

## SUB-FUND INFORMATION CARD

**This Sub-Fund Information Card dated 1<sup>st</sup> December, 2022 forms part of and should be read in conjunction with the Prospectus dated 1<sup>st</sup> December, 2022 for the Fund and which is available from the Administrator at 54-62 Townsend Street, Dublin 2, Ireland.**

This Sub-Fund Information Card contains specific information in relation to the following sub-funds of KBI Global Investment Fund (the "Fund") an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the Unit Trusts Act, 1990 and any other regulations made thereunder.

KBI Managed Fund  
KBI Ethical Managed Fund  
KBI Cash Fund\*  
KBI Integris Eurozone Equity Fund  
KBI Innovator Fund

\*This Sub-Fund is in the course of termination, accordingly, Units are no longer available in this Sub-Fund. Application will be made to the Central Bank in due course for revocation of approval of this Sub-Fund.

### **1. Investment Objectives, Policies and Restrictions**

#### ***KBI Managed Fund***

##### *Investment Objectives/Policies*

The investment objective of the KBI Managed Fund is to achieve long term capital growth.

The Sub-Fund seeks to achieve its objective by investing through underlying collective investment schemes (as further set out below under "Collective Investment Schemes") in a range of global equity and equity-related securities (such as convertible bonds, convertible preference shares and warrants), fixed income securities (such as bonds and notes), alternative investments and cash.

The investment exposure of the Sub-Fund shall be biased towards equities, with a diversified global portfolio of equity and equity-related securities of companies listed or traded on Recognised Exchanges worldwide.

The fixed income securities will be listed or traded on Recognised Exchanges worldwide and may be fixed and/or floating rate, issued by governments and/or corporate and/or supranational organisations. These securities will primarily be rated as investment grade by one or more of the leading credit rating agencies, provided that up to 10% of the net asset value of the Sub-Fund may be held in non-investment grade securities.

Alternative investments will comprise investments in passive or active open-ended collective investment schemes (including exchange traded funds) that have exposure to property, currencies, commodities and hedge funds.

Cash exposure will be in the form of liquid assets such as money market and short term

instruments, including but not limited to, certificates of deposit, commercial paper and cash deposits, which may be held for investment or liquidity management purposes.

#### *Collective Investment Schemes*

The Sub-Fund intends to achieve its objective by investing substantially all of its assets in units of other collective investment schemes (including exchange traded funds), the investment objective and policies of which are similar to those set out above. The Sub-Fund may, however, also invest from time to time directly in the asset classes referred to above if the Investment Manager considers it appropriate, as further described below under "Investment Process". No direct investment will be made in property or commodities.

The collective investment schemes in which the Sub-Fund will invest may be leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes and may be domiciled worldwide. Such schemes may include other Sub-Funds of the Fund and other collective investment schemes which are managed by the Investment Manager. The periodic reports of the Sub-Fund will disclose the nature of such schemes. The Sub-Fund may invest up to 50% of its net assets in the KBI Developed Equity Fund, which is a sub-fund of the KBI Funds ICAV, which is an Irish UCITS managed by the Investment Manager.

The Sub-Fund will not suffer any additional management or custody fees by virtue of its investment in other collective investment schemes that are managed by the Investment Manager. The periodic reports will disclose the nature of such collective investment scheme holdings.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any). The fees charged directly to the Sub-Fund are detailed in the Classes Information Card.

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund***

#### *Investment Process*

The allocations to each asset class (equity, fixed income, alternative investments or cash) will be decided by the Investment Manager taking into account (i) the likely investment returns for each asset class; (ii) the expected risk associated with those returns, usually measured by the volatility of historical returns associated with the asset class; (iii) the overall investment objective of the Sub-Fund; and (iv) the profile of the Sub-Fund's investors. The Investment Manager's expectations for asset class investment returns and risk will vary depending on market conditions and the Investment Manager's assessment of factors including, but not limited to, the level and direction of short-term and long-term interest rates, economic growth, inflation, and market valuation indicators. Given the investment objective of the Sub-Fund to achieve long term capital growth, and the associated long term investment time horizon of the investors, a medium level of risk is acceptable and is achieved by balancing the allocations across the various asset classes.

All investment decisions (to include the decision to invest directly or indirectly through collective investment schemes) are made following an assessment by the Investment Manager of the

proposed holding against the Investment Manager's investment selection criteria, as outlined below:

- Investment objective: the compatibility of the proposed investment with the investment objective of the Sub-Fund;
- Past and expected future performance: this assessment will be based on historic returns, if available, and the judgement of the Investment Manager in relation to future returns, taking into account factors such as management expertise and stability and the expected returns from the relevant asset class;
- Historic and/or expected risk: this assessment will usually be estimated by an examination of the volatility of its historic returns;
- Costs: an assessment of the total costs of the initial and ongoing investment;
- Liquidity: a strong preference for daily liquidity, in other words, the opportunity to invest or divest not less frequently than daily, however, less frequent than daily liquidity will be permitted taking into account the liquidity requirements of the Sub-Fund;
- Diversification and concentration risk: in the case of a collective investment scheme, an assessment will be made of the number of underlying holdings within the proposed collective investment scheme, and whether it has a sufficiently diversified exposure to its underlying asset class.

*Measurement of Performance*

The Sub-Fund's performance is measured against a custom benchmark return calculated by the Investment Manager by taking the aggregate weighted returns for each asset class of equities, bonds, alternatives and cash. The weightings and measurement criteria used to calculate the various asset class returns are detailed below:

<b><u>Asset Class</u></b>	<b><u>Benchmark Weights</u></b>	<b><u>Measurement Criteria</u></b>
Equities	72.5%*	MSCI World Index ex Europe MSCI Europe Index MSCI Emerging Markets Index
Bonds	15%	JP Morgan Investment Grade > 5 Year EMU Govt Bond Index
Alternatives	10%	Euribor + 3%
Cash	2.5%	3 month Euribor

\*The breakdown of the benchmark weights among each of the three above-named equity indices will be available in the periodic reports of the Sub-Fund.

