SPECIAL SECTION I.B

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: MAINFIRST – TOP EUROPEAN IDEAS FUND

Legal entity identifier: 529900NKA8J0S2ICSL27

Environmental and/or social characteristics

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.

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 promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective**: %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

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

The subfund promotes the following E/S characteristics:

- climate change mitigation
- slowing of climate change
- protection of human rights
- protection of labour rights
- protection of health
- mitigation of gun violence
- mitigation of corruption
- avoidance of unethical business practices
- promotion of good corporate governance
- mitigation of child labour and forced labour

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

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

In order to fulfil the above-mentioned E/S characteristics, the product uses a combination of exclusion criteria and a scoring-based approach.

The themes of “mitigating environmental damage” and “slowing climate change” are taken into account through the following exclusions:
- exclusion of companies that violate Environmental Principles 7 to 9 of the UN Global Compact
- nuclear engagement as measured by share of revenue: Production >5%, support products/services >5% and distribution >25% are excluded
- thermal coal engagement as measured by share of revenue: extraction >5% and electricity generation >10% are excluded
- oil sands engagement as measured by share of revenue: extraction >5% is excluded
- shale gas engagement as measured by share of revenue: extraction >5% is excluded
- compliance with the defined PAIs 1,2,3,10,14 (see paragraph on adverse impacts on sustainability factors)

The topics “protection of human rights, labour rights, health”, “mitigation of gun violence”, “mitigation of corruption”, “avoidance of unethical business

practices", "promotion of good corporate governance" and "mitigation of child labour and forced labour" are taken into account through the following exclusions:
- exclusion of companies that violate Principles 1, 2, 3, 4, 5, 6 and 10 of the UN Global Compact
- military engagement as measured by share of revenue: armaments >5%, armament-related products and/ or services >5% and non-armament-related products and/ or services >5% are excluded
- small arms engagement as measured by share of revenue: non-military customers (offensive weapons) >5%, civilian customers (non-offensive weapons) >5%, key components >5% and military/law enforcement customers >5% are excluded
- controversial weapons are excluded
- adult entertainment as measured by share of revenue: production >10% and distribution >10% are excluded
- tobacco engagement as measured by share of revenue: production >5%, sale >5% and related products/services >5% are excluded.

The exclusions listed are supplemented by a scoring-based approach.

The analyses of external rating agency Sustainalytics are used to assess the ESG risks relevant to each company and to evaluate the active management of ESG risks within the companies. Sustainalytics compiles the results of its analyses into an ESG risk score ranging from 0 to 100, with a risk score below 10 being considered negligible, from 10 to 19.99 low, from 20 to 29.99 medium, from 30 to 39.99 high, and from a score of 40 severe.

An internal ESG analysis is prepared for all securities not covered by Sustainalytics.
The subfund aims to continuously improve the ESG risks of the companies in the portfolio over the holding period.

Sustainalytics also continuously monitors each company for controversies. This involves assessing the involvement of companies in incidents with negative environmental, social and governance (ESG) impacts. Level 1: Low, Level 2: Moderate, Level 3: Significant, Level 4: High, Level 5: Severe.

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?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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, anticorruption and antibribery matters.

- How were the indicators for adverse impacts on sustainability factors taken into account?

  E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

  E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, in the subfund, the principal adverse impacts of investment decisions on sustainability factors set out in Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into account in the context of Article 7 of Regulation (EU) 2019/2088. The following adverse impacts on sustainability factors are taken into account in the investment process:

- No. 1 "Greenhouse gas emissions" (Scope 1, Scope 2, Scope 3, Total)

- No. 2 "Carbon footprint"

- No. 3 "Greenhouse gas intensity"

- No. 10 "Violations of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises"

- No. 14 "Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

The portfolio managers use the external analyses of Sustainalytics and, when needed, public documents of the companies and notes from direct dialogues with the company management to identify, measure and evaluate adverse sustainability impacts. The adverse sustainability impacts can be analysed extensively and taken into account when making investment decisions.

☐ No,

What investment strategy does this financial product follow?

