

## SPECIAL SECTION V.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

**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.

**Product name:** MAINFIRST – ABSOLUTE RETURN MULTI ASSET

**Legal entity identifier:** 529900IMFJDJKHORVL53

### 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: Click or type here to enter text.%

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: Click or type here to enter text.%

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 Click or type here to enter text.% 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

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 sub-fund 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

### ● 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
- countries that are not legally bound by the Paris Agreement
- 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
- oil and gas engagement as measured by Share of revenue: Production >5%, generation 10% and support products/services >25% are excluded
- Production of single-use plastic: The 100 largest producers of single-use plastic are excluded
- Genetically modified plants and seeds Engagement measured by Share of revenue: Development >10% and cultivation >10% are excluded
- Observance of the defined PAIs 1,2,3,4,10,14 (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:

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

- exclusion of companies that violate Principles 1, 2, 3, 4, 5, 6 and 10 of the UN Global Compact
- countries classified as “not free” according to the current Freedom House rankings
- countries that are not legally bound by the UN Convention on Biological Diversity (UN Biodiversity Convention)
- countries with a score below 35 on Transparency International’s current Corruption Perceptions Index
- countries that are not legally bound by the Nuclear Non-Proliferation Treaty
- military engagement as measured by Share of revenue: Weapons > 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
- The largest sugar producers 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 objective is that the weighted average risk score of the sub-fund’s invested companies will, on average, demonstrate at least a medium (or better) ESG risk profile.

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 anti-bribery 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.

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, in the sub-fund, 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. 4 “Participation in fossil fuel companies”
- 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, [Click or type here to enter text](#)



## What investment strategy does this financial product follow?

The investment objective of the MainFirst - Absolute Return Multi Asset Fund is to achieve a return of at least 5 percent per year. The sub-fund uses a broadly diversified investment structure of equities, bonds, currencies and commodities on a global level. Up to 50% of the sub-fund's assets may be invested in equities. The theme-based approach focuses on structurally growing investment themes such as digitalisation, automation and decarbonisation. Companies with structural growth are preferred in the selection process. The investment focus may be on large, mid and small caps. The selection is made after comprehensive company analyses (bottom-up). Derivatives may also be used.

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.

To further assess and independently validate a claim to sustainability, the Sustainalytics scoring model is used and the objective is to demonstrate at least a medium (or better) ESG risk profile on average. Weighting and selection of securities must be adjusted accordingly in the event of non-compliance.

The defined PAIs are also taken into account.

### ● 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 application and consideration of the following key elements are necessary to ensure the fulfilment of the environmental and social objectives being promoted.

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
- countries that are not legally bound by the Paris Agreement
- 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
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- Production of single-use plastic: The 100 largest producers of single-use plastic are excluded
- Genetically modified plants and seeds Engagement measured by Share of revenue: Development >10% and cultivation >10% are excluded
- Observance of the defined PAIs 1,2,3,4,10,14 (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

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

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
- countries classified as “not free” according to the current Freedom House rankings
- countries that are not legally bound by the UN Convention on Biological Diversity (UN Biodiversity Convention)
- countries with a score below 35 on Transparency International’s current Corruption Perceptions Index
- countries that are not legally bound by the Nuclear Non-Proliferation Treaty
- military engagement as measured by Share of revenue: Weapons > 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
- The largest sugar producers 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.

The objective is that the weighted average risk score of the sub-fund’s invested companies will, on average, demonstrate at least a medium (or better) ESG risk profile.

For all securities not covered by Sustainalytics, an internal ESG analysis is prepared and documented. This analysis is not included in the average portfolio risk score, but may lead to the discretionary exclusion of a company based on its sustainability assessment.

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. Level 5 controversies are excluded.

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

The sub-fund does not undertake to reduce the investment universe by a certain minimum rate.

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

● **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 ESG this to be just under 20% of the total ESG rating. ([https://connect.sustainalytics.com/hubfs/INV/Methodology/Sustainalytics\\_ESG%20Ratings\\_Methodology%20Abstract.pdf](https://connect.sustainalytics.com/hubfs/INV/Methodology/Sustainalytics_ESG%20Ratings_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%20Research%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](http://www.mainfirst.com/esg).