The benchmark weights set out above are correct as at the date of this Sub-Fund Information Card. Any change to these weights, which may occur on an infrequent basis, will be outlined in the periodic reports of the Sub-Fund. In addition, the Investment Manager may change an index used in the measurement criteria to such other index representing a similar or generally consistent exposure where, for reasons outside the Investment Manager's control, the original index is no longer the benchmark index for that exposure. Any such change in an index shall also be disclosed in the periodic reports of the Sub-Fund.

The benchmark weights set out above will not necessarily mirror the weightings of each asset class within the Sub-Fund's portfolio. Rather, the benchmark weights within the custom

benchmark are used to calculate the benchmark performance, against which the overall performance of the Sub-Fund is measured. The Sub-Fund will be managed to out-perform the custom benchmark over rolling five year periods.

#### *Principal Adverse Impact Reporting*

The Investment Manager does not consider the adverse impacts of investment decisions taken in respect of the Sub-Fund on sustainability factors. The Sub-Fund does not promote environmental or social characteristics or pursue an objective of sustainable investment. Instead, the objective of the Sub-Fund is to achieve long term capital growth by investing through underlying collective investment schemes in a range of global equity and equity-related securities (such as convertible bonds, convertible preference shares and warrants), fixed income securities (such as bonds and notes), alternative investments and cash through employing the policies outlined above.

Accordingly, in identifying suitable securities for investment by the Sub-Fund, the Investment Manager uses other selection criteria including opportunities based on financial criteria as anticipated and assessed by the Investment Manager and does not currently consider adverse impacts of investment decisions on sustainability factors. *EU Taxonomy Framework*

The Sub-Fund does not have as its objective sustainable investment, nor does it promote environmental or social characteristics. As a result, the Sub-Fund does not fall within the scope of the Taxonomy Regulation. The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

#### ***KBI Ethical Managed Fund***

##### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth and has been established for the purpose of marketing to charities.

The Sub-Fund seeks to achieve its objective through investment directly and/or indirectly (in units of other collective investment schemes) in a broad range of bonds and Irish and international equities listed or traded on Recognised Exchanges worldwide. The asset mix of the Sub-Fund will reflect the Investment Manager's investment outlook at any time, subject to a maximum equity weighting of 80% of the overall portfolio. In addition all actively managed fixed interest and listed equity holdings, including actively managed collective investment schemes consisting of either fixed interest instruments or listed equities, in which the Sub-Fund invests, are passed through the Investment Manager's ethical screening process before being added to the Sub-Fund. If a particular holding does not meet the relevant ethical criteria laid down by the Investment Manager, then the Sub-Fund will not invest in such holding.

The bonds will have a rating of at least BBB from Standard & Poors or equivalent rating. The

Sub-Fund aims for medium to long term capital growth. The Sub-Fund intends to achieve its investment objective by investing substantially all of its assets in other Sub-Funds of the Fund.

The Sub-Fund may invest up to 100% of its assets in the KBI Integris Eurozone Equity Fund, details of which are set out on page 7 of this Sub-Fund Information Card. The Sub-Fund may also invest up to 100% of its assets in the KBI Integris Global Equity Fund, a sub-fund of the KBI Funds ICAV, which is structured as a UCITS. The investment objective of the KBI Integris Global Equity Fund is to outperform the MSCI World Index and to achieve long-term growth by investing in a portfolio of equity and equity-related securities of companies located in developed markets. In pursuit of its investment objective, the KBI Integris Global Equity Fund invests primarily, either directly or indirectly (through investment in underlying collective investment schemes), in equity and equity-related securities (including, but not limited to, warrants, convertibles, rights which are issued by a company to allow holders to subscribe for additional securities issued by that company, ADRs and GDRs) listed or traded on Recognised Exchanges in developed markets worldwide.

The periodic reports of the KBI Integris Eurozone Equity Fund and the KBI Funds ICAV will be attached to the periodic reports of the Sub-Fund.

The Sub-Fund may also invest in units of other Sub-Funds of the Fund and other open-ended collective investment schemes, the investment objectives and policies of which are consistent with those set out above. It is envisaged that the underlying schemes will primarily be other Sub-Funds of the Fund but the Sub-Fund may invest in other leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes worldwide (including but not limited to Europe) from time to time. The periodic reports will disclose the nature of such schemes.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

#### *Environmental, Social and Governance Factors*

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further information in relation to the environmental and social characteristics promoted by the Fund is set out in Annex I, which is attached to this Sub-Fund Information Card.

#### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

## ***KBI Cash Fund***

### *Investment Objectives/Policies*

The principal investment objective of the Sub-Fund is to invest in money market instruments (such as commercial paper, floating rate notes and government bonds with maturities of less than one year) where the Investment Manager will try to achieve very competitive interest rates on behalf of all investors. Short-dated bonds will also be held from time to time. The bonds will have a rating of at least A- from Standard and Poor's or A3 from Moody's. The Sub-Fund is low risk with a strong emphasis on security and there is a restriction that no more than 20% of the Sub-Fund may be invested in government debt with a maturity of greater than one year and which are listed or traded on Recognised Exchanges worldwide. The investment objective of the Sub-Fund is to achieve a rate of return in line with wholesale money market rates.

### *Investment Restrictions*

The Sub-Fund is subject to the following investment restrictions in addition to the general investment restrictions set out in the Prospectus under the heading "The Fund – Investment Restrictions" which apply to all Sub-Funds and which are not disapplied below:

- (i) at least 80 per cent. of the assets of the Sub-Fund must consist of securities or deposits which have a maturity at date of acquisition of not greater than one year; and
- (ii) no more than 5 per cent. of the net asset value of the Sub-Fund may be invested in the debt securities of companies, other than banks, with a credit rating of less than A1/P1.

***Investors should be aware of the difference between the nature of a deposit and the nature of an investment in a money market scheme such as a Sub-Fund and, in particular, of the risk that the principal invested in a money market scheme is capable of fluctuation.***

## ***KBI Integris Eurozone Equity Fund***

### *Investment Objectives/Policies*

The investment objective of the Sub-Fund is to invest in above average yielding assets while achieving long term capital growth and maintaining an adequate spread of risk by investing in equities of companies incorporated in those member states of the European Union who are also members of the European Monetary Union ("Eurozone") and are listed or traded on Recognised Exchanges in Europe. The Sub-Fund has an overriding ethical screen overlaying the portfolio and which is managed by the Investment Manager. If a particular stock does not meet the relevant ethical criteria laid down by the Investment Manager, then the Sub-Fund will not invest in such stock.

