Article 10 (SFDR)

Website disclosure for an Article 8 fund

Adepa Asset Management S.A.
BA³ RFN CONSERVATIVO & ATTIVO

Product name: BA³ RFN CONSERVATIVO & ATTIVO	**Legal entity identifier: 3912006MO0ARLE96UQ84**

A. Summary

Investment Strategy
The Sub-Fund invests in target funds.

When investing in units of target funds, only units of investment funds classified as Art. 8 and Art. 9 of the Disclosure Regulation / Regulation (EU) 2019/2088) are selected.

The three pillars of sustainability that form the basis of every investment decision stand for environment (E), social (S) and responsible corporate governance (G). The sustainability analysis is integrated into the fundamental, financial company analysis on various analysis levels.

The selection of investment funds from other investment managers is based on quantitative data such as ESG valuations and information on controverse business practices, and on a qualitative selection process including face-to-face discussions with managers.

E/S characteristics promotion

The Sub-Fund takes environmental and social criteria into consideration for investment, in particular climate change, natural capital & biodiversity, pollution and waste, environmental improvement opportunities (such as green technologies and renewable energy), human resources, product liability & safety, stakeholder relations and social improvement opportunities (such as access to healthcare). Corporate governance as well as entrepreneurial behaviour & business ethics (overall "good governance") are in any case prerequisites for an investment. There is no limitation to specific environmental or social characteristics.
The MSCI ESG Score is used as a sustainability indicator.

Though the fund does not have as its objective sustainable investment, it set a minimum proportion for the sustainable investments with an environmental objective in economic activities that that do not qualify as environmentally sustainable under the EU Taxonomy.

The objectives of the sustainable investments cover improvements in the areas of climate change, natural capital and biodiversity, pollution and waste, environmental improvement vectors (such as green technologies and renewable energy), human resources, product liability and safety, relationships with interest groups, and social improvement vectors (such as access to health care) compared with the traditional market. Good corporate governance, including business practices and business ethics, is a prerequisite for an investment in any case.
The sustainability of an economic activity is assessed on the basis of the internal Raiffeisen ESG corporate indicator. This indicator combines sustainability assessments from data providers, such as ISS ESG Corporate Rating, MSCI ESG Score, ISS SDG Impact Score and MSCI Controversy Score.

Proportion of investments

The Sub-Fund is expected to invest a minimum of 70% of its assets aligned with the E/S characteristics promoted (#1). The remaining (30%) will be sight deposits, deposits at notice and other financial instruments that are not aligned with the E/S characteristics promoted (#2 Other). The Sub-Fund will invest a minimum of 40 % in sustainable investments by investing in Target funds managed by the Sub-Investment Manager.

Monitoring and due diligence

The fund's investments are monitored continuously by the system to ensure compliance with the fund rules. Beyond this, compliance with the fund rules in the making of investment decisions is monitored continuously by the custodian bank and by the auditor during the audit. In terms of the verification of the taking into account of the environmental and/or social characteristics and sustainability risks during the investment decision, the MSCI ESG Scores of the fund are monitored on an ongoing basis and checked against defined limits within the scope of the internal limit system.

Data sources, methodologies and limitations

The ESG assessment in the sub-investment manager's sustainability process is based on internal and external research sources. The results of this sustainability research are combined with a comprehensive ESG evaluation, including an ESG risk assessment, to create the so-called Raiffeisen ESG indicator.

Two external data providers augment the internal research. The research input from sub-investment manager's fund managers focuses on high-value, quality growth of the companies. The two external data providers employ complementary ESG research approaches and provide distinct input variables for the analysis.

When selecting funds that are not managed by the sub-investment manager, data from the research providers MSCI ESG Research Inc. and Morningstar Deutschland GmbH are used.

The applied methodologies and relevant data sources are limited by the limited availability of relevant data. A further limitation of the data stems from the time delay associated with the data and evaluation results. Forward-looking assessments naturally involve a certain degree of uncertainty, in part because declared obligations or strategies may not be fulfilled or executed as expected.

