

ANNEX "ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS"

Pre-contractual information on the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Name of the product: PTAM Global Allocation

Company identifier (LEI code): 549300STAWIE246H0066

Environmental and/or social characteristics

A **sustainable investment** is an investment in an economic activity that contributes to the achievement of an environmental or social objective, provided that this investment does not significantly harm environmental or social objectives, and the companies in which the investment is made apply good corporate governance practices.

The EU taxonomy is a classification system defined in Regulation (EU) 2020/852 and contains a list of environmentally sustainable economic activities. This Regulation does not lay out a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the taxonomy or not.

Is this financial product aimed at sustainable investment?	
●● <input type="checkbox"/> Yes	●○ <input checked="" type="checkbox"/> No
<input type="checkbox"/> A minimum proportion of sustainable investments with an environmental objective is made: ___% <input type="checkbox"/> in economic activities that are categorised as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> in economic activities that are not categorised as environmentally sustainable according to the EU taxonomy	<input type="checkbox"/> The product promotes environmental/social characteristics and although no sustainable investments are targeted, it contains a minimum proportion of ___% sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that are categorised as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> with an environmental objective in economic activities that are not categorised as environmentally sustainable according to the EU taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> With this product, a minimum proportion is dedicated to sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> With this product, environmental/social characteristics are promoted, but no sustainable investments are made.



What environmental and/or social features are advertised with the financial product?

The financial product invests at least 51% of the value of the investment fund in securities and/or investment units, which are selected taking sustainability criteria into account (hereinafter "dedicated ESG investment strategy"). The fund also takes certain exclusion criteria into account.

Accordingly, **both environmental and social characteristics** are advertised.

The investment fund does not compare itself with any reference value.

Sustainability indicators are used to measure the extent to which the environmental or social characteristics advertised with the financial product are achieved.

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

I. Sustainability indicators for the dedicated ESG investment strategy

To measure the achievement of the individual environmental or social characteristics, criteria from the areas of environment, social affairs and responsible corporate governance are used and summarised in an ESG rating.

Accordingly, within the aforementioned minimum quota of 51%, only those securities that are categorised as at least average in a sectoral comparison, and have therefore received an ESG rating of at least BB, are eligible for acquisition.

The relevant data is provided by a recognised data provider.

II. Sustainability indicators for the exclusion criteria

The investment fund may not invest in shares or bonds of companies that

- (1) generate turnover from the manufacture and/or sale of weapons in accordance with the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction ("Ottawa Convention"), the Convention on Cluster Munitions ("Oslo Convention") and B and C weapons in accordance with the respective UN conventions (UN BWC and UN CWC);
- (2) generate more than 5% of their revenue from the manufacture of tobacco products;
- (3) generate more than 30 % of their revenue from the mining and/or sale of steam coal;
- (4) violate the 10 principles of the UN Global Compact network or the OECD Guidelines for Multinational Enterprises in a serious manner and, in the opinion of the fund management, without any prospect of improvement¹².

Furthermore, no bonds are acquired from countries that

- (5) are classified as "not free" according to the Freedom House Index.

In addition, no investment units are acquired that in turn invest in shares or bonds of companies that

- (6) generate revenue from the sale and/or manufacture of outlawed weapons²,
- (7) generate more than 5% of their revenue from tobacco production,
- (8) generate more than 30% of their revenue from the sale and/or production of coal and/or

¹² A company is in serious breach of the above conventions with no prospect of improvement if the breach is very serious. For the recognised data provider, a very serious controversy is shown in the form of a "red flag" (= overall score of 0).

² Prohibited weapons are defined as those under the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction ("Ottawa Convention"), the Convention on Cluster Munitions ("Oslo Convention") and B and C weapons under the respective UN conventions (UN BWC and UN CWC).

- (9) exhibit very serious violations of the 10 principles of the UN Global Compact Network or of the OECD Guidelines for Multinational Enterprises³.