The performance of the Sub-Fund will be measured against the MSCI EMU Index (comprising a universe of developed market publicly quoted equity securities quoted and domiciled in the EMU) (or any other index which replaces it or is considered to be the market standard in place of that index and any such change in that index will be notified to Unitholders in the semi-annual or annual accounts). The Sub-Fund will be managed to out-perform that Index.

The Sub-Fund may also invest in units of other open-ended collective investment schemes, the investment objectives and policies of which are the same as those set out above. The Sub-Fund may invest in leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes. The periodic reports will disclose the nature of such schemes.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

### *Environmental, Social and Governance Factors*

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further information in relation to the environmental and social characteristics promoted by the Fund is set out in Annex II, which is attached to this Sub-Fund Information Card.

### *Investment Restrictions*

The Sub-Fund's investment restrictions are as set out in the Prospectus under the heading "The Fund – Investment Restrictions".

## ***KBI Innovator Fund***

### *Investment Objectives/ Policies*

The investment objective of the Sub-Fund is to achieve long term capital growth while maintaining an adequate spread of risk. The Sub-Fund aims to offer significant diversification by gaining exposure to alternative assets and themes/sectors, including but not limited to commodities, alternative energy, water and emerging markets, not normally available in traditional equity or managed funds. It is envisaged that the Sub-Fund will display a relatively high level of volatility against the benchmark set out below and will work well as a diversifier from traditional assets and themes/sectors.

The Sub-Fund seeks to achieve its objective and gain exposure to the alternative assets and themes/sectors referred to above through investment directly and/or indirectly (in units of other collective investment schemes, including exchange traded funds) in global equity and equity-related securities (such as convertible bonds and warrants) of companies listed or traded on Recognised Exchanges worldwide and in fixed income securities (such as bonds and notes), cash, property and commodity indices. The fixed income securities will be listed or traded on Recognised Exchanges worldwide and will have a rating of at least BBB from Standard & Poors or equivalent rating. Bonds may be fixed and/or floating rate, issued by governments and/or corporates. The performance of the Sub-Fund will be measured against the MSCI World Index, a market capitalisation weighted index of the major shares (approximately 1,600 companies) listed on organised exchanges in developed (currently 23) countries. The Sub-Fund will be managed to out-perform the index referred to above (or any other index which replaces it or which is considered to be the market standard in place of that index and any such change in the index will be notified to Unitholders in the semi-annual or annual accounts).

The Sub-Fund will not make any investment directly in property. Any property exposure shall be through investment in units of the KBI Qualifying Investor Fund (previously the Kleinwort Benson Investors Exempt Unit Trust). The KBI Qualifying Investor Fund is a regulated qualifying investor alternative investment fund under the AIFM Legislation. It is open-ended with quarterly dealing and is not leveraged. It is managed by KBI Global Investors Limited and invests in Irish property through investment in the Irish Property Unit Trust which is the largest Irish exempt property unit trust. KBI Qualifying Investor Fund also has an exposure to European Property on a fund of funds basis through the KBI / Lothbury Qualifying Investor Fund plc which is a fund approved by the Central Bank. The Sub-Fund will not suffer any additional management or custody fees by virtue of its investment in the KBI Qualifying Investor Fund. Investment in the KBI Qualifying Investor Fund will not exceed 10% of the NAV of the Sub-Fund.

The Sub-Fund may invest in units of other Sub-Funds of the Fund and other open-ended collective investment schemes, the investment objectives and policies of which are consistent with those set out above. Any such underlying schemes will be leveraged or unleveraged open-ended Regulated Collective Investment Schemes and leveraged or unleveraged open-ended Unregulated Collective Investment Schemes worldwide from time to time. The periodic reports will disclose the nature of such schemes.

The Sub-Fund may invest up to 75% of its net assets in the KBI Global Resource Solutions Fund, which is a sub-fund of KBI Funds ICAV, an open-ended umbrella investment company, which is authorised by the Central Bank as a UCITS. The investment objective of the KBI Global Resource



Solutions Fund is to generate the highest possible return for its Shareholders by investing primarily in equity and equity-related securities of international companies involved in environmental sectors as further described in this paragraph. This is reflected in its pursuit of capital gains and income. In pursuit of its investment objective, the KBI Global Resource Solutions Fund invests primarily, either directly or indirectly (through investment in underlying collective investment schemes), in equity and equity-related securities (including, but not limited to, warrants, convertibles, rights which are issued by a company to allow holders to subscribe for additional securities issued by that company, ADRs and GDRs) of companies listed or traded on recognised exchanges worldwide which, in the opinion of the investment manager of KBI Global Resource Solutions Fund, generate a substantial proportion of their turnover from and operate on a sustainable basis in the environmental sector by providing solutions to environmental challenges. The KBI Global Resource Solutions Fund may invest across all facets of the environmental sector including but not limited to renewable energy, clean energy, water infrastructure and technology, energy efficiency, waste management and recycling and carbon trading. The periodic reports of the KBI Global Resource Solutions Fund will be attached to the periodic reports of the Sub-Fund.

The annual cumulative management, administration, investment management and trustee/custody fees at the Sub-Fund and underlying collective investment schemes level shall not exceed 2% of Net Asset Value (exclusive of VAT, if any).

***Investors may be subject to higher fees arising from the layered investment structure than would typically be incurred by an investment in a single fund.***

***An investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.***

*Environmental, Social and Governance Factors*

The Sub-Fund promotes environmental and social characteristics in a way that meets the criteria contained in Article 8 of SFDR. Further information in relation to the environmental and social characteristics promoted by the Fund is set out in Annex III, which is attached to this Sub-Fund Information Card.

*Investment Restrictions*

The Sub-Fund's investment restrictions are set out in the Prospectus under the heading "The Fund – Investment Restrictions".

## **2. Unit Classes**

Units shall be issued to investors as Units of a Class in a Sub-Fund. The AIFM may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, designated currency, distribution policy and such other features as the AIFM may determine may be applicable.

The Classes available in a Sub-Fund and their respective subscription fees and expenses (including management fee, administration fee and trustee fee), designated currency, and other

relevant Class specific features shall be detailed in separate Classes Information Cards which forms part of the Prospectus and are available from the Administrator and relevant Distributor.