Engagement strategy

The sub-investment manager is conscious of its fiduciary responsibility to its customersand actively engages with companies in order to best preserve its customers' interests. In terms of corporate dialogue, Raiffeisen KAG makes a distinction between proactive engagement and responsive engagement. Proactive, constructive dialogue with companies serves to identify potential financial and non-financial opportunities and risks, and addressing current events in a targeted manner via responsive dialogue allows for an accurate assessment of the company in the context of its environment and potential risks. The exercise of shareholders' voting rights occurs either directly or indirectly via proxy.

Benchmark

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.

B. No sustainable investment objective

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

However, the fund set a minimum proportion of 40% for the sustainable investments with an environmental objective in economic activities that that do not qualify as environmentally sustainable under the EU Taxonomy.

The objectives of the sustainable investments – which are made indirectly through investment in Target funds managed by the Sub-Investment Manager - cover improvements in the areas of climate change, natural capital and biodiversity, pollution and waste, environmental improvement vectors (such as green technologies and renewable energy), human resources, product liability and safety, relationships with interest groups, and social improvement vectors (such as access to health care) compared with the traditional market. Good corporate governance, including business practices and business ethics, is a prerequisite for an investment in any case.

The sustainability of an economic activity is assessed on the basis of the internal Raiffeisen ESG corporate indicator. This indicator combines the following sustainability assessments from data providers:

- ISS ESG Corporate Rating

- MSCI ESG Score

- ISS SDG Impact Score

- MSCI Controversy Score

The Raiffeisen ESG corporate indicator is the corporate-specific iteration of the Raiffeisen ESG indicator and is also measured on a scale of 0 to 100. If the score is >60 then the investment is considered sustainable. The assessment also takes into account the relevant sector.

It combines a wide range of data points relating to environmental, social, and governance (ESG) factors. In addition to sustainability opportunities and risks, the contribution that the business activity makes to sustainable objectives along the entire value chain is examined and transformed into qualitative and quantitative ratings. An important part of this is the sustainable influence of the respective products and/or services (economic activity).

Climate protection bonds, also called green bonds, serve to raise financing for environmental projects. These are categorised as sustainable investments if the issuer is not excluded from investment based on the investment criteria listed below under “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?” and if they comply with the Green Bond Principles of the International Capital Markets Association or the EU Green Bond Principles.

The financed projects normally fall into the following categories:

- Renewable energy,

- Energy efficiency,

- Sustainable waste management,

- Sustainable land use,

- Clean transport,

- Sustainable water management, or

- Sustainable buildings.

The project assessment generally includes an evaluation of whether there are material adverse impacts on environmental or social objectives.

The sustainability of government bonds is assessed on the basis of the internal Raiffeisen ESG sovereign indicator. This indicator combines different sustainability assessments from data providers and an internal assessment: It affords a comprehensive view of environmental (biodiversity, climate change, resources, environmental protection), social (basic needs, justice, human capital, satisfaction), and governance (institutions, political system, finances, and transparency) factors.

The Raiffeisen ESG sovereign indicator is the sovereign-specific iteration of the Raiffeisen ESG indicator and is also measured on a scale of 0 to 100. If the score is >60 then the investment is considered sustainable. A variety of topics are identified for the assessment of sovereigns and are represented by so-called factors.

To avoid significant adverse impacts on an environmental or social sustainable investment objective, securities that violate negative criteria as defined by the Sub-Investment Manager for this purpose and relating to environmental and social objectives (such as the extraction and use of coal, labour rights violations, human rights violations, and corruption) do not qualify as a sustainable investment. Details on how negative criteria are handled can be found in the section “D. Investment strategy”.

