

Promotion of environmental and/or social characteristics in the context of ODDO BHF Trust GmbH's portfolio management - product-related disclosure pursuant to Article 10 of Regulation (EU) 2019/2088 (SFDR).

A) SUMMARY

I. In the following, you will find information on the individual portfolio management for funds solutions offered by ODDO BHF Trust GmbH by way of portfolio management within the meaning of Article 2 number 6 SFDR. This product-related information is required by Article 10 SFDR, as the individual portfolio management for funds solutions are financial products within the meaning of Article 8 SFDR.

Since the same basic ESG approach is applicable to all individual portfolio management for funds solutions, a uniform disclosure is made in accordance with Article 10 SFDR, which is applicable for all individual portfolio management solutions for funds. Individual portfolio management for funds solutions may provide for stricter ESG criteria (e.g. stricter rating requirements), which will be referred to at the appropriate place.

In the following, the term financial product is used to refer to any portfolio management mandate that is managed as part of an individual portfolio management solution for funds.

II. This financial product advertises environmental or social characteristics, but does not aim at sustainable investments. In this financial product, sustainability risks are integrated into the investment process; in addition, the principal adverse effects on sustainability factors are also taken into account. This is implemented through the relevant investment strategy, which is essentially based on the application of certain exclusion criteria at the level of individual instruments. In accordance with the investment strategy, investments within the financial instrument are made exclusively in assets that meet the relevant selection criteria. The environmental and social characteristics of the financial product as well as the relevant sustainability indicators are monitored throughout the life cycle of the financial product. Currently, the extent to which the social and environmental characteristics promoted with the financial product are fulfilled is measured on the basis of the exclusion criteria defined in the investment process. In order to achieve the environmental and social characteristics promoted with the financial product, ODDO BHF Trust GmbH essentially uses data from only one recognized external data provider that specializes in sustainability analyses. Although there are no fundamental doubts about the quality of the data provided, the predominant use of only one data provider leads to various restrictions. Due diligence in connection with the underlying assets of the financial product is mainly performed by the portfolio managers by way of a fundamental analysis and an ESG analysis of the underlying assets. ODDO BHF Trust GmbH does not exercise any shareholder rights in its function as portfolio manager, but it follows the important matters of the portfolio companies to a certain extent and exchanges information with the portfolio companies to a certain extent. No index is used as a benchmark to determine whether all of the environmental and social characteristics promoted by this portfolio management are achieved.

B) NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product advertises environmental or social characteristics, but does not aim at sustainable investments.

Currently, the following adverse impact indicators from Tables 1, 2 and 3 of Annex I to Delegated Regulation (EU) 2022/1288 are considered:

- Exposure to companies active in the fossil fuel sector [Indicator 4].
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) [Indicator 14]
- Activities negatively affecting biodiversity-sensitive areas [Indicator 7].

C) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

In this financial product, sustainability risks are integrated into the investment process by considering environmental, social, and governance concerns in the context of investment decisions; in addition, the principal adverse impacts on sustainability factors are also taken into account. This is implemented through the investment strategy described in more detail in item D) below.

D) INVESTMENT STRATEGY

In order to fulfill the environmental or social characteristics promoted with this financial product, an ESG-related investment strategy developed specifically by ODDO BHF Trust GmbH (as part of the investment process) is used, which essentially represents the following exclusion criteria at individual instrument level:

- Sector exclusions: Companies with certain turnover shares in the areas of weapons, gambling, pornography, tobacco or coal are excluded from investment. The question of which turnover threshold is decisive in each case is resolved on a sector-specific basis: for most sectors, a turnover share of more than 5% is currently considered decisive, but for some sectors or subsectors of these sectors, other thresholds are in part considered decisive (for example, an investment in companies that generate turnover in the area of certain weapons is completely excluded; for other sectors, turnover shares greater than 5% are also possible).
- Non-compliance with principles of the United Nations Global Compact: Companies that violate the principles of the United Nations Global Compact are excluded from investment.
- Biodiversity: exclusion of companies that claim to operate in or near biodiversity-sensitive areas and have been involved in controversies with serious or very serious adverse environmental impacts.
- Poor sustainability ratings: Companies and sovereigns with poor sustainability ratings are excluded from investment (according to MSCI ESG Research¹ methodology: "B" sustainability rating or worse)

The assessment of the practices of good corporate governance of the companies in which investments are made, including with regard to sound management structures, employee relations, employee compensation, and tax compliance, is carried out within the framework of this financial product essentially via the exclusion criteria "Non-compliance with principles of the United Nations Global Compact" and "Poor sustainability ratings".

