

Swiss Life Funds (LUX)

Multi Asset Balanced

Legal entity identifier: 549300R4FDYZZ8HUD175

ISIN: LU0367332680, LU1749126451, LU2083923529

Summary

This sub-fund falls within the scope of Article 8 under the Sustainable Finance Disclosure Regulation (SFDR) of the EU. The sub-fund promotes environmental and social characteristics but does not have as its objective a sustainable investment.

The sub-fund seeks to achieve an ESG positive tilt by investing at least 90% of assets (excluding cash) in funds promoting ESG criteria into their investment strategies in a binding and significant manner.

Please refer to the bottom of the document for a French and German translation of this summary.¹⁾

1) The English version of this summary is the legally binding version whereas the French and German summaries are translations only.

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The sub-fund promotes environmental and social characteristics through its investment in funds which integrate ESG criteria into their investment strategies in a binding and significant manner.

The allocation of the underlying funds within the portfolio can result in a portfolio hosting different ESG approaches. In any event, the management company will give priority to selecting underlying funds which apply an ESG approach that is consistent with its own responsible investment policy. The underlying funds managed by asset management companies of the Swiss Life Group apply the Responsible investment policy of Swiss Life Asset Managers, which is based on the following principles:

- Application of regulatory, sector and normative exclusions;
- Application of sustainability safeguards, aimed at limiting investment in issuers having the weakest ESG performance, in terms of ESG ratings, ESG controversies and principal adverse impacts on sustainability factors;
- Implementation of a significant ESG approach, consisting for example of a significant improvement in the average ESG rating or in a non-financial indicator;
- Engagement and voting at general meetings of shareholders, when it is relevant in relation with the investment strategy of the sub-fund.

The underlying funds managed by asset management companies outside the Swiss Life Group have their own methodologies for taking ESG criteria into account. These methodologies are analysed both quantitatively and qualitatively by Swiss Life Asset Managers to ensure consistency of approaches. Quantitative information comes from an external data provider and can be automated.

Qualitative information corresponds to information collected from proprietary research and from interactions with the third-party asset managers (e.g., investment process, team structure, ESG objectives, ESG resources, etc.).

Investment strategy

The sub-fund manages its portfolio of investments according to the Swiss Life Asset Managers' [Responsible Investment Policy](#) and follows the following investment strategy:

ESG significant approach: The sub-fund seeks to achieve an ESG positive tilt by investing at least 90% of assets (excluding cash) and at least at 80% of total assets (including cash) in funds promoting ESG criteria into their investment strategies in a binding and significant manner.

Regulatory, normative and sectoral exclusions: Exclusions of the sub-fund are applied on the level of the target funds. Those exclusion rules are considering regulatory, normative and sectoral aspects.

The sub-fund makes indirect investments in underlying companies, therefore does not hold any voting rights and/or does not seek direct engagement with the underlying companies.

The sub-fund's binding elements are:

- minimum 90% of assets (excluding cash) and at least at 80% of assets (including cash) invested in funds promoting ESG criteria into their investment strategies in a binding and significant manner.

Policy to assess good governance practices of the investee companies: The sub-fund assesses good governance practice on the level of the target funds. Target funds managed by Swiss Life Asset Managers are following the good governance approach of Swiss Life Asset Managers. This approach intends to assess company decision-making processes and controls, as well as how management balances the interests of shareholders, employees, suppliers, customers, the community and other stakeholders. Based on ESG ratings and controversies assessments, the analysis of company governance includes:

- audit and financial reporting practices
- alignment between remuneration schemes and corporate strategy
- composition, effectiveness and oversight of the board
- company's ownership and control
- tax transparency
- business ethics issues such as fraud, executive misconduct, corrupt practices, money laundering, or anti-trust violations

Proportion of investments

The sub-fund must be invested at least at 90% of assets (except cash) and at least at 80% of assets (including cash) in funds promoting ESG criteria into their investment strategies in a binding and significant manner. Since these funds have their own commitments regarding the consideration of ESG criteria, the sub-fund commits to promote E/S characteristics for at least 51% of assets. The sub-fund assesses the proportion of E/S characteristics of the underlying investments by applying a look-through calculation approach.

The sub-fund can but is not obligated to promote E/S characteristics in its other investments made by the remainder of its NAV, such as cash, cash equivalents, direct investments, issuers that do not

systematically integrate E/S characteristics, investments in other UCITS/UCIs and/or derivative instruments.