With regard to the **government bonds in the target fund**, no statement can currently be made with regard to the PAI consideration, as HANSAINVEST does not currently have any data on this. As soon as the relevant data is available, HANSAINVEST will take it into account. With regard to investments in target funds, it should be emphasised that it is currently not possible to look through funds with regard to government issuers due to the data provider's methodology.

The relevant data is provided by a recognised data provider.

The EU taxonomy sets out the principle of "avoiding significant harm", according to which taxonomy-compliant investments must not significantly harm the objectives of the EU taxonomy, and specific EU criteria are included.

The principle of "avoiding significant harm" only applies to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

All other sustainable investments must not significantly impair environmental or social objectives.



Principal adverse impacts refers to the **most significant adverse impacts** of investment decisions on sustainability factors in the areas of the environment, social affairs and employment, respect for human rights and combating corruption and bribery.

Are the principal adverse impacts on sustainability factors taken into account for this financial product?

Yes

The following explains which principle adverse impacts ("PAIs") on sustainability the investment fund takes into account in its investment decisions and which measures (exclusion criteria) are intended to avoid or reduce them:

In particular, PAIs that relate to environmental and social sustainability are taken into account. The above exclusion criteria no. (1) - (4) for companies, exclusion criterion no. (5) for countries and no. (6) - (9) for investment shares are used for this purpose.

The conventions mentioned under exclusion criteria no. (1) and no. (6), which refer specifically to the respective categories of weapons mentioned, prohibit the use, production, stockpiling and transfer of the respective category of weapons. In addition, the conventions include regulations on the destruction of stockpiles of controversial weapons, as well as the clearance of contaminated areas and victim assistance components.

In an ecological context, the limitation of turnover generation with steam coal, which is taken up with exclusion criteria no. (3) and (8), is to be categorised as a significant factor for the limitation of greenhouse gas and CO² emissions.

Exclusion criteria no. (4) and no. (9) refer to the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

With its 10 principles, the UN Global Compact pursues the vision of transforming the economy into a more inclusive and sustainable economy. The 10 principles of the

³ In the case of serious violations, it is assumed that the portfolio manager of the target fund assumes a positive outlook. Theoretically, this can lead to the positive forecast of a security being assessed differently by the portfolio manager of the investment fund and the target fund.

UN Global Compact can be divided into four categories: *human rights* (principles 1 and 2), *labour* (principles 3–6), *environment* (principles 7–9) and *anti-corruption* (principle 10).

In accordance with principles 1–2, companies must ensure that they respect and support internationally recognised human rights, i.e. that they do not violate human rights in the course of their activities.

Principles 3–6 require companies to respect and implement international labour rights.

Principles 7–9 set out requirements for environmental sustainability that can be summarised under the following headings: prevention, promotion of environmental awareness and the development and application of sustainable technologies. Among other things, principle 10 establishes the requirement that companies must take measures against corruption.

The aim of the OECD Guidelines for Multinational Enterprises is to promote responsible corporate governance worldwide. The OECD Guidelines for Enterprises set out a code of conduct with regard to foreign investment and cooperation with foreign suppliers.

The Freedom House Index is published annually by the NGO Freedom House and attempts to transparently assess political rights and civil liberties in all countries and territories. In particular, the criteria of elections, pluralism and participation as well as government work are used to assess political rights. Civil liberties are assessed on the basis of freedom of belief, assembly and association, as well as the rule of law and the individual freedom of citizens in the respective country.

In light of this, the following tables show which exclusion criteria are intended to mitigate significant adverse effects on the respective sustainability factors. The selection of sustainability factors is based on the Delegated Regulation supplementing Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

For shares or bonds of companies

Sustainability indicators for adverse impact ("PAI") in accordance with Annex I DeIVO (EU) 2019/2088	Taken into account through	Reasoning
<ol style="list-style-type: none"> 1. GHG emissions 2. Carbon footprint 3. Greenhouse gas intensity of investee companies 	Exclusion criteria no. (3) and (4)	With the revenue threshold specified in the stated exclusion criteria with regard to companies that generate revenue with electricity from fossil fuels, and with the exclusion of companies that have serious controversies with the UN Global Compact and thus also with principles 7–9 of the UN Global Compact, it can be assumed that indirectly fewer emissions are emitted.

