

Annex 1 B

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: BAKERSTEEL GLOBAL FUNDS SICAV - Precious Metals Fund
Legal entity identifier: 529900GCPGDL74TU3W75

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☐ Yes

☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective:** %

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** %

☒ 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 25 % of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ with a social objective

☐ It promotes E/S characteristics, but **will not make any sustainable investments.**



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund invests in the equities of precious metals mining companies, with a primary focus on gold and silver, and preferentially allocates capital to companies who operate in a sustainable way and who minimise GHG emissions, energy and water use and who minimise environmental and social harm and, where reasonable to do so, promote positive social impact on their surrounding communities.

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

- **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 collects, assesses and records 50 sustainability indicators and collates these into a consolidated ESG score for each investee company. The primary sustainability indicators used by the Sub-Fund to measure and assess the attainment of the ESG characteristics promoted are greenhouse gas emissions intensity (scope 1 and scope 2 GHG emissions in metric tonnes of CO₂ equivalent/revenue); water use intensity (cubic metres/revenue); energy use intensity (gigawatt hours/revenue); and health and safety performance (lost time injury frequency rate, LTIFR.. This information is obtained either directly from the issuer or from reputable data providers. In order to qualify for inclusion in the portfolio, an investee company must have an ESG score of 50% or above. Additional filters, described below are applied to investee companies in order to qualify as a sustainable investment, which constitute at least 25% of the portfolio.

- **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?**

The objective of the Sub-Fund's sustainable investments are to encourage a reduction of greenhouse gas emissions intensity in the precious metals mining industry, alongside a reduction in other environmental impacts, and improvements in health and safety performance and community development impacts. The Sub-Fund contributes to this objective by preferentially investing in companies that exhibit good ESG practices and behaviours and to thereby encourage the promulgation of these good ESG practices across the industry. The criteria for qualifying as an environmentally sustainable investment include a company's emissions intensity, its adherence to best-practice tailings management and commitments to protect biodiversity. Companies must meet minimum requirements across these criteria to qualify as sustainable investments. These are that they must either be committed to net zero scope 1 and 2 carbon emissions by 2050 or be in the top quintile of our investment universe in terms of scope 1 and 2 emissions intensity, as well as demonstrating commitments to the Global Industry Standard on Tailings Management (GISTM), to reduce their use of natural resources and to reduce or avoid impacts on biodiversity. The criteria for qualifying as a socially sustainable investment include health and safety statistics, implementation of recognised responsible mining standards, and community development initiatives. Companies must meet minimum requirements and rank among the best performers in our investment universe on these criteria to qualify as sustainable investments. The minimum requirements are that companies must meet at least four of the following five criteria: 1. Recorded zero fatalities; 2. Signed up to a framework of responsible mining practices, such as that of the Initiative for Responsible Mining Assurance; 3. Achieved a strong score on our internal assessment of community development impacts and/or on gender diversity; 4. Implemented a whistleblower protection policy; 5. Implemented a stakeholder grievance mechanism. Data used for these criteria is obtained from reputable third-party data providers and directly from issuers. The sustainable investment criteria are subject to minor changes

over time as we consistently look to evolve and improve our sustainability-related processes

- **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?**

The principle adverse impact indicators set out in Annex I of the Regulatory Technical Standards (the “PAI indicators”) are collected, assessed and recorded for all investee companies and feed into our proprietary ESG scoring system as described above. The PAI indicators are also separately collated, tracked and periodically reported on at portfolio level to confirm that no significant harm is being caused at the aggregated level.

Manual checks are also undertaken and where any significant harm is identified to any environmental or social sustainable investment objective the investment would not qualify for inclusion in the portfolio as a sustainable investment. This may be necessary for example where there is any negative publicity relating to an investee company, as a result of press releases made by the company or where issues are identified through our direct engagement with senior management. The nature of any assessment here would depend on the nature of the issues identified, but would consist of the investment team assessing the issue and gaining sufficient comfort that no significant harm is being caused by our investment.

With regard to selected PAI indicators the Sub-Fund targets positive impact and with respect to the remaining PAI indicators the Sub-Fund seeks to mitigate or minimise any adverse impacts by identifying where these are occurring and excluding the companies to which they relate from the portfolio.

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.

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

As noted above, the PAI indicators set out in Annex I of the Regulatory Technical Standards are collected, assessed and recorded where available for all investee companies. This information is obtained from third party data provider combined with other data sources. Where this is the case, these are treated as exclusion factors at investment level. These scores are also weighted, with water use, energy use and emissions intensity being the most heavily weighted environmental PAI indicators and health and safety metrics being most heavily weighted of the social PAI indicators. This is on the basis that these PAI indicators are the most relevant indicators for the natural resources sector.