Monitoring of environmental or social characteristics

The monitoring of environmental and/or social characteristics is built on the three lines of defense model, supported by formal governance processes, individual responsibilities, and senior management oversight, ensuring independent risk monitoring and control activities.

- First Line of Defense: The Portfolio Manager is responsible for identification, assessment, controlling and management of environmental and/or social characteristics and the sustainability indicators on a day-to-day basis.
- Second Line of Defense: Investment controlling team and risk management team are responsible for oversight and guidance ensuring that environmental and/or social characteristics and the sustainability indicators are systematically monitored and remain compliant.
- Third Line of Defense: Independent assurance of effectiveness and efficiency of processes on environmental and/or social characteristics and the sustainability indicators monitoring (audit functions).

Methodologies

Funds promoting ESG criteria into their investment strategies in a binding and significant manner

Before the sub-fund invests into a target fund, the target fund undergoes a due diligence conducted by the portfolio manager. The due diligence process includes a check if a fund promotes ESG criteria into their investment strategies in a binding and significant manner. The respective information to perform the necessary checks is sourced from the internal or external fund providers themselves or from fund data providers such as Morningstar.

The integration of ESG criteria into investment strategies in a binding and significant manner can take different forms, such as:

- Either a “rating improvement” approach relative to the reference universe, consisting of improving the fund's average ESG rating relative to that of the reference universe: the ESG rating will be at least higher than that of the reference universe from which the 20% of lowest-rated stocks have been removed.
- or a “selectivity” approach relative to the reference universe: reduction of the initial reference universe by at least 20% based on ESG criteria,
- or an approach based on “improving a non-financial indicator” relative to the reference universe: significant improvement of the non-financial indicator, such as carbon footprint, for the portfolio compared to its reference universe,
- or another approach:
 - another approach (including a combination of the above approaches) demonstrating how the chosen approach can be considered significant,
 - the pursuit of a sustainable investment objective.

Data sources and processing

As part of its ESG analysis of issuers, the portfolio manager relies on internal and external data sources to attain each of the environmental and social characteristics promoted.

KPI	Data sources used to attain each of the environmental or social characteristics promoted	Measures taken to ensure data quality	Data processing	Proportion of data that are estimated
<p>Minimum 80% of total assets and minimum 90% of assets (excluding cash) invested in funds promoting ESG criteria into their investment strategies in a binding and significant manner</p>	<ul style="list-style-type: none"> • Morningstar • Fund Providers 	<p>The validation of the data is conducted by a committee in charge of the listing of the external funds which could be invested in our funds. The participants of this meeting are the portfolio management, risk and compliance teams. It is conducted on a regular basis.</p>	<p>Data is taken as it is from Morningstar or from the fund providers and fed into our portfolio management and risk system by our Data Service team.</p>	<p>none</p>
<p>Exclusions</p>	<p>Exclusions of the sub-fund are addressed on the level of the target funds. The underlying funds managed by management companies outside the Swiss Life Group have their own methodologies for taking exclusions into account. An analysis of these methodologies, both quantitative and qualitative, is carried out by Swiss Life Asset Managers in order to ensure that the approaches are consistent.</p>			

Limitations to methodologies and data

To determine the extra-financial quality of the securities in the portfolios, the sub-fund relies on various sources of data. The main methodological limitations can be summarized as follows:

Funds promoting ESG criteria into their investment strategies in a binding and significant manner

- Missing, delayed or deficient disclosure by fund providers. This limitation is mitigated by holding a regular “external funds listing committee” (data quality, various data sources, review and validation of portfolio management, risk and compliance teams).

The portfolio manager mitigates the risk of having the attainment of the environmental and social characteristics affected by the limitations above, by giving priority to the selection of funds promoting ESG criteria into their investment strategies in a binding and significant manner approach compatible with its own philosophy.

Due diligence

Direct investments: The portfolio manager conducts due diligence reviews of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models.

Indirect investments: The underlying funds managed by management companies outside the Swiss Life Group have their own methodologies for taking ESG criteria into account. An analysis of these methodologies, both quantitative and qualitative, is carried out by Swiss Life Asset Managers in order to ensure that the approaches are consistent.

Engagement policies

Swiss Life Asset Managers has an overarching engagement and voting activities approach which does not target any fund or product specifically, but rather investee companies.