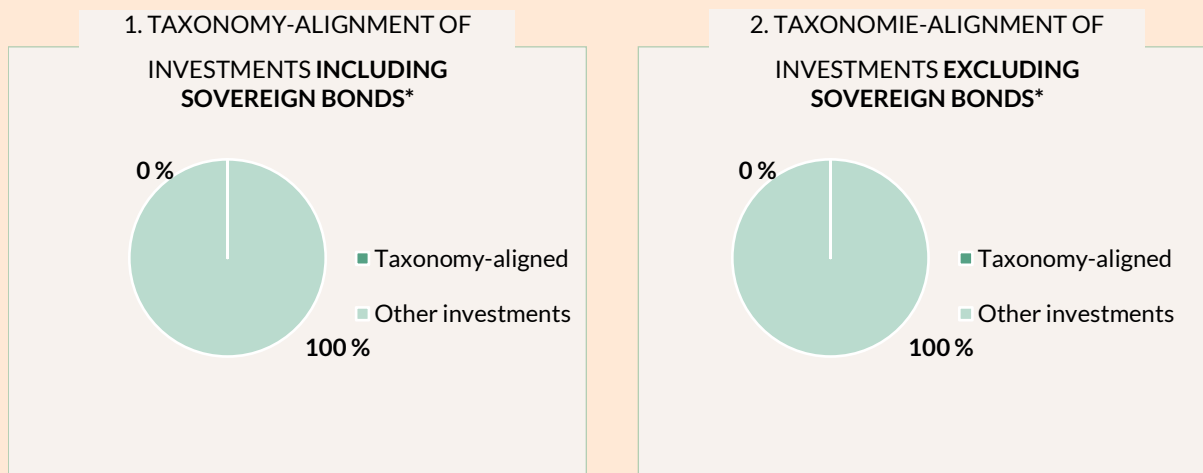
¹ MSCI ESG Research LLC (hereinafter: "MSCI ESG Research") is the provider of ESG-related data primarily used by ODDO BHF Trust GmbH.

For some solutions, stricter ESG criteria than those described above are applied due to explicit requirements from the relevant investment guidelines. For example, some solutions may have stricter rating requirements, further sector exclusions and/or stricter controversy requirements (according to a logic applied by MSCI ESG Research through a flagging system).

E) PROPORTION OF INVESTMENTS

In accordance with the investment strategy described in section D., investments within portfolio management are made exclusively in assets that meet the relevant selection criteria. No distinction is made between direct risk positions and other risk positions.

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 purposes of these charts, the term "government bonds" includes all risk positions against sovereigns.

In the present financial product, it is currently not possible to show a share of investments that flow into ecologically sustainable economic activities. This is mainly due to technical reasons and the lack of evaluability of the required data at the overall portfolio level in this financial product. ODDO BHF Trust GmbH is endeavouring to create the technical prerequisites to be able to report a share of investments that flow into ecologically sustainable economic activities in the future.

At the present time, it is not possible to assess the extent to which risk positions against sovereigns contribute to environmentally sustainable economic activities, as the relevant data are currently not available.

F) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The environmental or social characteristics of the financial product as well as the sustainability indicators pursuant to section B) are monitored throughout the life cycle of the financial product. For monitoring purposes, a standardized process has been established in which the responsible portfolio managers pay careful attention to compliance with the relevant criteria. In particular, a pre-trade check is carried out by means of which compliance with the exclusions at individual instrument level (as described in section D)) is checked directly in ODDO BHF Trust GmbH's portfolio management system before orders are executed.