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

The investment objective of the MainFirst - Top European Ideas Fund is to consistently outperform the STOXX Europe 600 Total Return Index and therefore to generate outperformance over the market cycle. The subfund invests in exchange-listed European equities. The investment process of the investment strategy is based on a bottom-up driven stock-picking approach. The companies identified as investment candidates are subjected to more detailed corporate due diligence.

Discussions with the management of the respective companies constitute an integral part of the company analysis. This provides the portfolio management with a deeper understanding of the business model and the long-term corporate strategy. The insights gained from the discussions allow the portfolio management to assess the quality of the company's management, especially with regard to the ability to implement the long-term corporate strategy. Non-financial factors such as the consideration of ethical, social and environmental (ESG) criteria, in particular with respect to reputational risks, are also included in the investment process. Exclusion criteria are applied prior to security selection in order to achieve the sustainability characteristics: mitigation of environmental damage, slowing of climate change, protection of human rights, protection of labour rights, protection of health, mitigation of armed violence, mitigation of corruption, avoidance of unethical business practices, promotion of good corporate governance, mitigation of child and forced labour. The cornerstone of this approach is a detailed analysis of the company, its management, its business model and its positioning with respect to its competitors. In the process, the portfolio management team seeks to establish a fair value for the company. Identifying previously undervalued stocks is part of the core expertise of portfolio management.

The investment focus may be on large, mid and small caps.

The Sustainalytics scoring model is used to monitor and independently confirm the company's commitment to sustainability.

The subfund management team also seeks to improve the world by actively engaging in sustainable investing.

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 order to fulfil the E/S characteristics being promoted, the MainFirst Top European Ideas Fund uses a combination of exclusion criteria and a scoring-based approach.

- The themes of “mitigating environmental damage” and “slowing climate change” are taken into account through the following exclusions:

- exclusion of companies that violate Environmental Principles 7 to 9 of the UN Global Compact
- nuclear engagement as measured by share of revenue: Production >5%, support products/services >5% and distribution >25% are excluded
- thermal coal engagement as measured by share of revenue: extraction >5% and electricity generation >10% are excluded
- oil sands engagement as measured by share of revenue: extraction >5% is excluded
- shale gas engagement as measured by share of revenue: extraction >5% is excluded

- The topics “protection of human rights, labour rights, health”, “mitigation of gun violence”, “mitigation of corruption”, “avoidance of unethical business practices”, “promotion of good corporate governance” and “mitigation of child labour and forced labour” are taken into account through the following exclusions:

- exclusion of companies that violate Principles 1, 2, 3, 4, 5, 6 and 10 of the UN Global Compact
- military engagement as measured by share of revenue: armaments >5%, armament-related products and/ or services >5% and non-armament-related products and/ or services >5% are excluded
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- controversial weapons are excluded
- adult entertainment as measured by share of revenue: production >10% and distribution >10% are excluded
- tobacco engagement as measured by share of revenue: production >5%, sale >5% and related products/services >5% are excluded.
  Sustainalytics also continuously monitors each company for controversies. This involves using a scale of 5 scores to assess the involvement of companies in incidents/events with negative environmental, social and governance (ESG) impacts.

Level 1: Low: The incident has a low impact on the environment and society and the risks to the company are minimal or negligible.

Level 2: Moderate: The incident has a moderate impact on the environment and society and represents a moderate business risk for the company. This rating category indicates that there is a low frequency of recurrence of incidents and adequate or strong management systems and/or a corporate response that mitigates further risks.

Level 3: Significant: The event has a significant impact on the environment and society and represents a significant business risk for the company. This rating category indicates structural problems in the company due to the repetition of incidents and insufficient implementation or absence of appropriate management systems.

Level 4: High: The event has a strong impact on the environment and society and represents a high business risk for the company. This rating category indicates systemic problems within the company, weak management systems and corporate responses, and a recurrence of incidents.

Level 5: Severe: The event has a severe impact on the environment and society and represents a serious business risk for the company. This category is indicative of exceptionally egregious behaviour by the company, a relatively high frequency of repeat incidents, very poor management of ESG risks and a demonstrable lack of willingness by the company to address such risks.

