

Disclosure of sustainability-related product information

in accordance with Article 10 of Regulation (EU) 2019/2088 ("SFDR") and Articles 24 to 36 of Delegated Regulation (EU) 2022/1288 ("DelR") for the financial product

Gutmann Portfolio Management

of Bank Gutmann Aktiengesellschaft (LEI: 549300KFLI6V2PUY8522).

Status: 25 October 2023

Summary

Portfolio management at Bank Gutmann Aktiengesellschaft can be designed as a sustainability-related financial product in accordance with the client's ideas and objectives, so that investments with environmental or social characteristics are made within the framework and on the basis of the objectives of the portfolio management mandate. In this design, environmental or social characteristics are promoted with the financial product, but no sustainable investments are targeted according to the definition of the SFDR.

The design and implementation of the environmental or social characteristics is done in particular through a combination of exclusion criteria with a best-in-class approach. When investing in individual securities, the following issuers are excluded in particular:

- issuers that violate the United Nations Global Compact,
- issuers involved in the production of controversial weapons or nuclear weapons,
- issuers that derive more than 5% of their revenues from coal mining or from the production of energy from coal,
- issuers that derive more than 5% of their revenues from arctic oil and gas production, oil sands or oil and gas production from fracking,
- issuers that generate more than 5% of their revenues from gambling.

Also excluded are emissions from states that seriously violate democracy and human rights and are therefore rated as not free according to the Freedom House Index.

For investments in self-managed financial products (funds pursuant to Article 8 SFDR) of Gutmann Kapitalanlageaktiengesellschaft, the exclusion criteria listed are applied at the level of the respective financial product. In the case of third-party funds, adequate products are selected whose management also considers corresponding environmental or social characteristics.

The investments of the financial product are predominantly geared towards investments with environmental or social characteristics and, to a lesser extent, other investments. All investments serve to achieve the investment purpose of the financial product.

The United Nations Global Compact Principles, other (publicly) available information or research are used to assess good corporate governance practices.

The investments of the financial product that are geared towards environmental or social characteristics are evaluated on an ongoing basis, in particular using data from an external ESG data provider, as well as being monitored and assessed by the internal sustainability team. The application of good corporate governance

practices in the invested companies is fulfilled in particular through the exclusion of issuers and is also evaluated using data from an established ESG data provider.

In the evaluation of issuers with regard to their sustainability, close cooperation is maintained with MSCI ESG Research. This is a leading, independent global provider of sustainability information. The data provider delivers sustainability analyses and key figures at issuer and sector level as well as on sovereigns.

With regard to the financial product, there may be minor limitations in terms of methods or data sources in connection with the data (e.g. estimates due to limited disclosures by individual issuers).

Bank Gutmann Aktiengesellschaft applies due diligence procedures in connection with portfolio management, including internal and external controls.

No index has been designated as a reference benchmark for the environmental or social characteristics promoted by this financial product.

No sustainable investment objective

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

The use of the term "sustainable investment" in this document refers exclusively to the definition pursuant to Article 2 No. 17 SFDR.

Environmental or social characteristics of the financial product

The environmental or social characteristics of the financial product are designed in such a way that, on the basis of exclusion criteria, certain investments may not be made within the scope of the portfolio management mandate (negative selection). Insofar as a stronger orientation of the portfolio towards environmental or social characteristics is to be achieved in accordance with the ideas and objectives of the client, an active selection of certain investments based on particularly good ratings in relation to sustainability indicators can be applied as a supplement (positive selection, best-in-class approach).

When investing in individual securities, the following issuers are excluded in particular:

- issuers that violate the United Nations Global Compact,
- issuers involved in the production of controversial weapons or nuclear weapons,
- issuers that derive more than 5% of their revenues from coal mining or from the production of energy from coal,
- issuers that derive more than 5% of their revenues from arctic oil and gas production, oil sands or oil and gas production from fracking,
- issuers that generate more than 5% of their revenues from gambling.

Also excluded are emissions from states that seriously violate democracy and human rights and are therefore rated as not free according to the Freedom House Index.

For investments in self-managed financial products (funds pursuant to Article 8 SFDR) of Gutmann Kapitalanlageaktiengesellschaft, the exclusion criteria listed are applied at the level of the respective financial product. In the case of third-party funds, adequate products are selected whose management also considers corresponding environmental or social characteristics.

No reference benchmark was named to achieve the environmental or social characteristics promoted with the financial product.

Investment strategy

In order to ensure the fulfilment of the environmental or social characteristics promoted with the financial product, the investment strategy that serves to achieve the investment purpose of the financial product is supplemented with the environmental or social characteristics and thus the negative selection and, if applicable, the positive selection are carried out in the investment decision-making process. The application of the exclusion criteria results in a restriction of the investable universe to those investments that fulfil these environmental or social characteristics. With the additional application of the best-in-class approach, the investable universe is further restricted to investments with particularly good ratings in relation to sustainability indicators.

As part of the investment strategy, the United Nations Global Compact Principles or other (publicly) available information or research will be used to assess the good corporate governance practices of the companies in which investments are made.

Proportion of investments

The investments of the financial product are predominantly allocated to investments with environmental or social characteristics and to a minor extent to other investments. All investments serve to achieve the investment purpose of the financial product.

In this respect, the financial product contains predominantly those investments that are made to achieve the promoted environmental or social characteristics, in particular on the basis of the application of exclusion criteria described above. Depending on the desired degree of focus on environmental or social characteristics, these exclusion criteria can be combined with a best-in-class approach.

The investments also include, to a minor extent, other investments that result from the elements of the investment strategy of the financial product and are neither geared to environmental or social characteristics nor classified as sustainable investments. This includes, for example, investments for hedging or with reference to cash.