4. Exposure to companies active in the fossil fuel sector	Exclusion criteria no. (3)	Investments in fossil fuel activities are limited for the fund due to the revenue thresholds set out in the exclusion criteria, thereby partially avoiding corresponding exposure.
5. Share of non-renewable energy consumption and production	Exclusion criteria no. (3)	<p>The turnover threshold included in the exclusion criterion restricts turnover from the mining and sale of steam coal, which is categorised as a particularly problematic energy source.</p> <p>The share of non-renewable energies in energy consumption is thus indirectly taken into account, as it can be assumed that limiting investment will lead to a reduced supply of non-renewable energy.</p>
6. Energy consumption intensity per high-impact climate sector	Exclusion criterion no. 4	Principles 7 to 9 of the UN Global Compact encourage companies to protect the environment in a precautionary, innovative and targeted manner as part of their activities. In particular, the approach pursued under principle 9 of the UN Global Compact, namely the development of innovative technologies, can contribute to a reduction in energy intensity. Accordingly, it is expected that companies with no serious violations of the UN Global Compact will have a limited negative impact on the energy consumption intensity per sector.
7. Activities negatively affecting biodiversity-sensitive areas 8. Emissions to water 9. Hazardous waste	Exclusion criterion no. 4	The precautionary approach is postulated particularly in principle 7 of the UN Global Compact. It is assumed that companies with no serious violations of the UN Global Compact have only a limited negative impact on protected areas and the species that live there, and only a limited negative impact elsewhere due to polluted wastewater or hazardous waste.
10. Violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises	Exclusion criterion no. 4	Serious violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises are continuously monitored by the exclusion criterion.
11. Lack of processes and compliance mechanisms to monitor compliance with the	Exclusion criterion no. 4	Companies with serious violations of the aforementioned agreements have clearly not created sufficient structures to ensure compliance

UNGC and OECD Guidelines		with the standards, so it can be assumed that the exclusion will lead to a limitation of the negative effects.
12. Unadjusted gender pay gap 13. Gender diversity on the supervisory board or management board (board gender diversity)	Exclusion criterion no. 4	As principle 6 of the UN Global Compact aims to eliminate all forms of discrimination in the workplace, and principles 3–6 also refer to the ILO core labour standards, it can be assumed that the exclusion of very serious violations leads to a limitation of negative impacts.
14. Exposure to controversial weapons	Exclusion criterion no. (1)	The exclusion criterion explicitly excludes investments in companies that generate revenue with controversial weapons, e.g. anti-personnel mines.

For government bonds

Sustainability factor / PAI	Taken into account through	Reasoning
Bonds in the portfolio from countries exposed to social violations (investee countries subject to social violations)	Exclusion criterion no. 5	By applying the exclusion criterion, the portfolio manager does not invest, for the investment fund, in government bonds from countries that are classified as "not free" on the basis of existing information, analyses and expert interviews. [The classification is divided into "free", "partly free" and "not free".] This ensures that, as a minimum, the portfolio manager does not invest in bonds from countries that are definitely exposed to social violations. Accordingly, the PAI is taken into account to the extent that a more negative restriction is applied.

For investment units

The PAI is taken into account in relation to investment units through application of the above exclusion criteria number (6) to number (9). With regard to points (6) to (9), a fund review is carried out, insofar as the issuers in the portfolio of the target fund are taken into account. It should be emphasised that the company also uses a recognised data provider to value the target funds. In this respect, the company and the portfolio management cannot guarantee that corresponding ESG data has been collected for all issuers in the target fund. The inclusion of PAIs at investment unit level should therefore be seen as an approximation.

