

Template 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:** Global Investors – Innovation World Large Caps by AMG  
**Legal entity identifier:** 5299000J2N45DDNEY28

## 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 \_\_\_\_% 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.**

**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 environmental and/or social characteristics are promoted by this financial product? *The Fund is a product as defined in Article 8 of the European Disclosure Regulation 2019/2088.*

**No reference benchmark has been declared** for attaining the environmental or social characteristics promoted by the fund. Instead, the two sustainability approaches described below, "ESG integration" and the "exclusion principle", are applied.

**a) ESG integration**

With the ESG integration approach, ESG risks and opportunities are taken into account in the traditional financial analysis and investment decision-making process on the basis of systematic processes. The comprehensive qualitative ESG assessment uses company-specific **ESG risk ratings** from the ESG data provider

**MSCI.** MSCI is a world-leading independent ESG and corporate governance research, rating and analysis company that helps investors around the world to develop and implement responsible investment strategies.

The ESG risk ratings from MSCI provide information about the ESG risks and their financial impact on a company. Each company is classified into one of the seven ESG risk classes: AAA, AA, A, BBB, BB, B and CCC.

Companies with a **"B" rating** are assessed in more detail with regard to ESG risks as part of the fundamental analysis. This means that the Fund can invest in companies with a "B" rating **provided that** positive momentum in terms of ESG can be identified, with the result that **improvements in sustainability issues can be seen**. Investments with a "B" rating are **limited to 25% of the Fund's assets**, although this may be exceeded (due to changes in market price or downgrading, for example) for a limited period (no more than two months).

Lastly, the Fund can invest a **maximum of 10% of the Fund's assets** in investments that **do not have an ESG risk rating** from MSCI. This may be exceeded (due to changes in market price or loss of an ESG risk rating), but only for a limited period (no more than two months). A qualitative ESG assessment of such companies is carried out anyway, but based solely on their own data and information.

**b) Exclusion principle**

Investments in manufacturers of controversial weapons are not permitted. Excluded companies and issuers in the defence sector are businesses whose products violate internationally recognised conventions.

Companies and issuers who violate the Ten Principles of the **UN Global Compact** are also excluded. These principles cover the areas of human rights, labour standards, the environment and anti-corruption. More information about the UN Global Compact can be found at <https://www.unglobalcompact.org/>.

Companies with an MSCI ESG rating of "CCC" are also excluded.

If a company or an issuer in the portfolio subsequently violates one of these exclusion criteria, the investment is placed on a watchlist and is reassessed regarding this matter. If there are clear indications that the company will once again meet the criteria for non-exclusion within the next six months, the investment does not have to be sold. If not, it is promptly divested (usually within two months).

The Management Company uses MSCI data for investment compliance monitoring and any calculations or analyses for pre-contractual and periodic reporting, as well as for other ESG-related reports.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

This Fund promotes environmental and social characteristics using the following sustainability indicators:

- Compliance with non-exclusion criteria

The Sub-fund uses the following sustainability indicators:

- ESG rating
- Exclusion criteria for business activities and practices

● **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?**

This Fund promotes environmental and social characteristics but does not make any sustainable investments.

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

**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?** *This Fund promotes environmental and social characteristics but does not make any sustainable investments.*

**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?

*This Fund promotes environmental and social characteristics but does not make any sustainable investments.*

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

*This Fund promotes environmental and social characteristics but does not make any sustainable investments.*

*The EU Taxonomy sets out a "do no 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, \_\_\_\_\_ [if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]

No



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

*The investment objective of this investment fund is to achieve an increase in value by investing in equities of innovative companies, without regional restrictions. Companies that have proven innovative strength qualify for stock selection. The following assessment criteria (not exhaustive) are used when selecting stocks:*

- Expenditures on research and development
- Research collaborations
- Patent applications

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

- Innovation process management in the company

The Sub-fund will continuously invest at least 51% of its assets directly in equities.

Equity participations are:

1. shares in a stock corporation that are officially licensed to be traded on a stock exchange or shares listed on an organised market,

2. shares in a stock corporation that is not a property company and which

a) is based in a Member State of the European Union or in another Contracting State to the Agreement on the European Economic Area and is subject there to taxation on earnings of stock corporations, and is not exempt from it, or

b) is based in a third country, and is subject there to taxation on earnings of stock corporations to an amount of at least 15%, and is not exempt from it,

3. investment certificates in equity funds to an amount of 51% of the value of the investment certificate, or

4. investment certificates in balanced funds to an amount of 25% of the value of the investment certificate.