The consideration of the principal adverse impacts (PAI) of investment decisions on sustainability factors occurs in the case of any investment in Target Funds managed by the Sub-Investment Manager through the negative criteria specified below, through the integration of ESG research into the investment process (ESG scores), and in security selection (positive criteria). The use of positive criteria includes the absolute and relative assessment of companies regarding stakeholder-related data, e.g. relating to employees, society, suppliers, business ethics, and the environment, as well as the absolute and relative assessment of sovereigns regarding the development of factors related to sustainable development such as the political system, human rights, social structures, environmental resources, and climate change policy. In addition, the instrument of shareholder engagement is used with companies in the form of corporate dialogue and especially the exercise of voting rights so as to reduce adverse sustainability impacts. These shareholder engagement activities are conducted irrespective of any concrete investment in the respective company.
Our engagement process with regards to the PAI includes an active participation in shareholders‘ meetings and addressing the relevant PAI there, collaborative engagement via platforms, direct contact with the company, the specification and documentation of targets for each engagement and a possible divestment if engagement targets are not achieved. Our engagement activities based on direct contacts with companies have been focusing on the level of PAI 3, 8, 9, 11 and 12 where we engaged with the PAI-wise most underperforming holdings in our portfolios.
The table shows the topics for with sustainability scores for adverse impacts are considered in particular, as well as the main methods that are applied. Details can be found in the prospectuses of the Raiffeisen KAG funds. For information on the principal adverse impacts on sustainability factors, please also refer to the annual fund reports where applicable (annex “Environmental and/or Social Characteristics”).

<table>
<tr><th colspan="2">Companies</th><th>Negative criteria</th><th>Positive criteria</th><th>Engagement</th></tr>
<tr><td rowspan="4">Environment</td><td>1. Green House Gas emissions
2. Carbon footprint
3. Green House Gas intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>7. Activities with adverse impacts on areas with protected biodiversity</td><td>✓</td><td>✓</td><td></td></tr>
<tr><td>8. Emissions to water

6. Table 2 Water usage and recycling</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>9. Hazardous waste and radioactive waste ratio</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td rowspan="3">Social affairs and employment</td><td>10.Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11.Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
2. Table 3 Rate of accidents</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>12. Unadjusted gender pay gap
13. Board gender diversity</td><td></td><td>✓</td><td>✓</td></tr>
<tr><td>14.Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</td><td>✓</td><td>✓</td><td></td></tr>
<tr><th colspan="2">Countries and supranational organizations</th><th>Negative criteria</th><th colspan="2">Positive criteria</th></tr>
<tr><td>Environment</td><td>15. Green House Gas intensity</td><td>✓</td><td colspan="2">✓</td></tr>
<tr><td>Social issues</td><td>16.Investee countries subject to social violations</td><td>✓</td><td colspan="2">✓</td></tr>
</table>

The positive and negative criteria contained in the investment strategy for Target funds managed by the Sub-Investment Manager as listed below cover all aspects of the OECD Guidelines for Multinational Enterprises (such as avoidance of environmental destruction, corruption, and human rights violations as well as adherence to the core ILO labour standards). The fund management continuously monitors various channels of information such as the media and research agencies to determine whether investments are affected by serious controversies.
In addition, the assets of Target funds managed by the Sub-Investment Manager are assessed for potential violations of the OECD Guidelines for Multinational Enterprises by means of a screening tool from a recognised ESG research provider. A company that does not comply with the OECD Guidelines for Multinational Enterprises is not eligible for investment. A violation is assumed to exist if a company is involved in one or more controversial incidents in which there are credible allegations that the company or its management has caused substantial damage of a significant scope in violation of global standards.

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by the Fund?

The Sub-Fund takes environmental and social criteria into consideration for investment, in particular climate change, natural capital & biodiversity, pollution and waste, environmental improvement opportunities (such as green technologies and renewable energy), human resources, product liability & safety, stakeholder relations and social improvement opportunities (such as access to healthcare). Corporate governance as well as entrepreneurial behaviour & business ethics (overall "good governance") are in any case prerequisites for an investment. There is no limitation to specific environmental or social characteristics.