In light of this, the following table illustrates how PAIs are taken into account as far as possible with regard to target funds:

Sustainability factor / PAI	Taken into account through	Reasoning
<p>1GHG emissions 2. Carbon footprint 3. Greenhouse gas intensity of investee companies</p>	<p>Exclusion criteria no. (8) and (9)</p>	<p>Through the revenue thresholds specified in exclusion criteria with regard to issuers in the target fund that generate revenue from electricity generation using fossil fuels, and through the exclusion of target funds that invest more than 10% of their gross value in issuers that generate revenue from electricity generation using coal or crude oil or contribute to global warming of more than 2 degrees, as well as the exclusion of target funds that invest in issuers that have very serious controversies with the UN Global Compact and thus also with Principles 7–9 of the UN Global Compact, it can be assumed that indirectly fewer emissions are emitted.</p>
<p>4. Exposure to companies active in the fossil fuel sector</p>	<p>Exclusion criteria no. (8)</p>	<p>Investments in target funds that are active in issuers with corresponding activities in the fossil fuel sector are limited for the fund due to the revenue thresholds anchored in the exclusion criteria, which means that corresponding exposure is partially avoided.</p>
<p>5. Share of non-renewable energy consumption and production</p>	<p>Exclusion criteria no. (8)</p>	<p>The threshold contained in the exclusion criterion restricts investment in connection with coal-fired power generation. The share of non-renewable energies in energy consumption is thus indirectly taken into account, as it can be assumed that limiting investment will lead to a reduced supply of non-renewable energy.</p>
<p>6. Energy consumption intensity per high impact climate sector</p>	<p>Exclusion criterion No. 9</p>	<p>Principles 7 to 9 of the UN Global Compact encourage companies to protect the environment in a precautionary, innovative and targeted manner as part of their activities. In particular, the approach pursued under principle 9 of the UN Global Compact, namely the development of innovative technologies, can contribute to a reduction in energy intensity. Accordingly, companies that do not have very serious violations of the UN Global Compact are expected to have a limited negative impact on</p>

		the energy consumption intensity per sector.
7. Activities negatively affecting biodiversity-sensitive areas 8. Emissions to water 9. Hazardous waste	Exclusion criterion no. (9)	The precautionary approach is postulated particularly in principle 7 of the UN Global Compact. It is assumed that companies with no serious violations of the UN Global Compact have only a limited negative impact on protected areas and the species that live there, and only a limited negative impact elsewhere due to polluted wastewater or hazardous waste.
10. Violations of the UN Global Compact or the OECD Guidelines for Multinational Enterprises	Exclusion criterion No. 9	Very serious violations of the UN Global Compact and the OECD Guidelines for Multinational Enterprises are continuously monitored by the exclusion criterion.
11. Lack of processes and compliance mechanisms to monitor compliance with the UNGC and OECD Guidelines	Exclusion criterion No. 9	Companies with very serious violations of the above-mentioned agreement have clearly not created sufficient structures to ensure compliance with the standards, so that it can be assumed that the exclusion will lead to a limitation of the negative effects.
12. Unadjusted gender pay gap 13. Gender diversity on the supervisory board or management board (board gender diversity)	Exclusion criterion No. 9	As Principle 6 of the UN Global Compact aims to eliminate all forms of discrimination in the workplace and Principles 3–6 also refer to the ILO core labour standards, it can be assumed that the exclusion of very serious violations leads to a limitation of negative impacts.
14. Exposure to controversial weapons	Exclusion criterion no. 6	The exclusion criterion explicitly excludes investments in companies that generate revenue with controversial weapons, e.g. anti-personnel mines.

No

What investment strategy is pursued with this financial product?

The fund's investment objective is to maximise capital appreciation.

To achieve this, the fund invests in long-term fixed-income securities issued by governments or high-quality companies ("large caps"), equities and property shares as well as money market instruments. The selection and weighting of the individual asset classes should be based on macroeconomic analyses, i.e. the examination of macroeconomic correlations. Accordingly, a rebalancing of the asset classes should be based on the development of macroeconomic parameters such as interest rates, interest rate differentials, risk premiums and liquidity risk indicators. With adjustments to the investment focus according to changes in market conditions, the intention is to reduce price falls in the fund assets as far as possible and to secure capital gains



The **investment strategy** serves as a guideline for investment decisions, taking into account certain criteria such as investment objectives or risk tolerance.

realised in the meantime within an investment horizon of 6 to 8 years. At the same time, these adjustments are intended to minimise high fluctuations in the share price.

