



Sustainability-related disclosures in accordance with Article 10 of Regulation (EU) 2019/2088

SUMMARY

The following information relates to the mutual funds* of Flossbach von Storch Invest S.A. and describes the environmental and social characteristics promoted by the sub-funds.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The sub-fund promotes the following environmental and social characteristics as part of its investment strategy:

- Exclusion criteria with social and environmental characteristics are implemented.
- An engagement policy is implemented as part of the investment strategy in order to work towards positive development in the event of particularly severe negative impacts on certain sustainability factors in investments.

INVESTMENT STRATEGY

Flossbach von Storch integrates sustainability factors comprehensively into its multi-stage investment process. As part of a specific ESG analysis, sustainability factors are reviewed for their potential opportunities and risks, and an assessment is made as to whether or not a company stands out negatively in terms of its environmental and social activities and how it manages them. The analysis process pays special attention to good governance practices, as they are responsible for sustainable development of the company. In connection with active engagement as a shareholder, Flossbach von Storch follows a fixed engagement policy and guidelines for exercising voting rights.

PROPORTION OF INVESTMENTS

At least 51 per cent will be invested in securities and money market instruments that satisfy the environmental and social characteristics of the sub-fund. The remaining investments may relate to liquid assets, derivatives and (physical) gold.

MONITORING OF ENVIRONMENTAL AND SOCIAL CHARACTERISTICS

The sub-fund pays particular attention to the following PAI indicators when considering the principal adverse sustainability impacts in accordance with Art. 7 para. 1 letter a of Regulation (EU) 2019/2088 (Disclosure Regulation): Greenhouse gas emissions (Scope 1 and 2), greenhouse gas emission intensity and carbon footprint based on Scope 1 and 2, as well as the consumption of non-renewable energies. In addition, attention is paid to violations of the Principles of the UN Global Compact, violations of the OECD Guidelines for Multinational Enterprises and the measures and processes in place to comply with the Principles and Guidelines. The monitoring is not based on fixed ranges or thresholds that companies must meet or achieve; rather, the focus is on whether there is positive development in how they are managing the indicators and if they are working towards this where possible and necessary.

* Subfunds: Flossbach von Storch SICAV - Multiple Opportunities

Compliance with the following applied exclusions is monitored using turnover thresholds. Investments are excluded in companies that generate

- >0% of their turnover from controversial weapons,
- >10% of their turnover from producing and/or selling armaments,
- >5% of their turnover from producing tobacco products,
- >30% of their turnover from mining and/or selling coal.

Companies that have committed serious violations of the Principles of the UN Global Compact with no prospects of them being remedied and state issuers that are rated “not free” according to the Freedom House index are also excluded. Compliance with the exclusion criteria is monitored both before an investment is made and on an ongoing basis while the investment is held.

METHODOLOGIES

If serious negative impacts are identified, the focus is on whether there is positive development in how the companies are managing the indicators and if they are working towards this where possible and necessary. The development of the companies is assisted, monitored and measured in the ESG analysis and using a dedicated active ownership process to determine whether positive development is taking place.

The sub-fund has undertaken to exclude investments in companies with certain business models. Turnover thresholds, exclusion lists and internal ESG analyses are used to implement the exclusions.

DATA SOURCES AND PROCESSING

Data form the basis of the ESG analyses. Data quality is of prime importance for a meaningful assessment of the companies in terms of their management of the focal principle adverse impacts. For this reason, we use primary data for the companies. We currently only use ESG data from third-party providers (Bloomberg and MSCI) as a secondary source. They can provide useful information, but do not replace in-house analysis.

MSCI data and in-house exclusion lists are used to monitor the exclusion criteria.

LIMITATIONS TO METHODOLOGIES AND DATA

Due to inadequate quality and coverage, Scope 3 emissions data as well as information on non-renewable energy generation is not taken into account in the investment and engagement process. To improve the quality and coverage of the focal PAI data, Flossbach von Storch enters into a direct exchange with relevant portfolio companies to work towards improving data transparency.

DUE DILIGENCE

Flossbach von Storch is obligated to exercise great diligence with respect to the selection and monitoring of the financial instruments used and has implemented appropriately effective measures.

ENGAGEMENT POLICY

If one of the portfolio companies does not adequately manage the sustainability factors identified as particularly negative, which can have a long-term impact on business development, this is addressed directly with the company and an attempt is made to work towards positive development. Flossbach von Storch sees itself as a constructive sparring partner (where possible) or as a corrective partner (where necessary) that makes appropriate suggestions and supports management in the implementation. If management does not take the necessary steps, the fund management will use its voting rights in this regard, or reduce or sell the investment.

