through a combination of automated, manual and periodic reviews.

Additionally, the Investment Manager will discuss any changes or trends in environmental or social characteristics with the Sustainability Team.

## G. Methodologies

The Strategy uses a variety of methodologies and data sources to help measure how the environmental or social characteristics promoted by the Strategy are met.

For example, the Strategy uses an ESG Framework to ensure alignment with the Investment Manager's promoted environmental and social characteristics. The process begins with a

negative screen, which identifies any investment not meeting the Investment Manager's criteria/promoted environmental and social characteristics. After the screen, the Investment Manager will identify the remaining securities norm-based alignment (further described below).

## H. Data Sources and Processing

The Strategy uses multiple data sources, employing a combination of research, news, information gathered through dialogue with companies and data from external research providers including but not limited to the following:

- MSCI ESG Manager
- Bloomberg ESG

The Strategy uses MSCI ESG Manager for screening purposes, both MSCI ESG Manager and Bloomberg ESG for assessing a company's governance performance. When using ESG data from the selected providers, the Investment Manager scrutinises available data to perform proper due diligence. This includes both checking data discrepancies/accuracy between data vendors, as well as checking the data coverage/availability of each data vendor. If conflicting data is identified between data providers, the Investment Manager will query and seek to remedy the data issues to achieve a consensus on the ESG performance of a company.

Data processing takes places in different forms, with the preferred method being automation, to avoid operational risks as well as human intervention. The Investment Manager uses a combination of the data provider and automated excel spreadsheets that display relevant metrics, as well as the data availability for each metric. The Investment Manager has chosen data providers with high amounts of data availability. As it stands now, evaluating the proportion of vendor sourced data that is estimated is difficult due to insufficient metadata.

## I. Limitations to Methodologies and Data

ESG data is reliant on third party data providers, which all can have different assessments of what ESG risks are financially material to a company. Additionally, in cases of insufficient data, ESG data providers may rely on estimates and approximations using internal methodologies that may be subjective and vary from other providers. Such limitations do not affect how the promoted characteristics are met, even if returns are negatively impacted. In addition, it should be noted that the consideration of non-financial data when constructing portfolios may lead to the exclusion of certain issuers and imply the foregoing of certain investment opportunities that would nevertheless be available to a Strategy not considering such data.

## J. Due Diligence

The Investment Manager performs due diligence prior to any investment. Such due diligence includes the internal control mechanism of applying a negative ESG screener before making an investment, as well as ensuring a company meets the Investment Manager's good governance criteria. The outcome of the due diligence, including any information on sustainability risks and opportunities, guides the Investment Manager's investment decision. The Investment Manager does not use any external control mechanisms.

## K. Engagement Policies

Please refer to the Investment Manager's engagement policy for details [here](#).

#### L. Designated Reference Benchmark

No reference benchmark has been designated for the purposes of attaining the environmental or social characteristics promoted by the Strategy.