

## Sustainability-related disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 (Disclosure Regulation)

The subject of this document is mandatory information on the environmental and/or social characteristics of this Fund. This document is not promotional material. This information is required by law in order to transparently explain the environmental and/or social characteristics promoted by the Fund.

ACATIS FAIR VALUE MODULOR VERMÖGENSVERWALTUNGSFONDS - ACATIS FAIR VALUE MODULOR VERMÖGENSVERWALTUNGSFONDS NR.1

WKN / ISIN: A0LHCM/ LU0278152516; A0MX2R/ LU0313800228; A0LHCL/ LU0278152862; A0LHCK/ LU0278153084; A2N9ZR/ LU1904802086; A2N9ZS/ LU1904802169; A3DGJC/ LU2451779768

This fund is managed by ACATIS Investment Kapitalverwaltungsgesellschaft mbH.

### Summary

The requirements of Article 9 of the Disclosure Regulation (Regulation (EU) 2019/2088) are taken into account.

In order to achieve its investment objective, the Fund shall invest its assets primarily in issuers which are selected with particular regard to sustainability (in particular high standards of corporate, social and environmental responsibility ("ESG") and environmental sustainability) and which contribute to at least one of the UN Sustainable Development Goals ("UN SDGs"). For this purpose, the fund management analyses issuers based on a proprietary "ESG and sustainability methodology". Each issuer is analysed in the course of a four-stage process with regard to its ESG performance and its contribution to the 17 UN Sustainable Development Goals (SDGs).

The basis for this analysis is relevant data and information used, processed and assessed by Moody's ESG as well as internal and public sources. Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed within the framework of the sustainability methodology.

At the beginning, each issuer is analysed to determine whether defined exclusion criteria with 0% tolerance (e.g. abusive child labour, corruption and financial fraud, strategic armament) are present. In a further exclusion step, the areas in which the issuer generates its turnover are taken into account. The issuer may not achieve more than 5% turnover in defined areas, such as nuclear energy, alcohol, tobacco, gambling or pornography. The next step is to look at the ESG score of the issuer. The ESG score is determined based on the assessment of environmental (E), social (S) and corporate (G) characteristics. The relevance of the assessed characteristics is influenced by the issuer's industry affiliation. The issuer must meet a minimum ESG score. The ESG score does not need to be taken into account if the investment product is proven to have completely positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process. In a final step, the ESG and sustainability methodology assesses issuers on their contribution to the UN's 17 Sustainable Development Goals. Each issuer must generate a share of its turnover in an area that contributes to at least one SDG.

With regard to the sustainability assessment of states and supranational organisations, in addition to various ethical exclusion criteria (e.g. possession of nuclear weapons, existence of the death penalty, lack of ratification of the UN Convention on Biodiversity), the "degree of freedom" of states is also taken into account. For the assessment of the "degree of freedom" of a state, the fund management relies on the assessments of Freedom House. Freedom House ranks the "degree of freedom" of a state,

based on extensive analysis, on a scale from 1 (freest) to 7 (least free). No investments are made in “non-free” states according to Freedom House's assessment methodology.

Due to the holistic sustainability approach, the Fund does not take into account the environmental targets pursuant to Regulation (EU) 2020/852.

ACATIS has an independent internal risk management which monitors the specific requirements resulting from the ESG investment process by means of suitable technical systems. The sustainability advisor provides quarterly positive/negative lists in the investment process. The lists are implemented and monitored in the system. The internal process is externally reviewed annually by the auditor and the internal audit department in an objective and independent manner.

For the continuous implementation of the Article 9 investment strategy, ACATIS Fair Value relies on data from Moody's ESG Solutions and on the sustainability advisor ACATIS Fair Value. The data is processed by ACATIS Fair Value and represented by positive and negative lists. ACATIS Fair Value has access to a large number of company- and country-specific ESG indicators, can filter or sort them, define minimum quality criteria or perform its own further calculations with them. This data is available on a daily basis and is further processed in the company's own internal systems. ACATIS Fair Value can also order an individual rating of the company from the data provider. ACATIS Fair Value may also derive or interpret data from company reports or other corporate disclosures in cases where Moody's ESG Solutions does not provide data. However, the share of this estimated data should be reduced to the minimum.

In order to safeguard the interests of investors and to fulfil the associated responsibility in terms of good corporate governance, ACATIS exercises the associated voting rights for listed shareholdings with a special focus on sustainability.

## **No significant impairment of the sustainable investment objective**

Based on fixed exclusion criteria and the controversy risk assessment (CRA), ACATIS excludes impairment in the case of sustainable investment. The Fund shall take into account, through the selection process, the principal adverse impacts of investment decisions on sustainability factors as set out in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288.

The sustainability process of the Fund is compliant with the OECD Guidelines for Multinational Enterprises, the ILO core labour standards and the UN Global Compact. Respect for human rights standards, fundamental labour rights, child labour and forced labour are considered in the selection process.