Financial derivatives that synthetically represent the performance of equity investments by means of such derivatives (e.g. equity futures) do not constitute equity investments.

For investments in bonds, the bonds should generally have a rating of at least BBB+/Baa1.

The proportion of equity-type securities and rights shall amount to 100% of the Fund's assets (after deduction of liquid funds). In this case, less than 10% of the Fund's assets may be invested in securities (including derivatives) of the same issuer. Currency risks from investments in equity-type securities and rights may be hedged against the Fund's reference currency. The Sub-fund can therefore not exceed 10% of its net asset value in UCITS or UCIs including ETFs.

The conclusion of securities lending transactions and/or repo and/or reverse repo transactions and investments in total return swaps are excluded for this Sub-fund.

● **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?**

The binding elements are minimum criteria in the areas of ESG rating, business activity and business practices.

The following investment restrictions are checked on the basis of MSCI's ESG data. The Management Company reserves the right to include other data sources or, in individual cases, to allow a qualitative assessment if no official ESG data from MSCI is available.

The ESG risk ratings from MSCI provide information about the ESG risks and their financial impact on a company. Each company is classified into one of the seven ESG risk classes: AAA, AA, A, BBB, BB, B and CCC.

Companies with a **"B" rating** are assessed in more detail with regard to ESG risks as part of the fundamental analysis. This means that the Fund can invest in companies with a "B" rating **provided that** positive momentum in terms of ESG can be identified, with the result that **improvements in sustainability issues can be seen**. Investments with a "B" rating are **limited to 25% of the Fund's assets**, although this may be exceeded (due to changes in market price or downgrading, for example) for a limited period (no more than two months).

Lastly, the Fund can invest a **maximum of 10% of the Fund's assets** in investments that **do not have an ESG risk rating** from MSCI. This may be exceeded (due to changes in market price or loss of an ESG

risk rating), but only for a limited period (no more than two months). A qualitative ESG assessment of such companies is carried out anyway, but based solely on their own data and information.

*Definition of terms: "Securities" within the meaning of the following investment restrictions include individual stocks (bonds, shares, convertible bonds, certificates etc.). Securities do not include derivatives (DTGs, options, futures etc.) or liquid funds (current account, call/forward funds).*

#### *Business activity*

*The Sub-fund may not invest in securities of companies that generate revenue of more than 5% in the respective areas of tobacco, gambling, thermal coal or nuclear weapons, or companies that are associated with controversial weapons.*

*Investments in manufacturers of controversial weapons are not permitted. Excluded companies and issuers in the defence sector are businesses whose products violate internationally recognised conventions.*

*Companies and issuers who violate the Ten Principles of the **UN Global Compact** are also excluded. These principles cover the areas of human rights, labour standards, the environment and anti-corruption. More information about the UN Global Compact can be found at <https://www.unglobalcompact.org/>.*

#### *Business practices*

*The Sub-fund may not invest in securities of companies that violate the following principles:*

- United Nations Global Compact (UNGC)*
- Guiding Principles for Business and Human Rights*
- International Labour Organization's Fundamental Principles*

*The proportion of such investments in target funds may not exceed 5%.*

*The Sub-fund may not invest in securities of companies that are marked by very serious controversies. The proportion of such investments in target funds may not exceed 5%.*

*No more than 10% of the Sub-fund's net assets may be invested in securities and target funds for which ESG information is not (yet) available.*

*Temporary violations caused by a negative change in the ESG rating of an investment are corrected as soon as possible, but no later than the next rebalancing date, which is why it is assumed that the restrictions do not affect the promoted ecological or social characteristics.*

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

*This Sub-fund is not obliged to reduce the scope of investments by a minimum rate.*

### ● **What is the policy to assess good governance practices of the investee companies?**

*Environmental protection, human rights, labour standards and, above all, responsible corporate governance are important components of sustainability. This is why these issues are firmly incorporated in the sustainable investment process.*

*Corporate governance issues can be identified very quickly using the ongoing controversy monitoring system. Good governance practices are assessed by adherence to the Ten Principles of the UN Global Compact. The Fund does not invest in any company that violates these principles. By observing these Ten Principles of the UN Global Compact, companies not only fulfil their fundamental responsibilities to people and the environment, but also create the conditions for long-term success.*

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



## What is the asset allocation planned for this financial product?

At least 90% of the Fund's investments meet the above requirements regarding ESG integration and the exclusion principle, and thus promote its environmental and social characteristics (graph #1 below). The Fund does not hold "sustainable investments" as defined by the Sustainable Finance Disclosure Regulation (SFDR), which is why only environmental or social characteristics are pursued with the Fund (graph #1B below). The Fund can ultimately invest no more than 10% of its assets in investments that do not have an ESG risk rating from MSCI (graph #2 below). These investments must meet minimum requirements, even if they are not geared towards environmental and social characteristics. These are expressed in the form that compliance with conventions and standards is always applied in investments.