### **3. Issue of Units**

The procedures to be followed in applying for Units and details of applicable subscription fees are set out in the Prospectus under the heading "Administration of the Fund-Application for Units".

#### *Initial Issue*

During the initial offer period of a Class, Units shall be offered to investors at an initial issue price per Unit as set out in the relevant Classes Information Card.

The initial offer period may be shortened or extended by the AIFM with the consent of the Trustee. The Central Bank shall be notified of any such shortening or extension.

#### *Subsequent Issues*

Thereafter, Units shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued. A subscription fee as set out in the Classes Information Cards to this Prospectus may be deducted as set out in the Prospectus under the heading "Administration of the Fund – Application for Units".

### **4. Dealing Day**

Every Business Day for all Sub-Funds or such other day or days as the AIFM may with the approval of the Trustee, determine provided that (i) there is at least one dealing day per month and (ii) Unitholders will be notified in advance of any changes to the Dealing Day.

### **5. Base Currency**

The Base Currency for each Sub-Fund is Euro.

### **6. Distribution Policy**

"A" Units shall not be entitled to receive distributions whereas "B" Units shall.

### **7. Fees**

In addition to the fees and expenses of the Trustee and the general management, administration and fund charges set out in the Prospectus under the heading "Management and Fund Charges", certain Class specific fees are payable out of certain Classes as set out in the relevant Classes Information Cards.

### **8. Risk Factors**

The Risk Factors applicable to a Sub-Fund are set out in the Prospectus under the heading "Risk Factors".

## **9. Establishment Expenses**

The fees and expenses relating to the establishment of the Sub-Funds have been amortised in full.

**Product name:** KBI Ethical Managed Fund (the “product”)

**Legal entity identifier:** 635400TDRDS74PJHKP69

## 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**

### 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 lay down 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 environmental and social characteristics of the product are reductions in harm to the environment and climate arising from the emissions of greenhouse gases and better corporate practices that contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the product.

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

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including:

- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- The carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

### ● **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 product will invest partially in sustainable investments.

The objectives of these sustainable investments are the reduction in harm to the environment and climate arising from the emissions of greenhouse gases and better corporate practices that contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications. The sustainable investments contribute to these objectives through the reduction in the carbon intensity of the portfolio and through the promotion of improved corporate practices that contribute to a more just society.

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

**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 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 sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators (“PAI Indicators”), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The PAI Indicators relate to a number of potential negative impacts, including but not limited to greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

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

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product does not invest in any companies engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
3. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

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

The product does not invest in any company which violates, repeatedly and seriously, one or more of the ten principles of the UN Global Compact. To implement this, the Investment Manager uses data from data providers which rely on international conventions such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as sources of data to determine risk exposure of companies’ geographies of operation and business segments.

Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment.

*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

No

The Investment Manager does not consider the adverse impacts of investment decisions taken in respect of the product on sustainability factors as the Investment Manager, in its view, could not gather and/or measure all of the data on which it would be obliged by SFDR to report, or it could not do so systematically, consistently and at a reasonable cost to investors. Should this position change and if the Investment Manager will consider the adverse impacts of its investment decisions on sustainability factors in respect of the product, this Annex will be updated at the next available opportunity.



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

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

## What investment strategy does this financial product follow?

Please see response in the next section below.

- ***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?***

In identifying investments which allow the product to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

### *Collective Investment Schemes*

When making investments in active collective investment schemes the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses the Environmental, Social and Governance (“ESG”) performance of companies in which it invests, and integrates the results of that assessment into its investment decisions.

### *Direct Investments*

The Investment Manager excludes holdings deemed inconsistent with its Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager’s Responsible Investment Committee. The product can not invest in any companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds are available in the Responsible Investing Policy of the Investment Manager which can be found at the link below under the question “Where can I find more product specific information online”. The Investment Manager carries out its own assessment of the environmental and social performance of companies, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers (“Data Providers”).

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

There is no committed minimum rate.

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

The Investment Manager assesses the governance practices and governance performance of both the collective investment schemes and any direct companies in which it invests:

### *Collective Investment Schemes*

The Investment Manager ensures that the investment managers of the underlying collective investment schemes in which the product invests assess the governance practices and governance performance of companies in which those collective investment schemes invest.



### *Direct Investments*

In the case of direct investment in companies, this assessment of governance practices and performance is based on the Investment Manager's knowledge of the companies based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors.
- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies.
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee.
- Labour management: the relationship between management and labour.
- Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies.



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

Taxonomy-aligned activities are expressed as a share of:

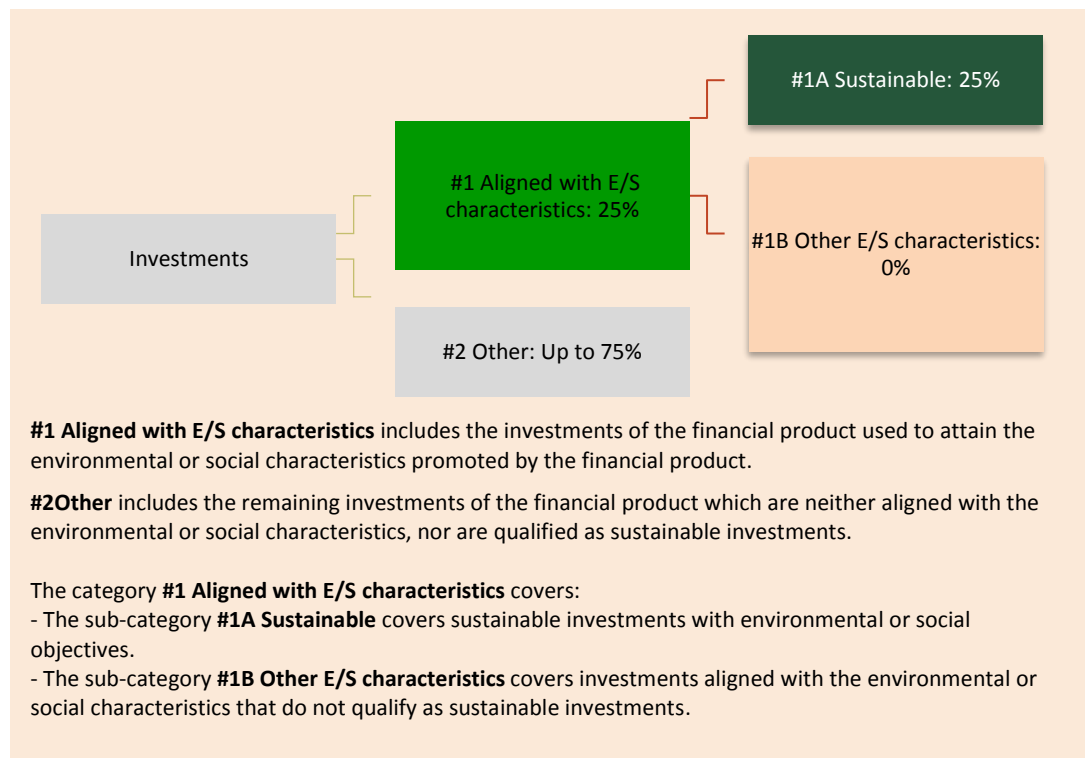
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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