- ***What are the binding elements of the investment strategy used for the selection of investments to fulfil the advertised environmental or social objectives?***

The binding elements lie in the application of the dedicated ESG investment strategy, including the proportion of sustainable investments and the exclusion criteria (see "What environmental and/or social characteristics are advertised with this financial product?" ff. in this document).

- ***What is the minimum rate by which the volume of investments considered prior to the application of this investment strategy will be reduced?***

There is no fixed minimum rate that reduces the scope of investments considered before application of this investment strategy.

- ***How are the good corporate governance practices of the investee companies assessed?***

Good corporate governance is ensured in particular by ensuring that no shares or bonds are acquired from companies that violate the 10 principles of the UN Global Compact network or the OECD Guidelines for Multinational Enterprises without any prospect of improvement.

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



The **asset allocation** indicates the respective share of investments in certain assets.

What asset allocation is planned for this financial product?

The company may invest for the fund in shares and equivalent securities, securities other than shares and equivalent securities, money market instruments, bank deposits, investment fund units, derivatives and other investment instruments.

The minimum proportion of investments in the financial product that are made to fulfil the advertised environmental and/or social characteristics is 51% of the value of the investment fund.

Taxonomy-compliant activities, expressed by the proportion of:

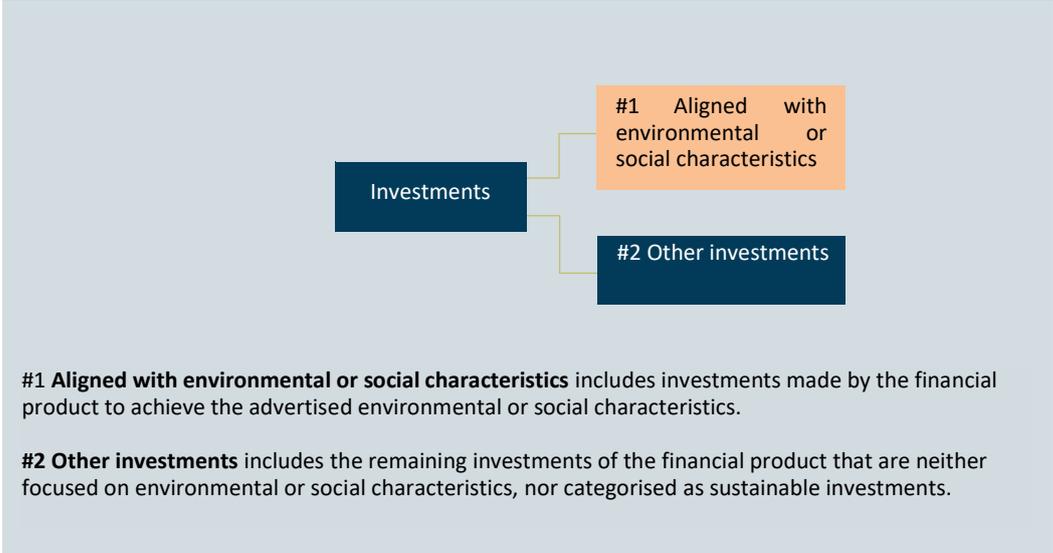
- **sales revenue**, which reflects the share of revenue from environmentally friendly activities of the companies in which investments are made

- **investment expenditure** (CapEx), which shows the environmentally friendly investments of the companies in which investments are made, e.g. for the transition to a green economy

- **operating expenditure** (OpEx), which reflects the environmentally friendly operational activities of the companies in which investments are made.



With regard to compliance with the EU taxonomy, 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 disposal regulations.



● **To what extent does the use of derivatives achieve the environmental or social characteristics advertised with the financial product?**

In the present case, derivatives do not contribute to achieving the advertised environmental or social characteristics and are only used for hedging and investment purposes.

● **To what minimum extent are sustainable investments with an environmental objective compliant with the EU taxonomy?**

The fund does not contribute to one or more environmental objectives in accordance with Art. 9 of Regulation (EU) 2020/852 ("Taxonomy Regulation").

