

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** ACATIS FAIR VALUE MODULOR VERMÖGENSVERWALTUNGSFONDS Nr. 1

**Legal entity identifier (LEI code):** 52990071QG5PRI7FDR95

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**  **No**

<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: 10__%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments.  <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>
<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: 10_____%</p>	<p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b></p>

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of environmentally sustainable economic activities. That Regulation does not include a list of socially sustainable economic activities. Sustainable Investments with an environmental objective might be aligned with the Taxonomy or not.



### What is the sustainable investment objective of this financial product?

**Sustainability indicators** measure how the sustainable objectives of this financial product are achieved.

In order to achieve its investment objective, the Fund shall invest its assets 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 Solutions 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 analyzed to determine whether there is a violation of the UN Global Compact or the ILO core labor standards (e.g. abusive child labor, forced labor, violation of human rights also in the supplier chain), whether there are violations of defined exclusion criteria with 0% tolerance (e.g. fossil fuels, strategic armaments). In a further step, the areas in which the respective issuer generates its sales are taken into account. The issuer may not generate more than 5% sales 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 determination of the ESG score is based on the assessment of environmental (E), social (S) and corporate (G) characteristics. The relevance of the assessed characteristics is influenced by the sector to which the issuer belongs. The issuer must not fall below a defined ESG score. Consideration of the ESG score can be waived if the investment product demonstrably and fully has 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. Here, each issuer must make a positive contribution 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.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The selection process for suitable investments consists of the following steps:

The company: The Fund excludes securities (shares) of companies that are active in at least one of the following business areas (turnover tolerance threshold in brackets):

**Armament**

- Involvement in the production and/or distribution of controversial weapons and components (0%)
- Significant involvement with manufacturers (> 3%) of cluster munitions or anti-personnel mines (0%)
- Production of conventional arms (0%)
- Production of key components for conventional weapons (5%)
- Production or sale of civilian handguns (5%)

**Fossil fuels**

- Fossil fuel industry; upstream (0%)
- Coal mining and power generation (0%)
- Unconventional oil and gas production (tar sand / oil shale); offshore arctic drilling and fracking (0%)
- Extraction of oil from tar sands and oil shale (5%)

**Nuclear energy**

- Generation and distribution of nuclear power (0%)
- Turnover from nuclear energy (5%)

**Animal welfare**

- Performance of animal testing as services (0%)
- Production of cosmetic products tested on animals (5%)
- Production or sale of fur products (5%)
- Intensive agriculture: Factory farming (5%)

**Tobacco**

- Production of tobacco (5%)
- Production of e-cigarettes (0%)

**Reproductive medicine**

- Production of contraceptives (0%)
- Production of abortifacients (0%)
- Abortion service (0%)
- Research/use of human embryonic stem cells (0%)
- Research/use of human foetal stem cells (0%)

**Further**

- Production or distribution of cannabis (5%)
- Production of GMOs for human consumption (0%)
- Manufacture of pesticides (10%)
- Production of alcoholic beverages (5%)
- Offer of high-interest credit products (5%)
- Exclusion list of the Norwegian Pension Fund
- Offering pornography and adult entertainment (3%)
- Offering and/or accessing pornography and adult entertainment (5%)
- Offer/production of gambling or production of gambling (5%)

Controversy risk assessment (CRA): In CRA, information sources are screened and data is collected and clearly assessed. Controversial business behaviour and violations of

relevant international norms and standards (UN Global Compact or ILO core labour standards) are automatically recorded. The investigation relates to a company's involvement in controversial business behaviour.

- Respect for human rights standards
- Abusive child and forced labour
- Social standards in the supply chain
- Fundamental labour rights
- Non-discrimination
- Environmental strategy
- Pollution
- Green products and services
- Biodiversity
- Water
- Energy
- Emission into the atmosphere
- Waste management
- Environmental pollution (noise/vibration)
- Transport
- Use and disposal of products
- Environmental standards in the supply chain
- Corruption

ESG score: Only companies with a positive ESG score in the areas of environment, social and corporate governance remain in the sustainability process. Consideration of the ESG score can be refrained from if the investment product demonstrably and fully has positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process.