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

As part of our ESG due diligence process, we obtain information on whether investee companies commit to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. In addition, any identified violations of these standards are recorded. Where companies do not

commit to adhere to these standards or where violations are identified then the company is excluded from consideration as an investment. This information is obtained from Sustainalytics as well as companies themselves.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

☒ Yes, the Investment Manager commits to consider principle adverse impacts at entity level under Article 4 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”). As an integral part of this, the Sub-Fund considers principal adverse impacts on sustainability factors at Sub-Fund level in accordance with Article 7 of SFDR and will publish information on the principal adverse impacts on sustainability factors in its periodic reports in accordance with Article 11. Further, as noted above, the Sub-Fund uses the PAI indicators to assess whether the sustainable investments in the portfolio cause significant harm to any environmental or social sustainable investment objective. This is done for all PAI indicators listed in Annex 1 of the Regulatory Technical Standards, and these indicators are tracked at both investment level and at portfolio level. See above for further details.

☐ No,



What investment strategy does this financial product follow?

The investment objective of the Sub-Fund is to achieve an appropriate return commensurate with the investment risk, while investing at least two thirds of the Sub-Fund’s total assets in equity securities of businesses engaged in precious metals activities.

The investment strategy to achieve this investment objective is to invest at least 85% of the portfolio on the basis of fundamental analysis in companies that promote environmental and/or social characteristics and that have passed our ESG due diligence process. A sub-set of these investments consisting of at least 25% of the portfolio will be invested in companies that have been classified as sustainable investments on the basis of contributing to the sSub-Fund’s sustainable investment objectives, which are encouraging a reduction of greenhouse gas emissions intensity in the precious metals mining industry, a reduction in the intensity of water use and, energy use, and improvements in health and safety performance and community development impacts.

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

- 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?

A multi-component exclusion strategy shortlists the investible universe and this is integrated within the investment strategy. The initial exclusion factor screening consists of 3 stages: market capitalisation screening (only companies with a market capital exceeding \$100M USD are usually considered), stock exchange screening (only companies listed on major primary stock exchanges in Europe, North America, Japan, Hong Kong, Australia and South Africa are presently considered) and ESG factor screening. The ESG factor screening incorporates key sustainability metrics that are non-negotiable (including the presence of policies covering the following: ethics, human rights, anti-bribery and corruption, and anti-child labour). The Investment Manager applies additional exclusion criteria and metrics covering weapons, including white phosphorus; fossil fuels, including coal (threshold of 30% of revenue from the production of coal); tobacco; alcoholic beverages; adult entertainment; and serious violations to the UN Global Compact principles. These exclusion criteria are aligned with and enable the Sub-Fund to comply with accepted industry standards including LuxFLAG¹ and BVI. The ESG performance of companies shortlisted within the investible universe is screened and scored to ensure a minimum acceptable standard of ESG performance is maintained. The ESG scores generated for the companies will be incorporated into the stock selection process within an ESG integration strategy. At least 85% of the Sub-Fund's assets are invested in securities whose issuers have been selected on the basis of environmental, social and governance criteria and who have scored at least 50% on our proprietary ESG scoring.

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

Environmental and social characteristics are promoted by the Sub-Fund, but no commitment is made to reduce the scope of the investments considered.

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

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

The Sub-Fund shall only invest in listed companies ensuring an appropriate standard of transparency on governance. Furthermore, the Investment Manager aims to invest only in listed companies which maintain a majority of independent directors so as to ensure a higher standard of corporate governance.

The Investment Manager assesses Board structure, competence and independence; sustainability governance; gender diversity; compensation; nomination; audit risk and oversight; and shareholder rights. This information is generally obtained directly from information published by the investee company and through interactions with that company.

¹ Note, the sub-fund's LuxFLAG ESG label is valid until 31/3/2025. Note, investors must not rely on the LuxFLAG label with regard to investor protection issues and LuxFLAG takes no liability in this regard

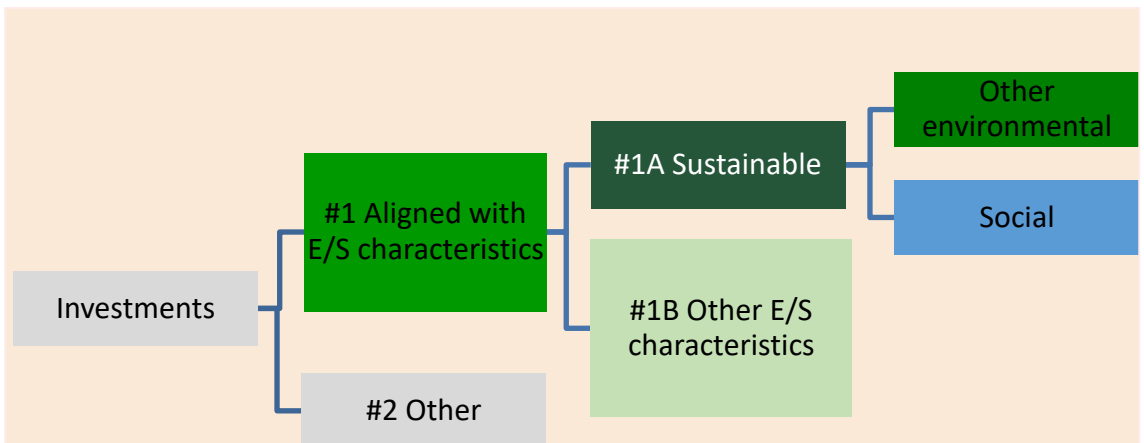


What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are 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 investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The minimum share of these investments is 85%.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives. The minimum share of these investments is 25%.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?
The Sub-Fund does not use derivatives for investment or hedging purposes.



