

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: LLC Real Estate Fund II S.C.A., SICAV-RAIF – sub-fund: LLC FUND II or Sub-Fund LLC II
Legal entity identifier: N/A

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective? *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

Yes **No**

<p><input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___%</p> <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <p><input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%</p>	<p><input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments</p>
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What environmental and/or social characteristics are promoted by this financial product?



The Sub-Fund LLC II has not designated any reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product. However, the Sub-Fund LLC II promotes Social and Environmental characteristics through some different considerations, notably within the constitution of its portfolio as well as during the management of its assets. The Sub-Fund LLC II implements a value-add strategy that takes into account ESG considerations, consisting in investing in obsolete assets and renovating them, which would create both financial and extra-financial value. The Sub-Fund LLC II focuses on efficient buildings, energy consumption, vegetal areas and reduced

exposure to fossil fuels. The Sub-Fund LLC II also promotes diversity and inclusion, equal opportunities, well-being of individuals, awareness and understanding surrounding cancer and the impacts on the workplace, occupational health and safety, in particular the safety of building occupants and workers, as well as enhanced indoor air quality and occupant comfort. The managers of the general partner are signatories of the esteemed association, Cancer@Work (<https://www.canceratwork.com/>). The Sub-Fund LLC II also promotes high standards of governance, ethical practices and transparency throughout transparent reporting, accountability, integrity and ethical business practices throughout its operations. The Sub-Fund LLC II promotes independence and integrity as well by prohibiting any contributions to political parties and candidates and compliance with laws and prevention of extortion, bribery, and financial crimes.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***



The Sub-Fund LLC II uses several indicators to measure how Environmental and Societal characteristics are taken into account. One aspect is the energy efficiency of the building through various measurements, such as ratings and certifications (though BREEAM/ DGNB, Net Zero Carbon certifications), and a precise monitoring of all energy and utilities consumptions.

More particularly, the Sub-Fund LLC II follows and considers the following Principal Adverse Impacts (see below):

- % of inefficient assets from an energy point of view (CPE ≥ C);
- % of assets exposed to fossil fuels;
- Energy consumption of assets; and
- % of non vegetal areas.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

N/A

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

N/A

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

--- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

Does this financial product consider principal adverse impacts on sustainability factors?



Yes,

No

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Sub-Fund LLC II aims to mitigate the negative impacts of each investment decision on sustainability factors (“PAIs”). The way in which the PAIs are considered in the investment process depends on various factors, such as the type of asset and availability of reliable data. Considering the specific constituents of the Sub-Fund LLC II which invests in real estate, necessary data are not always available by traditional information providers.

Where possible and feasible and in line with the nature of the investments, minimum requirements apply to each investment. The exact application of exclusion and engagement criteria could differ between each investment and will be documented in the financial product disclosures in line with the requirements and timelines of the SFDR.

The Sub-Fund LLC II follows and considers in particular the following Principal Adverse Impacts (see below):

- % of inefficient assets from an energy point of view ($CPE \geq C$);
- % of assets exposed to fossil fuels;
- Energy consumption of assets; and
- % of non vegetal areas.

Additional information about the PAIs that are considered can be found in the website disclosures and will be disclosed in the Fund's annual report in accordance with Article 11(2) SFDR.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Sub-Fund LLC II will exclusively invest, directly or through one or more asset-holding entities (in general, to be fully owned and controlled by the LLC Fund II or the Fund acting on behalf of LLC Fund II), in existing real estate and real estate development projects located in the Grand Duchy of Luxembourg, focusing on the residential sector, office sector, land, logistics and industrial sectors (“Real Estate Project”) and in accordance with the section “investment objective, strategy and restrictions” provided for in the main part of the Investment Memorandum applying a “Value added” or “Opportunistic” strategy. The objective of Sub-Fund LLC II is to create value for its Shareholders by enhancing the value of the assets through improvement throughout the holding period: renovation of the assets, new marketing / commercial strategy for better lease revenues, and work with local authorities and developers to optimize constructability of land. On an ancillary basis, LLC Fund II may invest directly or indirectly through one or more asset-holding entities which may not necessarily be owned and/or controlled by LLC Fund II.