The Sub-Investment Manager applies the following approaches with regards to E/S characteristics in the Target funds managed by the Sub-Investment Manager:

- First of all, the topic of avoidance and showing responsibility: negative criteria to exclude controversial sectors and/or companies and countries (sovereigns) that violate the established criteria.
- Secondly, there is a focus on supporting and empowering sustainability by integrating ESG research into the investment process (ESG scores) for the evaluation of companies and ultimately for stock-picking (best-in-class approach). This is applied analogously to countries (sovereigns) as issuers of debt securities.

For the Target funds managed by the Sub-Investment Manager at least the following negative criteria are applied:

<u>Negative criteria for companies (severe controverses):</u>

<u>Environmental negative criteria (category “E”)</u>

- Fossil fuels with a focus on coal: production (applied if revenues from production are >10%), mining, processing and use (applied if revenues are ≥ 20%), and other related services (applied if revenues from other related services are ≥ 20%)
- Fracking (applied if turnover >1%)
- Oil sands production (applied if revenues from production are >0%) and services (applied if revenues from services are >1%)
- Production of uranium (applied if revenues are >0%), generation of nuclear energy (applied if revenues are ≥ 10 %)

Social negative criteria (category "S")

- Violation of human rights (very severe controversies)
- Infringement of labor laws (according to the protocol of the International La-bour Organization, very severe controversies)
- Use of child labor (very severe controversies)

Corporate governance negative criteria (category "G")

- Corruption (very severe controversies)
- Balance sheet fraud (very severe controversies)
- Violation of the United Nations Global Compact criteria (very severe controversies)

Negative criteria relating to the theme "addictions"

- Tobacco: producers of end products (applied if revenues from production are >0%)

Negative criteria relating to the theme "natural life"

- Defense supplies: producers of weapons (systems) and banned weapons; dealers of conventional weapons, producers of other defense supplies (applied if revenues are >0%)
- Dealers of banned weapons (applied if revenues are >0%)

Negative criteria for countries:

Countries are excluded which are categorized as not free (authoritarian regime) according to the Freedom House Index.

D. Investment strategy

What investment strategy does the Fund use to meet the environmental or social characteristics provided by the Fund?

The Sub-Fund invests in target funds. When investing in units of target funds, only units of investment funds classified as Art. 8 and Art. 9 of the Disclosure Regulation / Regulation (EU) 2019/2088) are selected.

An investment in Target Funds managed by the Sub-Investment Manager shall comply with the following principles:

The three pillars of sustainability that form the basis of every investment decision stand for environment (E), social (S) and responsible corporate governance (G). The sustainability analysis is integrated into the fundamental, financial company analysis on various analysis levels:

On the first analysis level, preselection is made of the overall investment universe. In terms of sustainability, no company/issuer in this universe may violate the negative criteria established by the Sub-Investment Manager in order to avoid investments in controversial sectors and practices. The negative criteria are subject to constant monitoring and may be amended or adjusted on the basis of new information and developments on the market.

Negative criteria may have various backgrounds. Specifically, the Sub-Investment Manager differentiates between negative criteria that are related to the environment, social or societally motivated, connected with corporate governance, or linked to the theme "addiction", and negative criteria that are related to the preservation of a dignified natural life (simply referred to as the theme "natural life"). Criteriology also serves to avoid scandals and the related, potentially negative adverse effects on prices.

Negative criteria do not necessarily mean the total exclusion of a sector or a business practice. In some cases, thresholds are established in consideration of the significance.

Some of the negative criteria mentioned are typically not discovered until after the occurrence of an event (for example, accusations of manipulating balance sheet figures) and therefore support the estimation of future behavior for an investment decision.
Corporate sustainability is assessed on the basis of company principles, and particularly in connection with their active operations.