The pre-contractual disclosures in connection with the proportion of investments is available as a download on the website of Bank Gutmann Aktiengesellschaft in the presentation pursuant to Article 14 DelR in accordance with the form specified in Annex II of the DelR.

Monitoring of environmental or social characteristics

The environmental or social characteristics of the managed portfolio as well as the application of good governance practices in the invested companies will be fulfilled in particular by excluding issuers using data from an established ESG data provider.

In the case of investments in self-managed financial products (funds pursuant to Article 8 SFDR) of Gutmann Kapitalanlageaktiengesellschaft, independent monitoring is carried out at the level of the respective financial product using the same methodology.

Methodologies

Sustainability indicators used to measure the achievement of the individual environmental or social characteristics promoted by this financial product are in particular also those listed in the section "Environmental or social characteristics of the financial product" above.

Data sources and processing

In particular, MSCI ESG Research is used as a data source to achieve the environmental or social characteristics promoted by this financial product.

MSCI ESG Research uses data from a variety of sources, including direct information from companies (e.g. sustainability reports, annual reports, regulatory filings and company websites) and indirect information from companies (e.g. data published by government agencies, data from industry and trade associations, and third-party financial data providers).

When company data is not available, MSCI ESG Research uses estimated metrics. The data sets used for this purpose are created by MSCI ESG Research based on its own methodologies and supported by data from

companies, market and industry peers, media, non-governmental organisations, multilateral and other credible institutions. MSCI ESG Research also uses derived data based on its own datasets, such as: MSCI Business Involvement Screening Research, MSCI ESG Ratings, MSCI ESG Metrics, MSCI Climate Solutions and MSCI ESG Controversies.

MSCI ESG Research considers a wide range of dimensions when defining quality: Completeness, timeliness, accuracy as well as traceability to the source (evidence). The automated and manual quality checks performed by MSCI ESG Research address the key aspects of data consistency and data accuracy. MSCI ESG Research's model is based on query extracts from the internal database and indicates when predefined conditions related to score changes are triggered or when suspicious values are present. Data that does not meet quality standards is subject to further review and correction.

For example, measures that MSCI ESG Research applies to the data that feeds into MSCI ESG Research's SFDR module include dual-vendor validation quality assurance to validate data against alternative sources using natural language processing (NLP) or AI-driven extraction; keyword scanning to detect disclosures; Change-based (outlier)/range-based quality assurance for all quantitative data to check for large variances and anomalies; negative disclosure checks for qualitative data points; data validation and data entry constraints to ensure data consistency and completeness; and measurement unit consistency validation. Through MSCI ESG Research's issuer communications portal, issuers can provide feedback on the underlying data along with a link to a publicly available source. MSCI data teams assess the data provided by issuers prior to publication and perform quality checks.

MSCI ESG Research's data processes are additive and include multiple levels of validation to detect anomalies. Data sourcing is a combination of automated data extraction and manual data collection. Raw data is collected from approximately 300 public sources, comprising up to two million articles and one million company documents per year. To cope with this volume, MSCI ESG Research uses AI-driven tools to identify whether relevant data is disclosed in specific company documents and provides a classification of news sources and press releases that contain relevant data.

The quality assurance process for the input data includes issuer/security specific raw data validation including sentiment, association, streaming and dual vendor validation. Wherever possible, MSCI ESG Research uses a dual-vendor validation methodology, where the same data is collected independently from different sources/analysts from the same or comparable sources. For derived data obtained from MSCI ESG Research proprietary datasets, the process includes context-specific validation, including single factors, simple transformations and predictive models. For output data, including ratings and analytics, the process includes issuer and security level validation.

To oversee data updates, various governance committees provide an additional level of review for material changes to data or models. These governance committees are comprised of senior research and content experts from across the MSCI ESG Research organisation.

MSCI ESG Research uses estimated data to a limited extent. For example, MSCI ESG Research uses estimated data related to greenhouse gas/CO₂ emissions in cases where the issuer does not disclose carbon emissions data or discloses only limited carbon emissions data.

Limitations to methodologies and data

The limitations regarding methods and data are in particular those listed in the section "Data sources and processing" above.

Due diligence

Sustainability risks are integrated into the existing risk management, taken into account accordingly in the investment decision and the monitoring of the investments made, and form a component in the risk assessment of the managed portfolio. Sustainability risks are environmental, social and governance ("ESG") events or conditions, the occurrence of which could cause an actual or a potential material negative impact on the value of the investment.

These sustainability risks are integrated into the risk assessment of the managed portfolio, appropriately incorporated into the respective processes and procedures where appropriate, and incorporated into investment decisions, in particular by considering the expected impact of the transaction on the sustainability risk of the portfolio.

Sustainability risks are assessed and monitored by risk management independently of portfolio management, with the inclusion of external data. Sustainability ratings (scores) from an established provider are used for this purpose. Based on the ESG data for individual securities and funds, a weighted Gutmann sustainability score is determined, the level of which results in a classification with regard to sustainability risks, which is monitored on an ongoing basis.

In the case of investments in self-managed financial products (funds pursuant to Article 8 SFDR) of Gutmann Kapitalanlageaktiengesellschaft, the same methodology is used for independent monitoring at the level of the respective financial product.

Engagement policies

The Engagement policy of Bank Gutmann Aktiengesellschaft applied in connection with portfolio management is not part of the environmental or social investment strategy.

In the case of investments made within portfolio management in financial products (funds pursuant to Article 8 SFDR) of Gutmann Kapitalanlageaktiengesellschaft, the latter implements its Engagement policy at the level of the respective financial product, where applicable.

Designated reference benchmark

No index has been designated as a reference benchmark for the environmental or social characteristics promoted by this financial product.