## **Sustainable investment objective of the financial product**

In order to achieve its investment objective, the Fund shall invest its assets primarily in issuers which are selected with particular regard to sustainability (in particular high standards of corporate, social and environmental responsibility (“ESG”) and environmental sustainability) and which contribute to at least one of the UN Sustainable Development Goals (“UN SDGs”). For this purpose, the fund management analyses issuers based on a proprietary “ESG and sustainability methodology”. Each issuer is analysed in the course of a four-stage process with regard to its ESG performance and its contribution to the 17 UN Sustainable Development Goals (SDGs).

The basis for this analysis is relevant data and information used, processed and assessed by Moody's ESG as well as internal and public sources. Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed within the framework of the sustainability methodology.

At the beginning, each issuer is analysed to determine whether defined exclusion criteria with 0% tolerance (e.g. abusive child labour, corruption and financial fraud, strategic armament) are present. In a further exclusion step, the areas in which the issuer generates its turnover are taken into account. The issuer may not achieve more than 5% turnover in defined areas, such as nuclear energy, alcohol, tobacco, gambling or pornography. The next step is to look at the ESG score of the issuer. The ESG score is determined based on the assessment of environmental (E), social (S) and corporate (G) characteristics. The relevance of the assessed characteristics is influenced by the issuer's industry affiliation. The issuer must meet a minimum ESG score. The ESG score does not need to be taken into account if the investment product is proven to have completely positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process. In a final step, the ESG and sustainability methodology assesses issuers on their contribution to the UN's 17 Sustainable Development Goals. Each issuer must generate a share of its turnover in an area that contributes to at least one SDG.

With regard to the sustainability assessment of states and supranational organisations, in addition to various ethical exclusion criteria (e.g. possession of nuclear weapons, existence of the death penalty, lack of ratification of the UN Convention on Biodiversity), the "degree of freedom" of states is also taken into account. For the assessment of the "degree of freedom" of a state, the fund management relies on the assessments of Freedom House. Freedom House ranks the "degree of freedom" of a state, based on extensive analysis, on a scale from 1 (freest) to 7 (least free). No investments are made in "non-free" states according to Freedom House's assessment methodology.

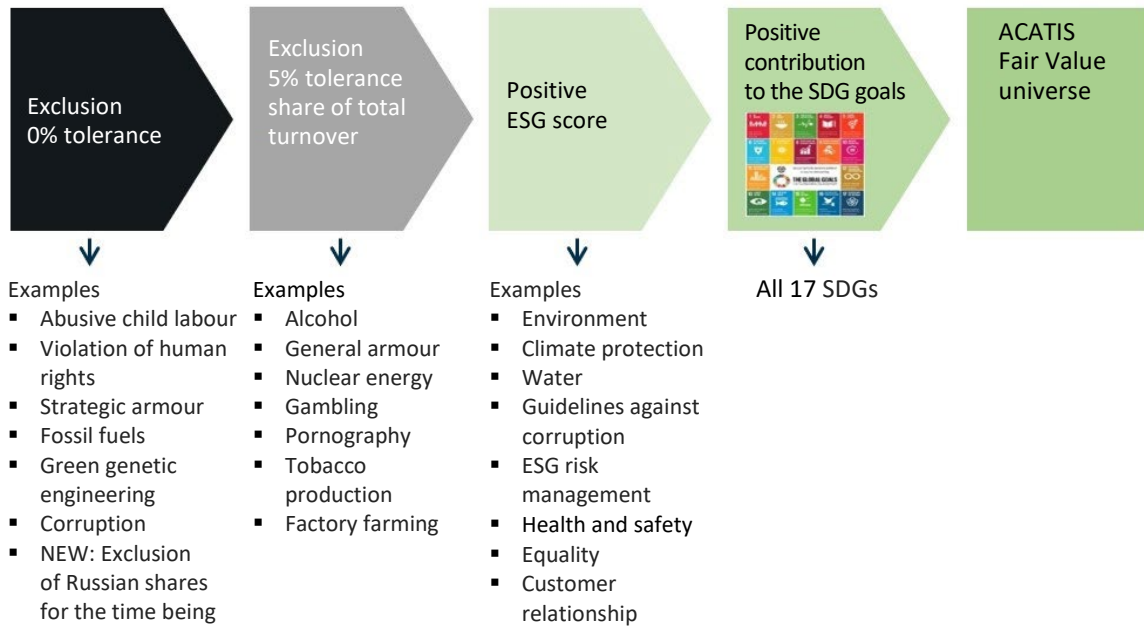
Due to the holistic sustainability approach, the Fund does not take into account the environmental targets pursuant to Regulation (EU) 2020/852.

## Investment strategy

The aim of the investment policy is to achieve a sustainable increase in the value of the investment funds contributed by the customers. In order to achieve its investment objective, the Fund invests its assets in securities worldwide which take the principle of "sustainability" into account. The issuers are not subject to any geographical restrictions with regard to their registered office. The detailed investment strategy of the Fund can be found in the Sales Prospectus under "Investment objectives of the Fund" and "Investment policy". The Fund employs a sustainability advisor for the continuous implementation of the investment strategy.