A minimum of 25% of the investments of the product are used to meet the environmental and social characteristics promoted by the product in accordance with the binding elements of the investment strategy.

While the product does not have sustainable investing as its objective, the product seeks to invest a minimum of 25% of its assets in sustainable investments with an environmental and/or social objective.

The purpose of the remaining proportion of the investments, if any, that are not used to meet the environmental and social characteristics promoted by the product is investment growth and efficient portfolio management in accordance with the investment policy of the product. Investors should note that the remaining portion of investments also includes investments which have not been screened to assess whether they promote environmental / social characteristics or constitute sustainable investments. Minimum environmental and social safeguards continue to apply in the selection of these investments including ESG-related exclusions (more details on the Investment Manager's exclusions are included above).



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

Derivatives are not used to attain the environmental or social characteristics promoted by the product.



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

#### Enabling activities

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

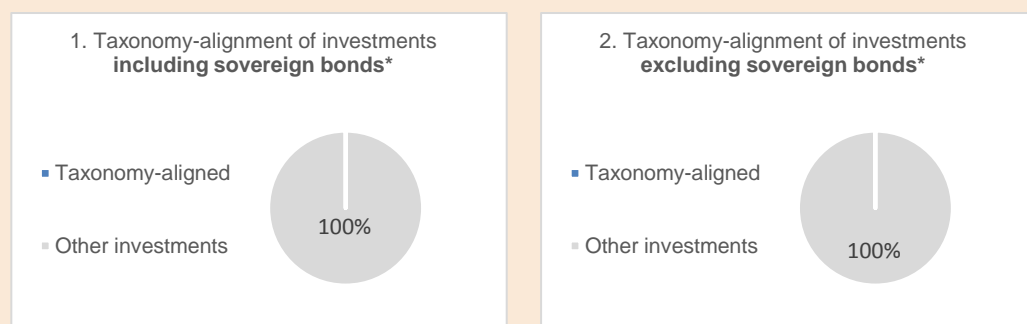
#### Transitional activities are

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

As at the date hereof, it is expected that the minimum proportion of investments of the product in environmentally sustainable economic activities aligned with the EU Taxonomy shall be 0%. The Investment Manager will disclose the actual proportion of investments aligned with EU Taxonomy on an annual basis on its website and in the periodic reporting of the product.

In order to attain the environmental and social characteristics promoted by this product, the product invests in sustainable investments even though such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation.

*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



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 investments in transitional and enabling activities?

The minimum share of investments in transitional activities is 0.0% of the product's assets.

The minimum share of investments in enabling activities is 0.0% of the product's assets.



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

The product commits to invest at least 25% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. This means that the proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will vary. Minimum percentages are subject to

change and updates can be found on the website as referred to in the last question of this Annex.

In order to attain the environmental characteristics promoted by this product, the product invests in sustainable investments which contribute to specific environmental objectives. However, such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation. Further information on the objectives of the sustainable investments held by the product is provided under the heading “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives?”.



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

The product commits to invest at least 25% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with specifically a social objective. This means that the proportion of sustainable investments with a social objective will vary. Minimum percentages are subject to change and updates can be found on the website as referred to in the last question of this Annex.



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

From time to time some investments may not be aligned with the environmental or social characteristics of the product. The purpose of those investments is to generate investment growth and help provide efficient portfolio management in accordance with the investment policy of the product. Investors should note that the remaining portion of investments also includes investments which have not been screened to assess whether they promote environmental / social characteristics or constitute sustainable investments. Minimum environmental and social safeguards continue to apply in the selection of these investments including the exclusion of companies involved with certain controversial activities, and the exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact.



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

- *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

**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:**

<https://www.kbiglobalinvestors.com/sfdr-gifproduct-info/ueucm/>

**Product name:** KBI Integris Eurozone Equity Fund (the “product”)

**Legal entity identifier:** 635400UEV7KR5V3XGB79

## 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 **50%** 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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

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

The environmental and social characteristics of the product are reductions in harm to the environment and climate arising from the emissions of greenhouse gases and better corporate practices that contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications.

The MSCI EMU Index (the “Index”) is used to compare the ESG performance of the product against the ESG performance of the Index. However, the investment strategy of the product is not continuously aligned with the index and the index is not used for the purpose of determining the attainment of the environmental and social characteristics promoted by the product. The Index is a broad market index and is not aligned with the environmental and social characteristics promoted by the product.

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

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including:

- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- The carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

● ***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 product will invest partially in sustainable investments.

The objectives of these sustainable investments are the reduction in harm to the environment and climate arising from the emissions of greenhouse gases and better corporate practices that contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications. The sustainable investments contribute to these objectives through the reduction in the carbon intensity of the portfolio and through the promotion of improved corporate practices that contribute to a more just society.

**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 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 sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators (“PAI Indicators”), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The PAI Indicators relate to a number of potential negative impacts, including but not limited to greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

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

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product does not invest in any companies engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
3. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

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

The product does not invest in any company which violates, repeatedly and seriously, one or more of the ten principles of the UN Global Compact. To implement this, the Investment Manager uses data from data providers which rely on international conventions such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as sources of data to determine risk exposure of companies’ geographies of operation and business segments.



*Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment process.*

*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  
 No

This product considers principal adverse impacts on sustainability factors. This is done in a number of ways.

1. A minimum proportion of the investments held in this product must be sustainable investments. In determining whether an investment is a sustainable investment, the PAI Indicators of the investment are considered, and where the adverse impact is considered to be excessive, in the judgement of the Investment Manager, based on whether the adverse impact breaches certain thresholds set by the Investment Manager, such investments are not deemed to be sustainable investments.
2. The Investment Manager’s decision on whether to make an investment in a company, and the size of that investment, takes into account a wide range of PAI Indicators relating to the social, environmental and governance characteristics of that company, including the adverse impact that the company is having on sustainability.
3. The product does not invest in any companies engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and

companies with a high degree of involvement in coal extraction or coal-fired electricity generation.

4. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact, with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

The product's annual financial statements will disclose how principal adverse impacts have been considered on sustainability factors.



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

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

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

Please see response in the next section below.

- ***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 Investment Manager integrates an analysis of companies' ESG performance into its investment analysis and investment decisions. Companies are rated on an AAA-CCC scale relative to the standards and performance of their industry peers, which is then translated into an ESG score. The Investment Manager gets a single ESG score for each stock from MSCI ESG Research (the "Data Provider"), each stock receiving a score of between 0 and 10, with the highest scoring company receiving a 10. The Investment Manager's target is that the product's ESG score is higher than the Index. The portfolio construction process excludes holdings deemed inconsistent with the Investment Manager's Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investing Committee. Further, the product cannot invest in companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds are available in the Responsible Investing Policy of the Investment Manager which can be found at the link below under the question "Where can I find more product specific information online".

The Investment Manager monitors the carbon intensity of companies in which the product invests and aims to have a carbon intensity level lower than the Index. Carbon intensity is a measure of greenhouse gas emissions, in tonnes, relative to the revenue of the company or portfolio. The Investment Manager obtains carbon intensity data from the Data Provider. However, as above, the investment strategy of the product is not continuously aligned with the Index and the Index is not used for the purpose of determining the attainment of the environmental and social characteristics promoted by the product. The Index is a broad market index and is not aligned with the environmental and social characteristics promoted by the product.

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

There is no committed minimum rate.

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

The Investment Manager assesses the governance practices and governance performance of all companies in which the product invests. This assessment is based on (i) the Investment Manager's own research and knowledge of the company based on its direct interactions with companies and its analysis of the financial statements and related materials of companies; and/or (ii) information including specialised governance information and ratings from at least one external data provider, in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors.
- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies.
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee.
- Labour management: the relationship between management and labour.
- Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies.



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

Taxonomy-aligned activities are expressed as a share of:

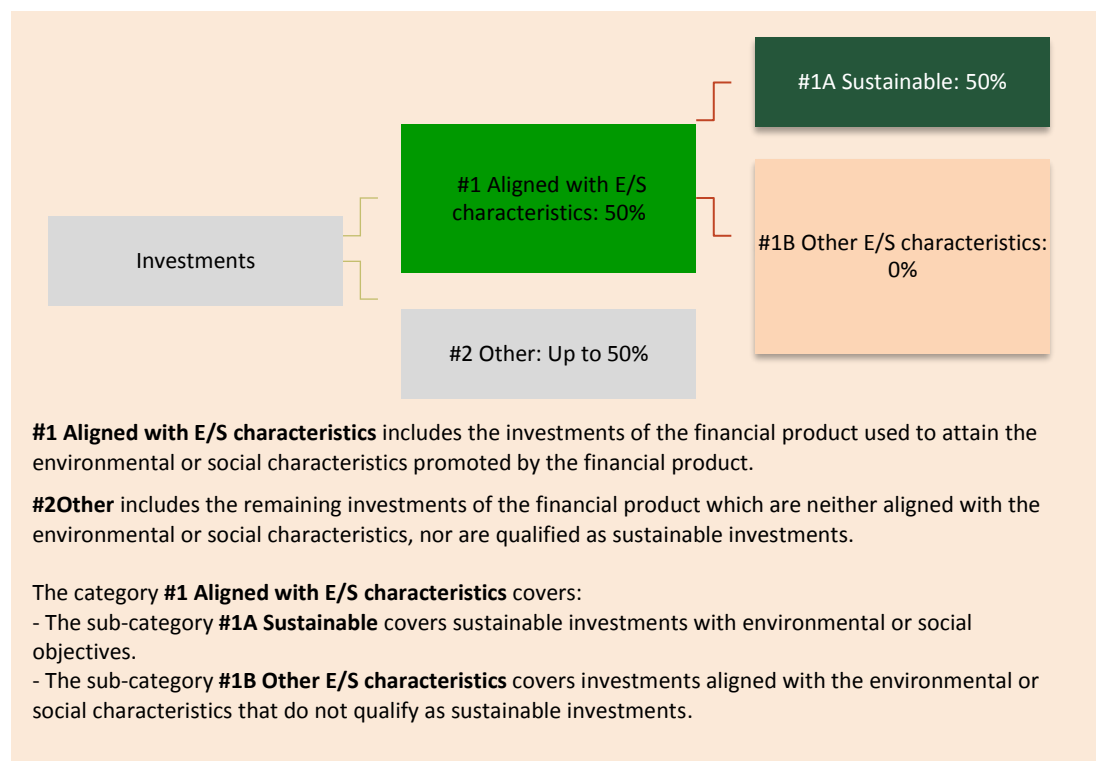
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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

A minimum of 50% of the investments of the product are used to meet the environmental and/or social characteristics promoted by the product in accordance with the binding elements of the investment strategy.

While the product does not have sustainable investing as its objective, the product seeks to invest a minimum of 50% of its assets in sustainable investments with an environmental and/or social objective.

The purpose of the remaining proportion of the investments, if any, that are not used to meet the environmental characteristics promoted by the product is investment growth and efficient portfolio management in accordance with the investment policy of the product. Minimum environmental and social safeguards continue to apply in the selection of these investments including ESG-related exclusions (more details on the Investment Manager's exclusions are included above).



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

Derivatives are not used to attain the environmental and social characteristics promoted by the product. As set out in the product's Supplement, derivatives may be used for the purpose of efficient portfolio management purposes.