Countries are evaluated mainly on a defined set of ESG-criteria, based on a set of more than 40 factors defined by a proprietory indicator as well as the input of external research partners.

On the second analysis level, a detailed evaluation of the individual companies/issuers takes place. In addition to the classical financial analysis, various aspects of sustainability are taken into consideration. During this sustainability analysis step, companies that are unconvincing will be eliminated from the investable universe; this step leads to a significant reduction of the original investment universe.

On the third level, a widely diversified portfolio is created from the remaining companies based on their ESG assessment (ESG score) and their development (ESG momentum). During this process, especially high importance is placed on the quality of the company and the business model. A high degree of sustainability and fundamental strength are of crucial importance for investment.

Details can be found in the prospectus of the funds of Raiffeisen KAG.

Selection of target funds that are not managed by the Sub-Investment Manager:

Only investment funds of other investment managers that are classified as Art. 8 and Art. 9 of the Disclosure Regulation / Regulation (EU) 2019/2088) are selected.

The selection of investment funds from other investment managers is based on quantitative data such as ESG valuations and information on controverse business practices, and on a qualitative selection process including face-to-face discussions with managers. Particular emphasis is placed on avoiding food speculation, excluding outlawed weapons and defining negative criteria for investments in coal. The Sub-Investment Manager cannot guarantee compliance with the negative or positive criteria promised by the target fund's investment managers, despite regular and thorough review. Therefore target funds that are not managed by the Sub-Investment Manager are not being considered as E/S aligned.

The binding elements of the investment strategy are as follows:

1. Only investment funds that are classified as Article 8 and Article 9 of the Disclosure Regulation / Regulation [EU] 2019/2088) are selected.
2. For the Target funds managed by the Sub-Investment Manager at least the following negative criteria are applied:

Negative criteria for companies (severe controversies):

Ecological negative criteria (category "E")

- Fossil fuels with a focus on coal: production (applied if revenues from production are >10%), mining, processing and use (applied if revenues are ≥ 20%), and other related services (applied if revenues from other related services are ≥ 20%)

- Fracking (applied if turnover >1%)
- Oil sands production (applied if revenues from production are >0%) and services (applied if revenues from services are >1%)
- Production of uranium (applied if revenues are >0%), generation of nuclear energy (applied if revenues are ≥ 10 %)

Social negative criteria (category “S”)

- Violation of human rights (very severe controversies)
- Infringement of labor laws (according to the protocol of the International La-bour Organization, very severe controversies)
- Use of child labor (very severe controversies)

Corporate governance negative criteria (category “G”)

- Corruption (very severe controversies)
- Balance sheet fraud (very severe controversies)
- Violation of the United Nations Global Compact criteria (very severe controversies)

Negative criteria relating to the theme “addictions”

- Tobacco: producers of end products (applied if revenues from production are >0%)

Negative criteria relating to the theme “natural life”

- Defense supplies: producers of weapons (systems) and banned weapons; dealers of conventional weapons, producers of other defense supplies (applied if revenues are >0%)
- Dealers of banned weapons (applied if revenues are >0%)

<u>Negative criteria for countries:</u>

Countries are excluded which are categorized as not free (authoritarian regime) according to the Freedom House Index.

For violations of negative criteria by companies that are not obvious, such as moderate infringement of labor laws or cases of corruption, the fund management initiates a so-called engagement process with the company. During this process, it is examined as to how the company reacts to the case and which precautions will be taken in the future. Then the fund management decides on whether to keep the position in the fund or sell it off.

For severe violations, the securities are generally sold at the Sub-Investment Manager’s discretion within a period of 14 days.