Designated reference benchmark

The sub-fund uses a variety of ways to assess its environmental and/or social performance, but does not use a reference benchmark to assess the environmental and/or social characteristics it promotes.

Additional documentation and information: The periodic reporting of Swiss Life Funds (LUX) as well as its prospectus (including the SFDR precontractual appendices) are available from Swiss Life Asset Managers Luxembourg as well as on the website <https://invest.swisslife-am.com/>. The periodic disclosure of the sub-fund in the annual report can be found at the end of the document. This information is sent within one week on the shareholder's written request to Swiss Life Investor Service, Swiss Life Asset Managers Luxembourg, 4a rue Albert Borschette L-1246 Luxembourg, Grand Duchy of Luxembourg; by email to info@swisslife-am.com, or by telephone on +352 267 585 0. These contact details can also be used to request further information if necessary.

Résumé

Ce compartiment relève du champ d'application de l'Article 8 du Règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers (SFDR) de l'UE. Il promeut des caractéristiques environnementales et sociales mais n'a pas pour objectif l'investissement durable.

Le compartiment entend présenter un biais ESG positif en investissant au moins 90% de ses actifs (hors liquidités) dans des fonds qui promeuvent des critères ESG de manière contraignante et significative dans le cadre de leurs stratégies d'investissement.⁽¹⁾

1) La version anglaise du présent résumé est la version juridiquement contraignante, alors que les résumés français et allemand ne sont que des traductions.

Zusammenfassung

Dieser Teilfonds fällt in den Anwendungsbereich von Artikel 8 der EU-Offenlegungsverordnung (SFDR). Der Teilfonds bewirbt ökologische und soziale Merkmale, hat jedoch keine nachhaltigen Investitionen zum Ziel.

Der Teilfonds legt einen Schwerpunkt auf positive Wirkungen in ESG-Belangen, indem er mindestens 90% seines Vermögens (ohne Barmittel) in Fonds investiert, die ESG-Kriterien auf verbindliche und maßgebliche Weise in ihre Anlagestrategien einbeziehen.⁽¹⁾

1) Die englische Version dieser Zusammenfassung ist rechtlich verbindlich, bei der französischen und der deutschen Version handelt es sich lediglich um Übersetzungen.

Review of disclosures

As required by Article 12 of the SFDR, please find below the explanation of the amendments brought to the website disclosures, published in accordance with Article 10 of the SFDR:

Date	Explanations of amendments
10 March 2021	Initial document created.
1 January 2023	Update following the entry into force of the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of the information in relation to the principle of 'do no significant harm', specifying the content, methodologies and presentation of information in relation to sustainability indicators and adverse sustainability impacts, and the content and presentation of the information in relation to the promotion of environmental or social characteristics and sustainable investment objectives in precontractual documents, on websites and in periodic reports.
5 May 2023	Update to bring the website disclosures in line with the prospectus of Swiss Life Funds (LUX) and pre-contractual disclosures of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended, of Swiss Life Funds (LUX) – Multi Asset Balanced.
8 January 2024	Update to bring the website disclosures in line with the latest prospectus of Swiss Life Funds (LUX) and pre-contractual disclosures of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended, of Swiss Life Funds (LUX) – Multi Asset Balanced.
22 December 2025	Update to bring the website disclosures in line with the latest prospectus of Swiss Life Funds (LUX) and pre-contractual disclosures of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, as amended. In addition, the methodology has been revised in terms of the integration of ESG criteria into investment strategies in a binding and significant manner.

This is a regulatory document to meet the requirements of the Article 10 of the Sustainable Finance Disclosure Regulation (REGULATION (EU) 2019/2088 - SFDR) of the EU and not a marketing document. This document was produced with the greatest of care and to the best knowledge and belief. The information provided in this document reflects the actual information on the sub-fund of Swiss Life Funds (LUX). The information contained herein is exclusively intended for SFDR disclosure purposes, and should not be considered as an investment advice, investment recommendation, or a solicitation to buy or sell shares of Swiss Life Funds (LUX). Prior to any subscription, investors should obtain and carefully read the detailed information on the investment fund contained in all the regulatory documentation for each fund (in particular prospectus, articles of association, periodic reports, PRIIPS KIDs), which serve as the sole applicable legal basis for the purchase of fund shares. More information is available at www.swisslife-am.com. Source: Swiss Life Asset Managers / ©2022. All rights reserved. Customer Service: info@swisslife-am.com.