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

Environmental and social characteristics are promoted by the Sub-Fund and sustainable investments are made, but the Sub-Fund does not currently commit to invest a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy. This also applies to investments in economic activities that are classified as enabling or transitional activities pursuant to Article 16 or 10(2) of the EU Taxonomy.

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.

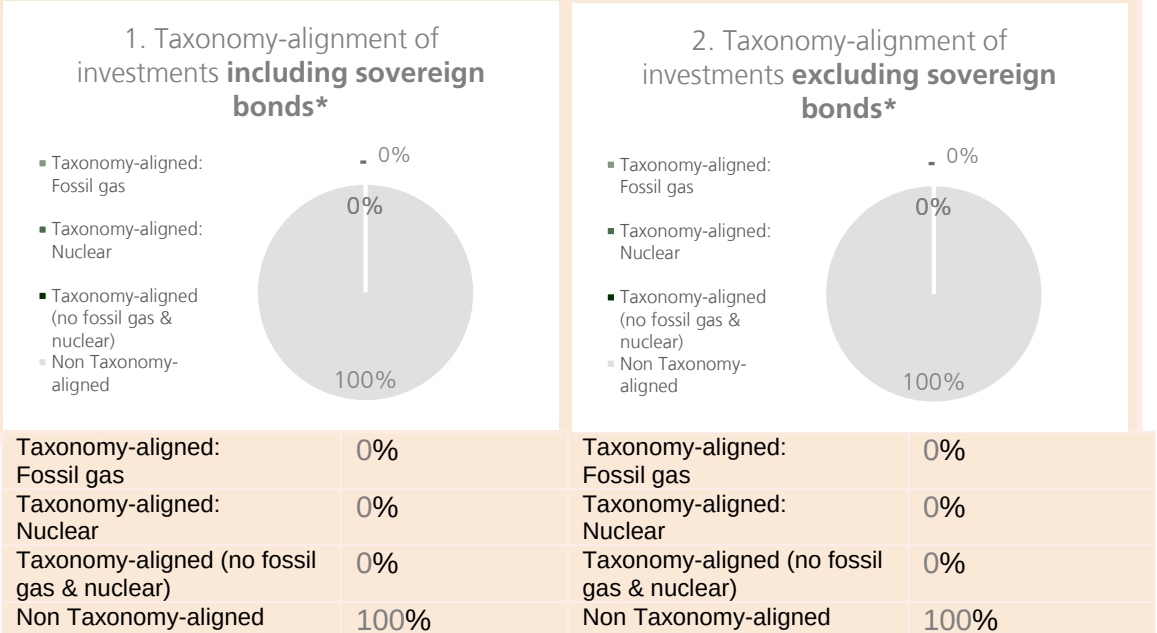
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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 Taxonomy²?**

- ☐ 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?**

Transitional activities: 0%
Enabling activities: 0%

² 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 objectives - 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.



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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

At least 25% of the Sub-Fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. Using the criteria described above, the Sub-Fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives.

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 1%



What is the minimum share of socially sustainable investments?

At least 25% of the Sub-Fund's assets are invested in sustainable investments, although these do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy. The Sub-Fund's sustainable investments may be classified as having either environmentally sustainable objectives, social objectives or both environmentally sustainable and social objectives.

The minimum share of socially sustainable investments is 1%



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

At least 85% of the Sub-Fund's assets are invested in investments that have been subject to our proprietary ESG due diligence process and which have received an ESG score of 50% or more. The purpose of the remaining 15% is to cover situations where the ESG screening and scoring process cannot be completed at the time of investment. This includes situations such as corporate actions, including spin-offs, which may result in portfolio holdings arising outside the immediate control of the Investment Manager. Such holdings would then be ESG screened and scored as soon as is reasonably practicable. Additional situations that may not permit ESG screening and scoring to take place, or for meaningful results to be obtained, include cash holdings and physical commodity holdings. There may also be situations where illiquid assets are held that cannot easily be disposed of, even where their ESG status changes or where an ESG screening cannot be undertaken. The minimum environmental and social safeguard in place with respect to this remaining 15% is the fact that they will be subject to ESG screening at the earliest opportunity and where this screening process is not passed then efforts will be made to dispose of the asset or to engage with the issuer.



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?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ☐ Yes,
☒ No

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

The Sub-Fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The Sub-Fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The Sub-Fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.

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

The Sub-Fund's reference benchmark is not constructed based on ESG characteristics, and no separate ESG reference benchmark has been specified at this time.



Where can I find more product specific information online?
More product-specific information can be found on the website: <https://www.ip-concept.com/ipc/de/fondsueberblick.html>