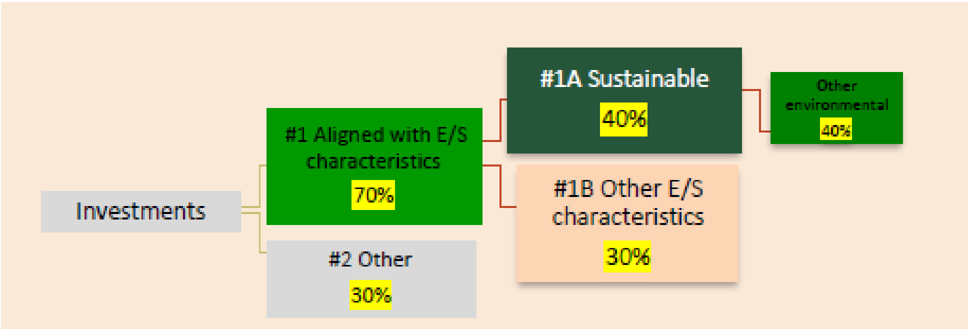
What is the policy to assess good governance practices of the investee companies?

In the investment process, good corporate governance for the subfund and the target funds that are managed by the Sub-Investment Manager is assessed based on the application of negative criteria (like the afore mentioned criteria of infringement of labor laws (according to the protocol of the International Labour Organization and violation of the United Nations Global Compact criteria), the integration of ESG research into the investment process (ESG scores) for the evaluation of companies, and ultimately in security selection (best-in-class approach), as well as through the continuous monitoring of the governance-related score of the fund. When selecting funds of other investment managers, good corporate governance is taken into account indirectly through the selection of funds that promote environmental or social characteristics (Article 8 of the Disclosure Regulation) or that target sustainable investments (Article 9 of the Disclosure Regulation), ensuring that a good governance policy is in place in respect to sound management structures, employee relations, remuneration of staff and tax compliance.

E. Proportion of investments

What is the planned asset allocation for the Fund?

- The Sub-Fund is expected to invest a minimum of 70% of its assets aligned with the E/S characteristics promoted (#1). The remaining (30%) will be sight deposits, deposits at notice and other financial instruments that are not aligned with the E/S characteristics promoted (#2 Other). The Sub-Fund will invest a minimum of 40 % in sustainable investments by investing in Target funds managed by the Sub-Investment Manager.



What is the minimum share of investments with an environmental objective aligned with the EU Taxonomy? What is the minimum share of investments in transitional and enabling activities?

The Sub-Fund does not commit to make sustainable investments aligned neither with the EU Taxonomy, nor with transitional and enabling activities.

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

The sustainability of an economic activity is assessed on the basis of the Raiffeisen ESG indicator. The minimum share of investments that pursue environmental objectives is 40 % of the fund assets taking into account indirect investments through sub-funds managed by the investment manager.

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

Investments that neither qualify as a sustainable investment or are not aligned with environmental or social characteristics are on the one hand either sight deposits or deposits at notice. Sight deposits and deposits at notice are not subject to the sustainability criteria of the investment strategy and are primarily used for liquidity management. On the other hand, target funds that do not comply with the binding negative criteria are also included in "#2 Other". Only investment funds that are classified acc. to Art. 8 and Art. 9 of the Disclosure Regulation / Regulation (EU) 2019/2088) are invested in. Thus, minimum environmental or social safeguards are ensured as the Sub-Fund only invest in Target funds classified as Article 8 or Article 9 as per SFDR.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by the Fund?

The MSCI ESG Score is used as a sustainability indicator. The Sub-Investment Manager avails itself of the services of the research provider MSCI ESG Research Inc. in matters of sustainability. In this, aspects of ESG risk and the related risk management system of the company and countries in question are assessed in particular on the basis of key sustainability performance indicators (KPIs). The assessment results in the so-called MSCI ESG Score, which is measured on a scale of 0 to 10.

The assessment also takes into account the relevant sector.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the Fund and what are the related internal/external control mechanisms?