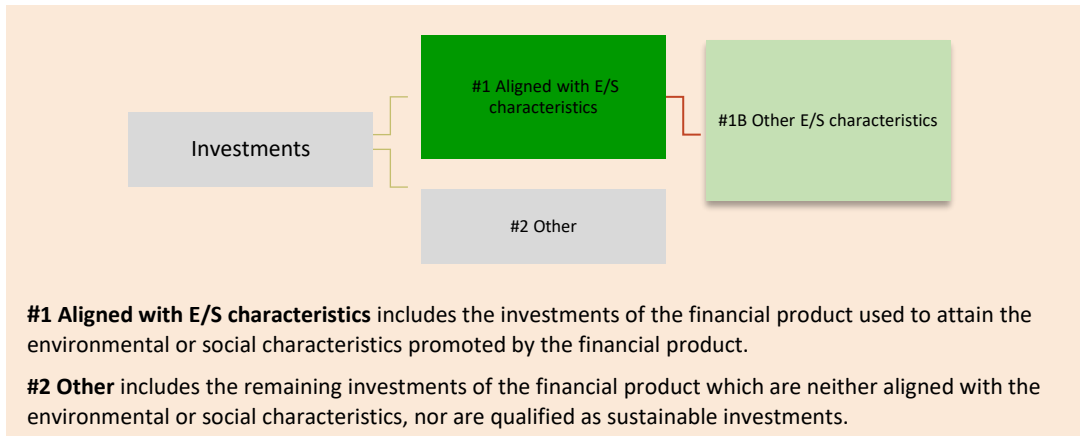
**Asset allocation** describes the share of investments in specific assets.

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852.]*

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



### ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

*This Fund categorically does not use any derivatives with a strategic objective, and therefore neither does it use them to promote environmental or social characteristics.*



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

*This Fund does not make any sustainable investments. The Fund makes investments that promote certain environmental and social characteristics.*

### Does the financial product invest in fossil gas and/or nuclear energy related activities<sup>1</sup> that comply with the EU taxonomy?

Yes:

In fossil gas  In nuclear energy

No

<sup>1</sup> 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 objective – 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.


[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2023. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

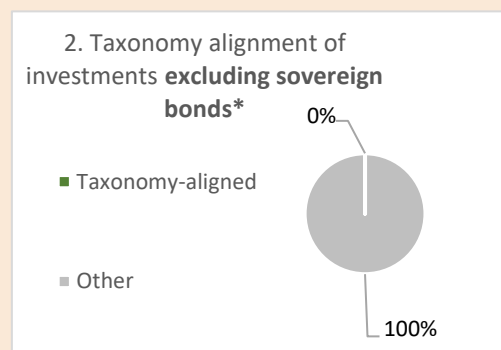
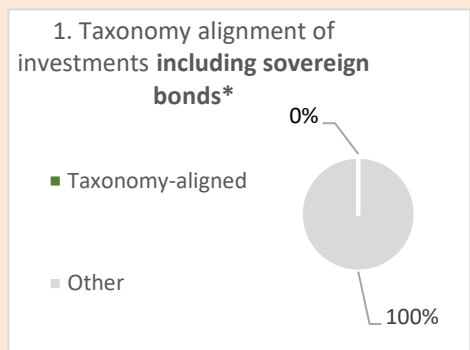
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities.]

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.

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 that do not include 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?**

There is no provision for a minimum share of investments in transitional and enabling activities.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

There is no provision for a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



**What is the minimum share of socially sustainable investments?**

There is no provision for a minimum share of socially sustainable investments.



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

Investments of this financial product that fall under "#2 Other" are mainly used for liquidity planning and for hedging currency and interest rate risks. They may also include investments with an environmental or social orientation for which valid ESG ratings or data are not currently available.

These investments are intended to achieve better diversification, for example with regard to the number of investee companies or to the management of general portfolio risks. These investments comply with the minimum safeguards due to the aforementioned exclusion principle.



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? *No index has been designated as a reference benchmark.*

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

*n/a.*

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

*n/a.*

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

*n/a.*

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

*n/a.*

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

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



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

**More product-specific information can be found on the website:**

*More product-specific information can be found on the website: <https://vpfundsolutions.vpbank.com/de/fondsinformationen/fonstdokumentationen> under the fund in question on the "ESG Information" tab.*