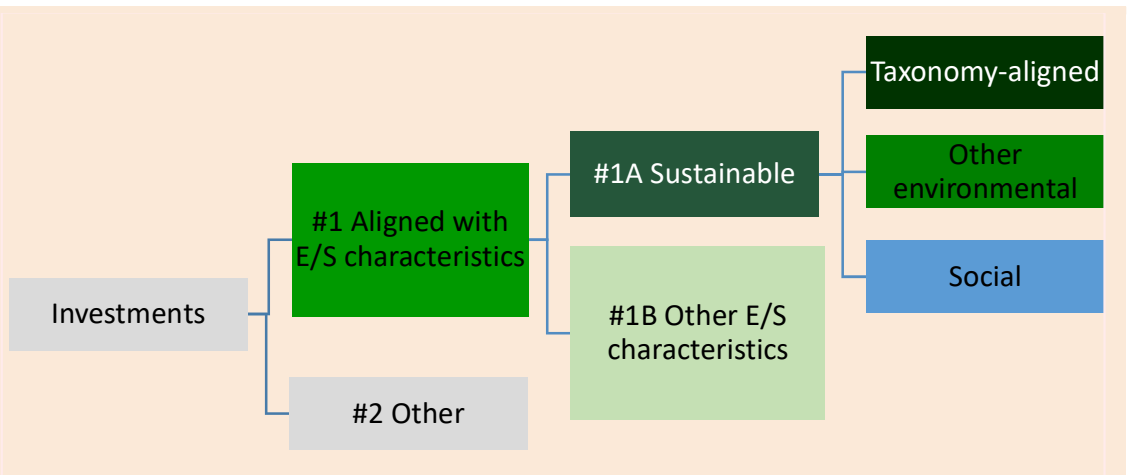


**What is the asset allocation planned for this financial product?**

**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.

Category **#1 Aligned with environmental or social characteristics** includes the following sub-categories:

- The sub-category **#1 Sustainable investment** covers sustainable investments with environmental or social objectives. The minimum Share of these investments is 0%.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

The sub-fund may use financial derivative instruments for investment and hedging purposes. 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 sub-fund is to contribute to the pursuit of the E/S characteristics, which is why this sub-fund 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).

With respect to EU Taxonomy compliance, the criteria for **fossil gas** include limiting emissions and switching to renewable energy or low-carbon fuels by the end of 2035. The criteria for **nuclear energy** include comprehensive safety and waste management regulations.

**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.

- Did the financial product invest in EU Taxonomy-aligned fossil gas and/or nuclear energy<sup>\*\*\*</sup> activities?

Yes

In fossil gas  In nuclear power

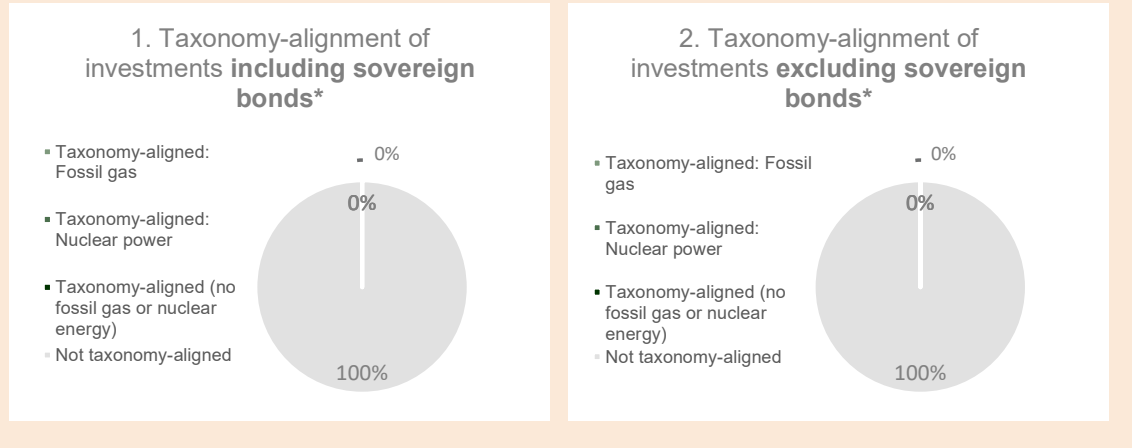
No

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<sup>\*\*\*</sup> Fossil gas and/or nuclear energy activities are only EU Taxonomy-aligned if they contribute to climate change mitigation and do not significantly affect any EU Taxonomy objective - see explanation in the left margin. The full criteria for EU Taxonomy-aligned economic activities in fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.



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: Fossil gas                       | 0%   | Taxonomy-aligned: Fossil gas                       | 0%   |
| Taxonomy-aligned: Nuclear power                    | 0%   | Taxonomy-aligned: Nuclear power                    | 0%   |
| Taxonomy-aligned (no fossil gas or nuclear energy) | 0%   | Taxonomy-aligned (no fossil gas or nuclear energy) | 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%

 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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

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

The minimum Share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%.



### What is the minimum Share of socially sustainable investments?

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

The minimum Share of socially sustainable investments amounts to 0%.



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

This includes hedging instruments, investments for diversification purposes, investments for which no data is available and cash. The sustainability indicators used to measure the achievement of the individual E/S characteristics in “#1 Investments geared towards E/S characteristics” are not systematically applied in “#2 Other”.

Minimum social and environmental protection is available for investments where a UNGC audit is possible. This includes, for example, Shares, but not cash or derivatives.



### 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?

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

Yes, [Click or type here to enter text](#)

No

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

No reference benchmark is designated to determine whether the (sub)fund is aligned with the environmental and/or social characteristics that it promotes.

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

No reference benchmark is designated to determine whether the (sub)fund is aligned with the environmental and/or social characteristics that it promotes.

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

No reference benchmark is designated to determine whether the (sub)fund is aligned with the environmental and/or social characteristics that it promotes.

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

No reference benchmark is designated to determine whether the (sub)fund is aligned with the environmental and/or social characteristics that it promotes.



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

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

<https://www.mainfirst.com/de/home/mainfirst-fonds/mischfonds/mainfirst-absolute-return-multi-asset/>