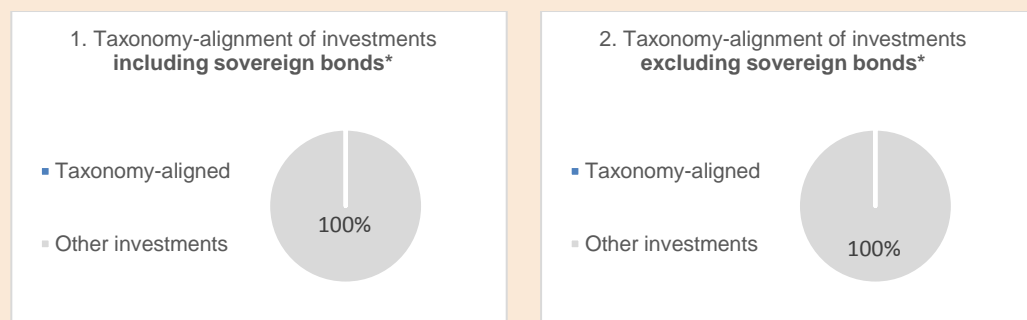


### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

As at the date hereof, it is expected that the minimum proportion of investments of the product in environmentally sustainable economic activities aligned with the EU Taxonomy shall be 0%. The Investment Manager will disclose the actual proportion of investments aligned with EU Taxonomy on an annual basis on its website and in the periodic reporting of the product.

In order to attain the environmental and social characteristics promoted by this product, the product invests in sustainable investments even though such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of Taxonomy Regulation.

*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

#### 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.



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 investments in transitional and enabling activities?

The minimum share of investments in transitional activities is 0.0% of the product’s assets.

The minimum share of investments in enabling activities is 0.0% of the product’s assets.



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

The product commits to invest at least 50% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. This means that the proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will vary. Minimum percentages are subject to

change and updates can be found on the website as referred to in the last question of this Annex.

In order to attain the environmental characteristics promoted by this product, the product invests in sustainable investments which contribute to specific environmental objectives. However, such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation. Further information on the objectives of the sustainable investments held by the product is provided under the heading “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives?”



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

The product commits to invest at least 50% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with specifically a social objective. This means that the proportion of sustainable investments with a social objective will vary. Minimum percentages are subject to change and updates can be found on the website as referred to in the last question of this Annex.



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

From time to time some investments may not be aligned with the Environmental or Social characteristics of the product. The purpose of those investments is to generate investment growth and help provide efficient portfolio management in accordance with the investment policy of the product. Minimum environmental and social safeguards continue to apply in the selection of these investments including the exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact.



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

- *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

**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:

<https://www.kbiglobalinvestors.com/sfdr-gifproduct-info/eueth/>

**Product name:** KBI Innovator Fund (the “product”)

**Legal entity identifier:** 6354006VXEGJHXJBID06

## 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**

#### 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 lay down 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 environmental and social characteristics of this product are the provision of vital natural resources such as water, agribusiness and clean energy as well as better corporate practices. The provision of vital natural resources such as water, agribusiness and clean energy is, in the opinion of the Investment Manager, a benefit to the environment and to society. Better corporate practices also contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the product.

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

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including:

- The percentage of revenues earned on an estimated basis by investee companies which are from the environmental solutions sector.
- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- The carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

### ● **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 product will invest partially in sustainable investments.

The objectives of these sustainable investments are the provision of vital natural resources such as water, agribusiness and clean energy. The provision of vital natural resources such as water, agribusiness and clean energy is, in the opinion of the Investment Manager, a benefit to the environment and to society. Better corporate practices also contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications. The sustainable investments contribute to these objectives by increasing investment in activities including, but not limited to, infrastructure and technological advancement of water, energy efficiency, energy transition, waste management and recycling, agribusiness and carbon trading. The sustainable investments also contribute to these objectives through their promotion of improved corporate practices that contribute to a more just society.

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

**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 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 sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators (“PAI Indicators”), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The PAI Indicators relate to a number of potential negative impacts, including but not limited to greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

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

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product does not invest in any companies engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
3. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

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

The product does not invest in any company which violates, repeatedly and seriously, one or more of the ten principles of the UN Global Compact. To implement this, the Investment Manager uses data from data providers which rely on international conventions such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as sources of data to determine risk exposure of companies’ geographies of operation and business segments.

Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment.

*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

No

The Investment Manager does not consider the adverse impacts of investment decisions taken in respect of the product on sustainability factors as the Investment Manager, in its view, could not gather and/or measure all of the data on which it would be obliged by SFDR to report, or it could not do so systematically, consistently and at a reasonable cost to investors. Should this position change and if the Investment Manager will consider the adverse impacts of its investment decisions on sustainability factors in respect of the product, this Annex will be updated at the next available opportunity.



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

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

## What investment strategy does this financial product follow?

Please see response in the next section below.

- ***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?***

In identifying investments which allow the product to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

### *Collective Investment Schemes*

When making investments in active collective investment schemes, excluding commodity-related schemes, the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses the Environmental, Social and Governance (“ESG”) performance of companies in which it invests, and integrates the results of that assessment into its investment decisions.

### *Direct Investments*

The Investment Manager excludes holdings deemed inconsistent with its Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager’s Responsible Investment Committee. The product can not invest in any companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds are available in the Responsible Investing Policy of the Investment Manager which can be found at the link below under the question “Where can I find more product specific information online”.

The Investment Manager carries out its own assessment of the environmental and social performance of companies, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers (“Data Providers”).

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

There is no committed minimum rate.

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

The Investment Manager assesses the governance practices and governance performance of both the collective investment schemes and any direct companies in which it invests:

### *Collective Investment Schemes*

The Investment Manager ensures that the investment managers of the underlying collective investment schemes in which the product invests assess the governance

practices and governance performance of companies in which those collective investment schemes invest.

#### *Direct Investments*

In the case of direct investment in companies, this assessment of governance practices and performance is based on the Investment Manager's knowledge of the companies based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors.
- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies.
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee.
- Labour management: the relationship between management and labour.
- Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies.