The investments underlying the fund are not, i.e. 0%, focused on economic activities that are classified as environmentally sustainable economic activities in accordance with Art. 3 Regulation (EU) 2020/852 ("Taxonomy Regulation").

● **Does the financial product invest in EU taxonomy-compliant activities in the fossil gas and/or nuclear energy sector?¹³**

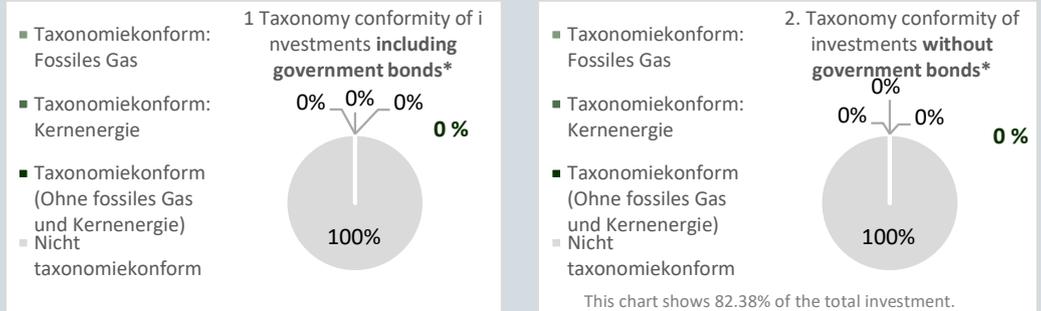
- Yes:**
- in fossil gas in nuclear energy
- No**

¹³ Activities in the area of fossil gas and/or nuclear energy are only EU taxonomy-compliant if they contribute to climate change mitigation ("climate protection") and do not significantly affect any objective of the EU taxonomy – see explanation in the left margin. The full criteria for EU taxonomy-compliant economic activities in the fossil gas and nuclear energy sectors are set out in Commission Delegated Regulation (EU) 2022/1214.

In the two diagrams below, the minimum percentage of investments that comply with the EU taxonomy is shown in contrasting colour. Since there is no suitable method for determining the taxonomy conformity of government bonds*, the first chart shows the taxonomy conformity in relation to all investments of the financial product including government bonds, while the second chart shows the taxonomy conformity only in relation to the investments of the financial product that do not include government bonds.

Enabling activities make it directly possible for other activities to make a significant contribution to the environmental objectives.

Transitional activities are activities for which there are not yet any low-carbon alternatives and which have greenhouse gas emission values that correspond to the best performance.



*For the purposes of these charts, the term "government bonds" includes all risk positions vis-à-vis governments.

● **What is the minimum proportion of investment in transition and enabling activities?**

There is no minimum proportion of investment in transition and enabling activities.



Which investments fall under "#2 Other investments", what is their investment purpose, and is there a minimum level of environmental or social protection?

"#2 Other investments" may include investments in shares and equivalent securities, securities other than shares and equivalent securities, money market instruments, bank deposits, investment fund units, derivatives and other investment instruments. The financial product may invest up to 49% of the value of the investment fund in "#2 Other investments". Here, the portfolio manager can make investments in "#2 Other investments" to maintain liquidity, for hedging and/or to generate additional returns.

Bank balances for liquidity management and index derivatives for hedging purposes are not explicitly part of the sustainability strategy. These assets are not currently used to achieve the environmental and social characteristics advertised by the investment fund and are therefore not taken into account when calculating the minimum proportion of investments that fulfil these characteristics. For other investments that are not covered by the investment fund's sustainability strategy, minimum environmental or social protection is ensured via the minimum exclusion criteria mentioned.

Minimum environmental or social protection is ensured in relation to shares, bonds and investment units through application of the above exclusion criteria. This only applies if the data provider makes the corresponding data available. If no data is available, the shares, bonds or investment units remain purchasable, meaning that minimum protection is not guaranteed in this case.

Where can I find further product-specific information on the Internet?

Further product-specific information is available at:

<https://www.hansainvest.com/deutsch/downloads-formulare/download-center/>