The attainment of the environmental and/or social characteristics promoted by the fund is continuously monitored against defined limits as part of the internal limit system. The development of the sustainability indicator (see “Methodologies for environmental or social characteristics” for more information) is reviewed at the end of the accounting year and presented in the annual report of the fund. The relevant negative criteria for the fund are checked daily within the scope of the internal limit system. In terms of any minimum share of sustainable investments with an environmental objective within the meaning of the EU Taxonomy (Regulation [EU] 2020/852), the share is not verified by an auditor or other third party.

G. Methodologies for environmental or social characteristics

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the Fund using the sustainability indicators?

The sub-investment manager continually analyses companies and sovereigns based on internal and external research sources. The results of this sustainability research are combined with a comprehensive ESG evaluation, including an ESG risk assessment, to create the so-called Raiffeisen ESG indicator. The Raiffeisen ESG indicator is measured on a scale from 0 to 100. The assessment also takes into account the relevant sector. The development of the Raiffeisen ESG indicator as the sustainability indicator is shown in the annual report of the fund. As part of the internal limit system, the MSCI ESG Score is monitored continuously and checked against defined limits in terms of the promotion of environmental and/or social characteristics. In this scoring model of MSCI ESG Research Inc., aspects of ESG risk and the related risk management at the company in question are assessed in particular on the basis of key sustainability performance indicators (KPIs). The assessment results in the so-called MSCI ESG Score, which is measured on a scale of 0 to 10. The assessment also takes into account the relevant sector.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The ESG assessment in the sub-investment manager’s sustainability process is based on internal and external research sources. Two external data providers augment the internal research. The research input from sub-investment manager’s fund managers focuses on high-value, quality growth of the companies. A company’s potential value add for the environment and society is analysed and also discussed within the framework of engagement talks. The two external data providers employ complementary ESG research approaches and provide distinct input variables for the analysis. The first approach, applied by the research provider Institutional Shareholder Services, is based on a comprehensive stakeholder and sustainability analysis of the company in question, using a methodology which draws on the Frankfurt-Hohenheim Guidelines. The second approach, applied by the research provider MSCI ESG Research Inc., especially analyses aspects of ESG risk and the related risk management at the company in question on the basis of key sustainability performance indicators (KPIs). The analysis is adjusted for sectoral conditions so that companies can be assessed on an equal basis and the aspects relevant for each company are taken into account. When selecting funds that are not managed by the sub-investment manager, data from the research providers MSCI ESG Research Inc. and Morningstar Deutschland GmbH are used. The sub-investment manager uses data from Institutional Shareholder Services to assess negative criteria, alignment with the EU Taxonomy, and the principal adverse impacts on sustainability factors as well as to evaluate controversies. The sub-investment manager uses data from MSCI ESG Research Inc. for the internal limit system and the identification of controversial business fields. The data obtained from the research partners are imported into the systems of the sub-investment manager via a quality-controlled monthly process. Especially for research processes, some data are also obtained directly through a web-based solution of Institutional Shareholder Services. The data quality is ensured through the regular monitoring of the imported data and through plausibili ty checks. The selection of data providers is based primarily on the degree coverage (in relation to the investment universe and the available data points), the methodology, and the usability of the data. In some cases, companies are limited in what information they can disclose and estimates need to be made. For this reason, data providers regularly estimate data points, with continuous improvements being made to the coverage and methodology. The sub-investment manager itself makes no estimates of sustainability indicators. The need for estimates will decrease continuously, in part due to the expansion of sustainability-related reporting obligations for companies, for example in relation to the criteria for the EU Taxonomy.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources?