Any company with Level 5 controversies is excluded.

Another key factor is the exclusion of companies that violate the UN Global Compact.

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

  The subfund does not undertake to reduce the investment universe by a certain minimum rate.

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

  The incorporation of Sustainalytics' ESG rating means that corporate governance is included as a fundamental element. Indicators are used here to evaluate management as well as to assess corporate governance at events that have an impact on the environment and society. Sustainalytics calculates this to be just under 20% of the total ESG rating.

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

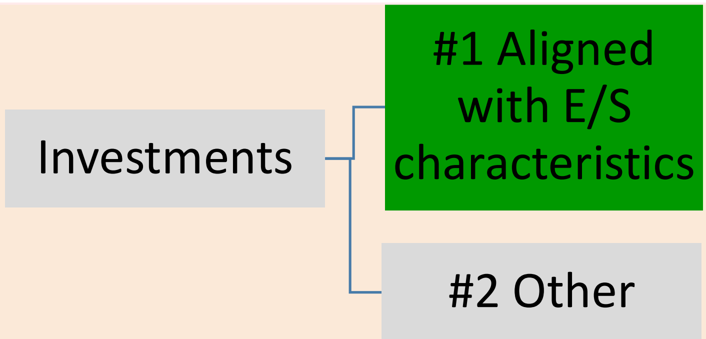
(https://connect.sustainalytics.com/hubfs/INV/Methodology/Sustainalytics_ESG%20R atings_Methodology%20Abstract.pdf)

- Companies are also subjected to a controversy review. This involves assessing the involvement of companies in incidents with negative environmental, social and governance (ESG) impacts. (https://connect.sustainalytics.com/hubfs/INV/Methodology/Controversies%20Resear ch%20Methodology.pdf)
- Other key factors are the exclusion of companies that violate the UN Global Compact and the exercise of voting rights based on our principles and strategy for exercising voting rights. Our voting rights policy can be found at www.mainfirst.com/esg.
- Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance. MainFirst - Top European Ideas is committed to maintaining active dialogue with management with the aim of improving the ESG profile over the holding period.

What is the asset allocation planned for this financial product?

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.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The minimum share of these investments is 51%.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

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

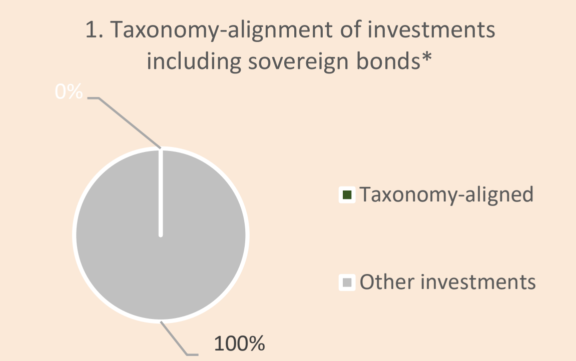
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

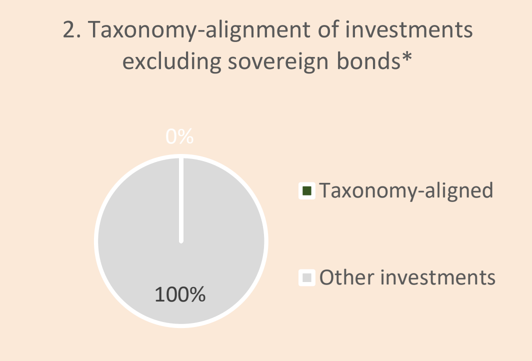
The main objective of this subfund is to contribute to the pursuit of the E/S characteristics, which is why this subfund does not currently undertake to invest a minimum proportion of its total assets in environmentally sustainable economic activities in accordance with Article 3 of the EU Taxonomy Regulation (2020/852). This also applies to information on investments in economic activities that are classified as enabling or transitional activities under Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

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.





Taxonomy-aligned:	0%	Taxonomy-aligned:	0%
Other investments:	100%	Other investments:	100%

*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?**

  Transitional activities: 0%

  Enabling activities: 0%