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

Taxonomy-aligned activities are expressed as a share of:

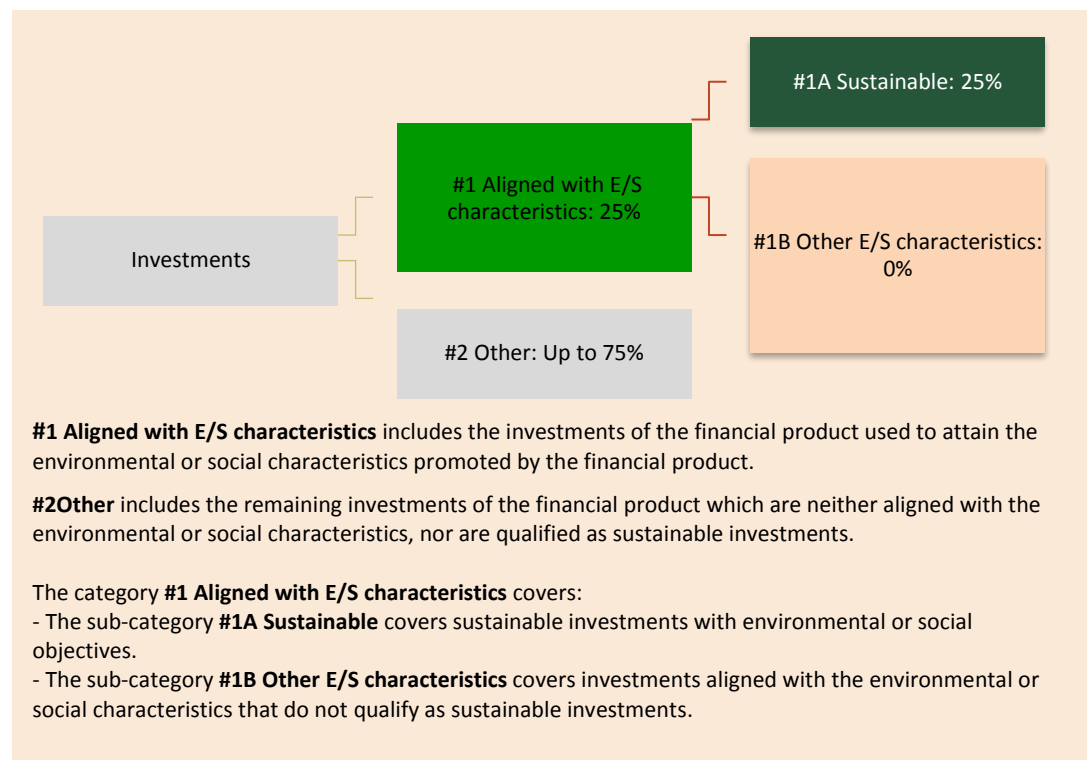
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

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

A minimum of 25% of the investments of the product are used to meet the environmental and social characteristics promoted by the product in accordance with the binding elements of the investment strategy.

While the product does not have sustainable investing as its objective, the product seeks to invest a minimum of 25% of its assets in sustainable investments with an environmental and/or social objective.

The purpose of the remaining proportion of the investments, if any, that are not used to meet the environmental and social characteristics promoted by the product is investment growth and efficient portfolio management in accordance with the investment policy of the product. Investors should note that the remaining portion of investments also includes investments which have not been screened to assess whether they promote environmental / social characteristics or constitute sustainable investments. Minimum environmental and social safeguards continue to apply in the selection of these investments including ESG-related exclusions (more details on the Investment Manager's exclusions are included above).



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

Derivatives are not used to attain the environmental or social characteristics promoted by the product.



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

As at the date hereof, it is expected that the minimum proportion of investments of the product in environmentally sustainable economic activities aligned with the EU Taxonomy shall be 0%. The Investment Manager will disclose the actual proportion of investments aligned with EU Taxonomy on an annual basis on its website and in the periodic reporting of the product.

In order to attain the environmental and social characteristics promoted by this product, the product invests in sustainable investments even though such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation.

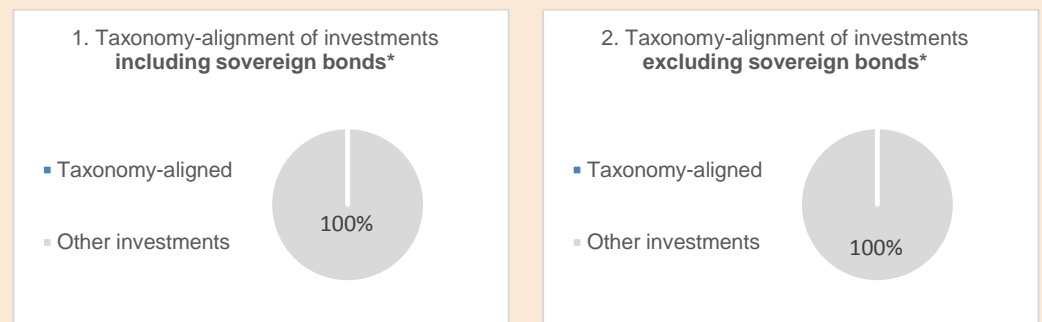
#### Enabling activities

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.

*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 activities is 0.0% of the product's assets.

The minimum share of investments in enabling activities is 0.0% of the product's assets.



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

The product commits to invest at least 25% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. This means that the proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will vary. Minimum percentages are subject to



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

change and updates can be found on the website as referred to in the last question of this Annex.

In order to attain the environmental characteristics promoted by this product, the product invests in sustainable investments which contribute to specific environmental objectives. However, such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation. Further information on the objectives of the sustainable investments held by the product is provided under the heading “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives?”.



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

The product commits to invest at least 25% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with specifically a social objective. This means that the proportion of sustainable investments with a social objective will vary. Minimum percentages are subject to change and updates can be found on the website as referred to in the last question of this Annex.



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

From time to time some investments may not be aligned with the environmental or social characteristics of the product. The purpose of those investments is to generate investment growth and help provide efficient portfolio management in accordance with the investment policy of the product. Investors should note that the remaining portion of investments also includes investments which have not been screened to assess whether they promote environmental / social characteristics or constitute sustainable investments. Minimum environmental and social safeguards continue to apply in the selection of these investments including the exclusion of companies involved with certain controversial activities, and the exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact.





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

- *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

**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:

<https://www.kbiglobalinvestors.com/sfdr-gifproduct-info/innov/>