In addition, a daily post-trade check is carried out with regard to the exclusion criteria at individual instrument level. If ESG violations are identified, these are forwarded to the portfolio managers for comment and correction of the corresponding violations.

If stricter ESG criteria result from the relevant investment guidelines (i.e. stricter criteria than the criteria of the ESG basic approach, see above under D.), the same control and monitoring processes described above apply to these.

G) METHODOLOGIES

Currently, the measurement of the extent to which the environmental or social characteristics promoted with the financial product are fulfilled is carried out on the basis of the exclusion criteria defined in the investment process (as described in more detail under section D)). In particular, the indicators described under section B) are also taken into account.

H) DATA SOURCES AND PROCESSING

In order to achieve the environmental or social characteristics promoted with the financial product, ODDO BHF Trust GmbH essentially uses data from a recognized external data provider that specializes in sustainability analyses. This is currently MSCI ESG Research. In addition, other data sources (such as Bloomberg, publications by associations, brokers and other companies, or press articles) may be used as a supplement.

The data quality is ensured by a careful selection of the sources used. In addition, ODDO BHF Trust GmbH is in regular dialogue with MSCI ESG Research to correct potential errors, make recommendations on possible improvements and improve the quality and reliability of the data used.

Data is processed through data imports into ODDO BHF Trust GmbH's IT systems and directly through the MSCI ESG Research platform.

The data used to meet the environmental or social characteristics may be based on both reported and estimated data for the MSCI Business Involvement Screens, while MSCI ESG Score and MSCI ESG Controversies may use estimated data to some extent. The exact proportion of estimated data cannot be quantified at this time.

I) LIMITATIONS TO METHODOLOGIES AND DATA

ODDO BHF Trust GmbH currently obtains the majority of the ESG data used from only one data provider (MSCI ESG Research). Although there are no fundamental doubts about the quality of the data provided in this respect, the predominant use of only one data provider limits the data coverage to the universe of companies and instrument types covered by these data providers. In addition, data are not available for certain classes of instruments (such as derivatives). Based on the parameters applied to the financial product, ODDO BHF Trust GmbH currently believes that the restrictions in question do not have a significant influence on how the environmental and social characteristics promoted with the financial product are fulfilled.

However, ODDO BHF Trust GmbH cannot guarantee the accuracy of the assessment of the sustainability criteria by the data providers it uses or the accuracy and completeness of the data provided by data providers as a whole. ODDO BHF Trust GmbH also has no influence on any disruptions in the analysis and preparation of research and other data by data providers. Furthermore, all rights to the data provided by data providers lie with these data providers and these data providers also assume no liability for the accuracy and completeness of the data provided.

J) DUE DILIGENCE

Due diligence in connection with the underlying assets is essentially performed by the portfolio managers by means of a fundamental analysis and an ESG analysis of the underlying assets, taking into account all investment restrictions to be observed for the financial product (in particular those relating to ESG criteria). ESG ratings are also used significantly to mitigate any risks. In addition, dialogue and engagement with invested companies continuously contribute to the due diligence process.

The portfolio managers actively work in particular with the management of ODDO BHF Trust GmbH to ensure the identification and mitigation of risks related to the underlying assets.

K) ENGAGEMENT POLICIES

In its function as portfolio manager, ODDO BHF Trust GmbH does not exercise any shareholder rights. It monitors the important affairs of the portfolio companies by taking note of the portfolio companies' statutory publication, disclosure and announcement obligations and exchanges views with the governing bodies and stakeholders of the portfolio companies within the framework of telephone conferences, investment congresses and company meetings. In addition to this basic economic exchange of views, direct contact can also be established with portfolio companies to address questions on sustainability issues in order to fulfill ecological, social and economic responsibility. There is no cooperation with other shareholders.

L) DESIGNATED REFERENCE BENCHMARK

No index is used as a benchmark to determine whether all of the environmental and social characteristics promoted by this individual portfolio management for funds are achieved.