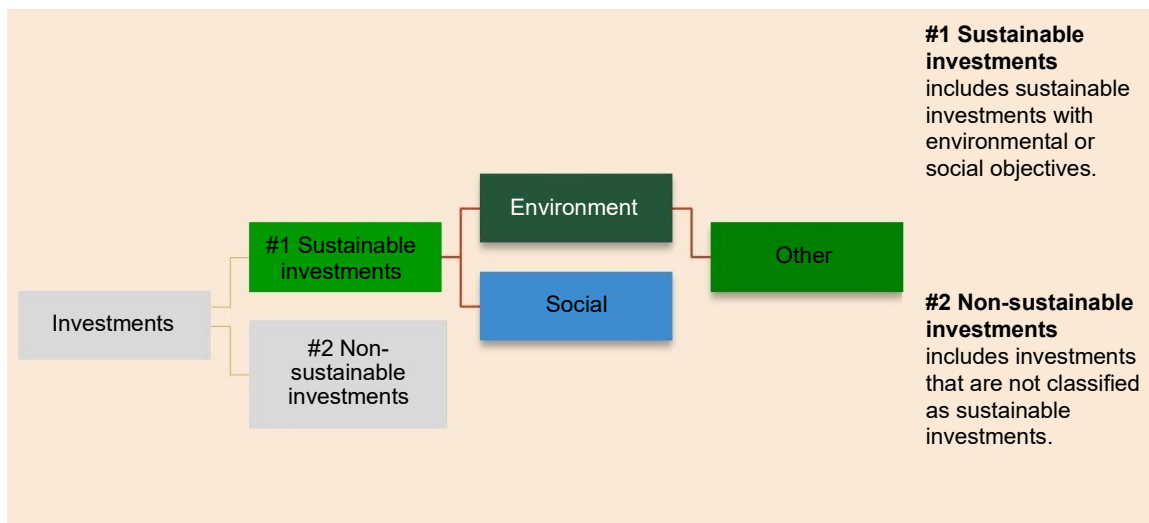
The Article 9 fund considers the principal adverse impact of its investment decisions on sustainability factors (principal adverse impacts).

The sustainability process of the Fund is compliant with the OECD Guidelines for Multinational Enterprises, the ILO core labour standards and the UN Global Compact. Respect for human rights standards, fundamental labour rights, child labour and forced labour are considered in the selection process.



## Breakdown of investments

Sustainable investments are assessed as a contribution to the 17 United Nations sustainable development goals (SDGs). The overall share of sustainable investments in relation to environmental and social objectives of the Fund is at least 80%. The minimum share of sustainable investments with an environmental and social objective is at least 10%.



## Monitoring the sustainable investment objective

ACATIS has an independent internal risk management which monitors the specific requirements resulting from the ESG investment process by means of suitable technical systems. The sustainability advisor provides quarterly positive/negative lists in the investment process. The lists are implemented and monitored in the system.

The internal process is externally reviewed annually by the auditor and the internal audit department in an objective and independent manner.

## Methods

The methodology for compliance with the sustainability investments is carried out on the basis of the following fixed exclusion criteria:

- Controversial activities with fixed turnover thresholds
- Norm-based ESG screening; controversy risk assessment
- Review of ESG Score
- Contribution to at least one SDG

## Data sources and processing

For the continuous implementation of the Article 9 investment strategy, ACATIS Fair Value relies on data from Moody's ESG Solutions and on the sustainability advisor ACATIS Fair Value. The data is processed by ACATIS Fair Value and represented by positive and negative lists. ACATIS Fair Value has access to a large number of company- and country-specific ESG indicators, can filter or sort them, define minimum quality criteria or perform its own further calculations with them. The data is used for regulatory ESG reporting (e.g. publication of PAIs) and sustainability risk monitoring. This data is available on a daily basis and is further processed in the company's own internal systems. ACATIS Fair Value can also order an individual rating of the company from the data provider. ACATIS Fair Value may also derive or interpret data from company reports or other corporate disclosures in cases where Moody's ESG Solutions does not provide data. However, the share of this estimated data should be reduced to the minimum.

## Restrictions regarding methods and data

There are no uniform global standards for collecting and processing ESG data. To prevent discrepancies from different data sources, ACATIS Fair Value obtains and uses data exclusively from one data provider. Data can only be taken by yourself if the data provider does not provide data. The fulfilment of the Fund's sustainability characteristics is not affected by the methodology and available data.

## Due diligence

ACATIS has sufficient resources and expertise regarding the topic of sustainability risks and investment analyses. Suitable monitoring and control structures are in place in our risk management, which is independent of the fund manager. In addition, ACATIS has an independent external internal audit department.

## Participation policy

In order to safeguard the interests of investors and to fulfil the associated responsibility in terms of good corporate governance, ACATIS exercises the associated voting rights for listed shareholdings with a special focus on sustainability. In addition, good corporate governance is an integral part of the norm-based screening, which covers, among other things, the requirements of the UN Global Compact and also the ILO core labour standards.

**As at: 1 January 2023**