SDG contribution: The particularly positive companies that contribute to achieving at least one of the Sustainable Development Goals (SDGs) are then filtered out.

States: The sustainability rating of states, supranational organisations or local authorities is also particularly sophisticated. These issuers are screened according to the following criteria: Possession of nuclear weapons, execution of the death penalty, share of nuclear power over 15%. In addition, states that are considered unfree states according to Freedom House, that have not ratified the UN Convention on Biological Diversity, that score poorly in the Corruption Perceptions Index or that violate the Treaty on the Non-Proliferation of Nuclear Weapons are excluded. Our filter excludes states that are affected by this.

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.

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

**How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?** Based on firmly defined exclusion criteria and the controversy risk assessment (CRA), ACATIS excludes adverse environmental or social impacts from sustainable investments. 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.

**How have the indicators for adverse impacts on sustainability factors been taken into account?** Through the firmly defined exclusion criteria as well as the controversy risk assessment, the principal adverse effects of investment decisions on sustainability factors are taken into account in accordance with Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights?**

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.



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



Yes, through the exclusion criteria and controversy risk assessment, the Fund takes into account 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 information pursuant to Article 11(2) of Regulation (EU) 2019/2088 (annual report of the Fund) can be found at <https://www.acatis.de/> under the heading “Investment funds” under the fund in question.

No



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

**What investment strategy does this financial product follow?** 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.

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

- **What are the binding elements of the investment strategy used to select investments to attain the sustainable investment objective?** The binding elements of the investment strategy are the exclusion criteria, the controversy risk assessment, the positive ESG score and at least one SDG target pursued, answered in detail under the question "What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?".
- **What is the policy to assess good governance practices of the investee companies?** The verification of good corporate governance is an integral part of the ESG rating. Furthermore, as part of our sustainability process, the Fund is subject to a norm-based screening, which covers, among other things, the requirements of the UN Global Compact as well as the ILO core labour standards. In addition, ACATIS actively exercises voting rights at the Annual General Meeting with a specific focus on sustainability.

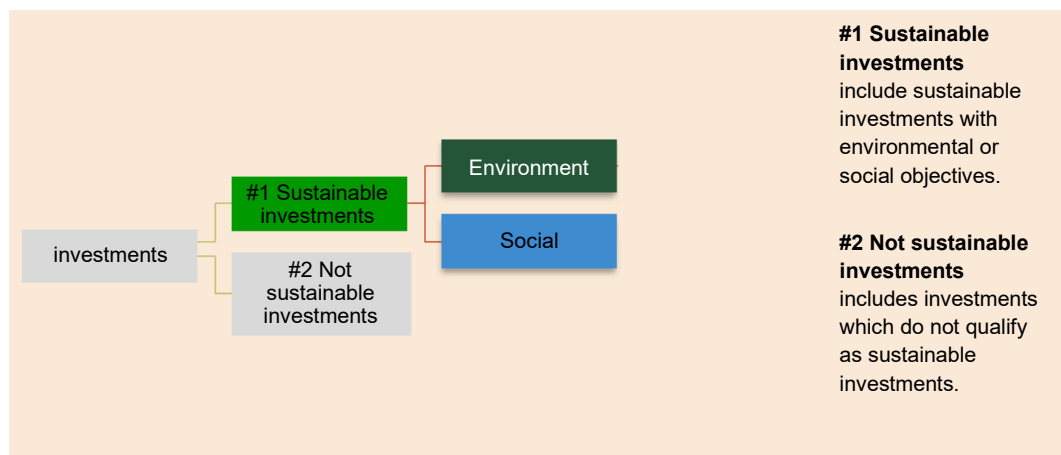


The **asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by the investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

**What is the asset allocation and the minimum share of sustainable investments?** Sustainable investments are assessed as contributing to the 17 United Nations Sustainable Development Goals (SDGs). The total share of sustainable investments, in relation to environmental goals and social goals of the fund, is at least 80% overall, with at least 10% in an environmental as well as a social goal. Under "non-sustainable investments", only liquidity and all financial instruments used to hedge the portfolio are held in the fund. However, as an ESG assessment as well as an SDG assessment according to our sustainability approach is not possible for these investment securities, they cannot be classified as "sustainable investments".