As further mentioned in the ESG Policy of the Sub-Fund LLC II, the Sub-Fund LLC II integrates ESG considerations into the real estate investment activities of the Sub-Fund LLC II. The value-add strategy will be implemented by taking into account ESG considerations in the investment decisions as well as in the development of the portfolio. The value-add strategy may consist in investing in obsolete assets and renovating them, which would create both financial and extra-financial value. ESG considerations and sustainability risks are integrated into the investment decision-making processes to enhance the overall value and long-term sustainability of the investments while promoting responsible and ethical practices within the real estate sector in Luxembourg. The deal sourcing, investment decisions, ownership, management of the assets will be made according to the ESG Policy of the Sub-Fund LLC II. Focus is put on reducing costs and liabilities, increasing revenue based on ESG criteria, seeking asset-level certification and consideration of some principal adverse impacts.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to select assets, our investment strategy lies on several tools such as:

- Scorecards: two categories: ESG performance of the asset (i.e. consumptions, materials) and Asset performance;
- Best-in-class: During the holding phase of the asset, looking for equivalent assets that could be used as a benchmark in order to rate and improve the selected asset;
- Exclusion strategy/ negative screening: ESG Exclusion List in Annex I of the ESG Policy of the Sub-Fund LLC II;
- Due Diligence on environmental aspects, and notably pollution issues; and
- Analysis of the CPE.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A

● ***What is the policy to assess good governance practices of the investee companies?***

N/A

There is no investee companies according to the above-mentioned investment strategy.

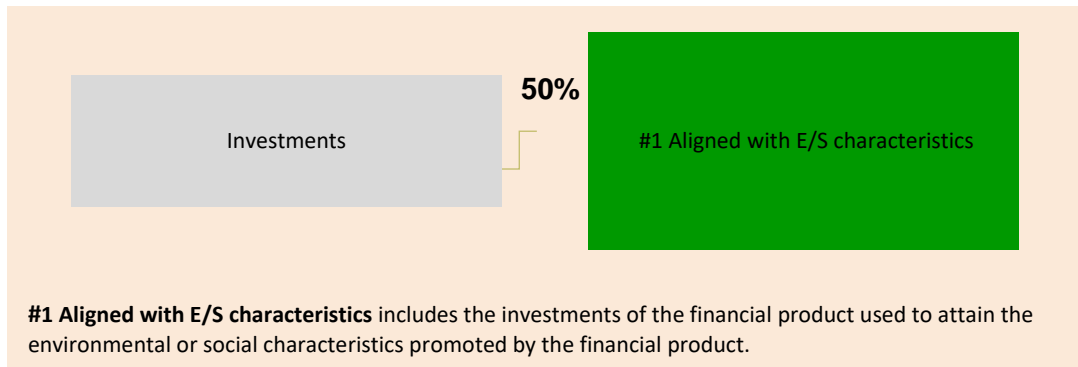
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

All investments made by the Sub-Fund LLC II should be reviewed in accordance with the ESG Policy of the Sub-Fund LLC II, meaning there should be no investment expected to contravene with such ESG Policy and the environmental and social characteristics promoted by the Sub-Fund LLC II.

Asset allocation describes the share of investments in specific assets.



The general objective is the improvement of environmental characteristics of the portfolio. Taking into account the market depth of the Luxembourg Real Estate market, the asset allocation will be made on case-by-case basis, so at this stage no other detail regarding the asset allocation planning will be provided.

Anyway, we aim to target a portfolio in which 50% of investments would be aligned with E/S characteristics.

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Derivatives are not used to attain the environmental or social characteristics promoted by the Sub-Fund II.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

● **Does the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy¹?**

Yes:

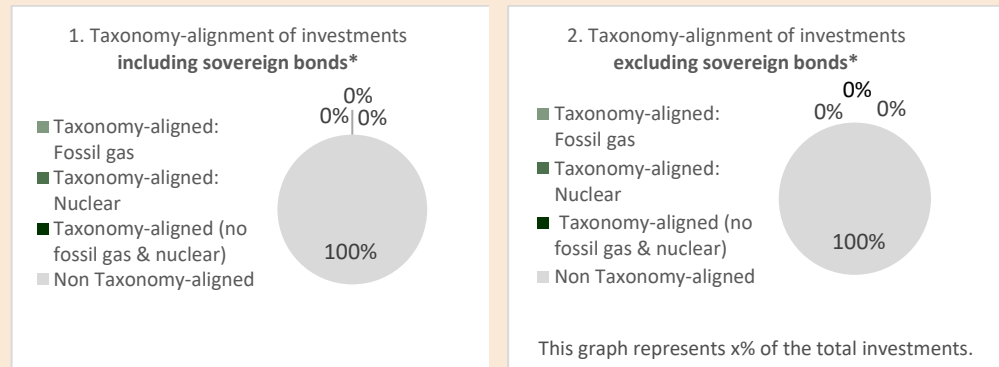
In fossil gas

In nuclear energy


¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

 No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What is the minimum share of investments in transitional and enabling activities?**

N/A



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0%



What is the minimum share of socially sustainable investments?

N/A



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

N/A



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Where can I find more product-specific information online?



More product-specific information can be found on the website:

<https://jtcglobalaifmsolutions.com/services/luxembourg/>

www.llcre.lu (Site to be updated) (Please see in particular the ESG Policy of the Sub-Fund LLC II)