The applied methodologies and relevant data sources are limited by the limited availability of relevant data. To mitigate these limitations, the research providers employed by the sub-investment manager use a wide range of alternative data including media sources, recognised international and local non-governmental organisations, government authorities, and intergovernmental organisations. A further limitation of the data stems from the time delay associated with the data and evaluation results. The involved companies generally release annual reports for the previous financial year, which means that the information contained in them is provided with a considerable delay. An additional delay can arise from the difference between the time at which the information is published by the company in question and the point in time at which these data are collected and processed by the data provider. Beyond this, the data providers make use of alternative data such as media reports, which are typically more current and are integrated on an ad hoc basis. Forward-looking assessments naturally involve a certain degree of uncertainty, in part because declared obligations or strategies may not be fulfilled or executed as expected. The employed data prov iders apply robust methods to evaluate the credibility of obligations in terms of the future performance of the companies in question. If companies are not covered by data providers, the sub-investment manager prepares its own analysis based on publicly available information and in-house research. These ratings are used until the issuer has been evaluated by one of the data providers. To assess sovereigns, the sub-investment manager prepares its own assessment on the basis of publicly available information and data from data providers in addition to the assessment from the data providers, and incorporates this in its overall assessment. In general, the data providers offer very high coverage of the investment universe. Minimum coverage levels were defined for individual processes of the sub-investment manager, and these are usually exceeded by a wide margin. Due to solid methods and high coverage with regard to the investment universe, the attainment of the environmental or social characteristics promoted by the financial product is not endangered by limitations of the methods or data sources.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

In accordance with § 30 InvFG, the sub-investment manager is obligated to ensure special diligence in the selection and ongoing monitoring of investments, in the best interests of the fund and the integrity of the market. The fund’s investments are monitored continuously by the system to ensure compliance with the fund rules. Beyond this, compliance with the fund rules in the making of investment decisions is monitored continuously by the custodian bank and by the auditor during the audit. In terms of the verification of the taking into account of the environmental and/or social characteristics and sustainability risks during the investment decision, the MSCI ESG Scores of the fund are monitored on an ongoing basis and checked against defined limits within the scope of the internal limit system. In this scoring model of MSCI ESG Research Inc., aspects of ESG risk and the related risk management at the company in question are assessed in particular on the basis of key sustainability performance indicators (KPIs). The assessment results in the MSCI ESG Score, which is measured on a scale of 0 to 10. The assessment also takes into account the relevant sector. The relevant negative criteria for the fund are checked daily within the scope of the internal limit system. The data quality in the context of the ESG research procured by the sub-investment manager is ensured through the regular monitoring of the imported data and through plausibility checks.

K. Engagement policies

Is engagement part of the environmental or social investment strategy? What are the engagement policies (including any management procedures applicable to sustainability-related controversies in investee companies)?

As one of Austria's leading asset managers the sub-investment manager is conscious of its fiduciary responsibility to its customers. As part of this, it actively engages with companies in order to best preserve its customers' interests. Engagement can serve different purposes. On the one hand, it is used for a more careful assessment of a company's financial situation and development. This provides a look behind the scenes, so to speak. On the other hand, in conjunction with a proactive approach, engagement on ESG issues helps companies move towards improvement in corporate social responsibility (CSR) and sustainability. For the company and ultimately for the owners as well, this improvement should lead to "sustainable" benefits, which are reflected over the long term in better operating results. In terms of corporate dialogue, Raiffeisen KAG makes a distinction between proactive engagement and responsive engagement. Proactive, constructive dialogue with companies serves to identify potential financial and non-financial opportunities and risks, and addressing current events – for example relating to sustainability-related controversies – in a targeted manner via responsive dialogue allows for an accurate assessment of the company in the context of its environment and potential risks. The exercise of shareholders' voting rights occurs either directly or indirectly via proxy. The sub-investment manager acts according to internal principles that are based on a transparent, sustainable corporate governance policy and cover significant topics that regularly arise at annual general meetings. Further information on the engagement policy, including the voting rights policy, and the annual engagement report can be found on our website www.rcm.at or www.rcm-international.com under Corporate Governance

L. Designated reference benchmark

Has a reference benchmark been designated for the purpose of attaining these characteristics promoted by the Fund?

No reference benchmark was designated for the achievement of the promoted environmental or social characteristics.