- **How does the use of derivatives attain the sustainable investment objective?** In order to attain the sustainable investment objective, the sub-fund may also use derivatives (for example in the course of a CO<sub>2</sub> neutralisation of the portfolio).



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** The main objective of this Fund is to achieve a sustainable increase in the value of the investment assets contributed by the customers. Through the holistic sustainability approach, the Fund does not currently commit to invest a minimum amount of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). This also concerns information on investments in economic activities classified as enabling or transitional activities under Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

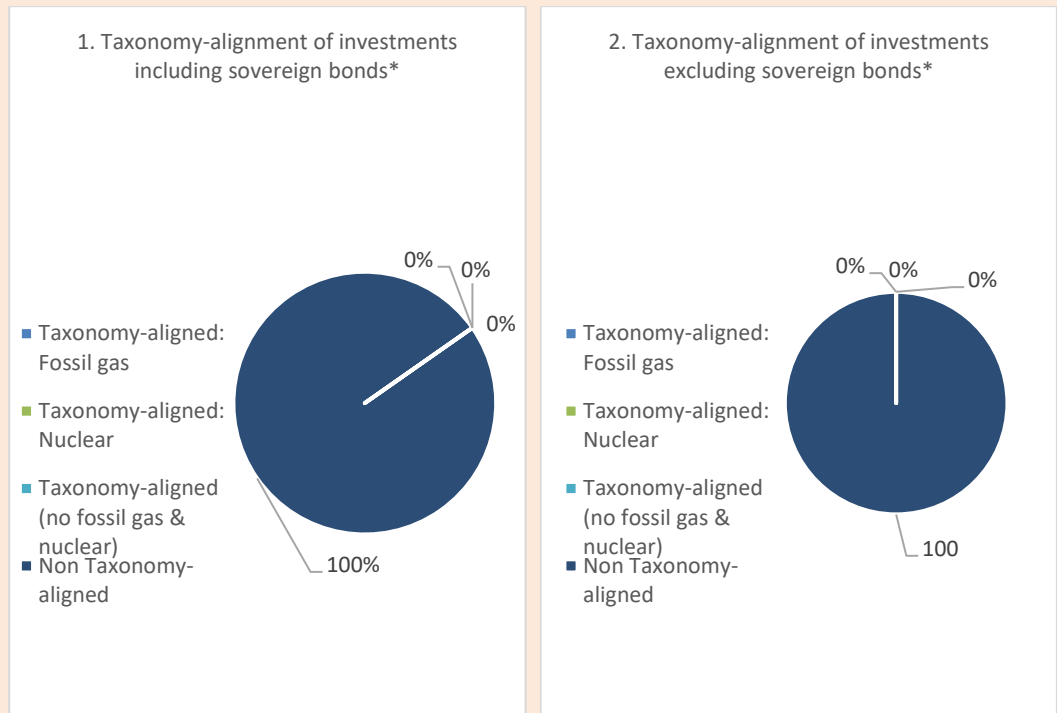
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

Yes:
   
 In fossil gas     In nuclear energy
   
 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.

- **What is the minimum share of investments in transitional and enabling activities?** The minimum share of investments in transitional and enabling activities is 0%.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** A minimum share of sustainable investments with an environmental objective that do not conform to the EU taxonomy of 10% will thus be made.



**What is the minimum share of sustainable investments with a social objective?** A minimum share of sustainable investments with a social target of 10% will be made.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?** Under “non-sustainable investments” we include only liquidity and all financial instruments that serve to hedge the portfolio. From a sustainability perspective, these investments are basically neutrally valued. However, as an ESG assessment as well as an SDG assessment according to our sustainability approach is not possible for these investment titles, they cannot be classified as “sustainable investments”.



**Is a specific index designated as a reference benchmark for attaining the sustainable investment objective?** No, the Fund has no benchmark index.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?** The Fund has no benchmark index.
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?** The Fund has no benchmark index.
- **How does the designated index differ from a relevant broad market index?** The Fund has no benchmark index.
- **Where can the methodology used for calculation of the designated index be found?** The Fund has no benchmark index.



**Where can I find more product-specific information online?**

Further product-specific information is available at <https://www.acatis.de/nachhaltigkeit/offenlegungsverordnung>