

ANNEX

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.

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.

Product name: Vert Global Sustainable Real Estate Fund

Legal entity identifier: 6354006D7LT14MBRGM78

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **_50_**% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



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

The Fund promotes environmental and social characteristics and qualifies as a financial product subject to Article 8(1) SFDR. The Fund promotes E/S characteristics through the following positive and negative screens.

The Fund promotes the following environmental and social characteristics:

1. Lower greenhouse gas emissions;
2. Increased green building certifications;
3. Lower water use;
4. Decarbonisation;
5. Lower biodiversity impacts; or
6. Resilience to physical climate risks

The Fund uses positive screens to obtain higher exposure to issuers that satisfy one or more of the following criteria:

1. lowering their greenhouse gas emissions;
2. prioritising green building principles in their portfolio;
3. lowering their water use;
4. committing to decarbonisation;
5. mitigating biodiversity impacts; or
6. mitigating exposure to physical climate risks

The Fund uses negative screens to lower or eliminate exposure to issuers that:

1. are in the fossil fuel, for-profit prison, and gaming industries; or
2. are identified as operating in a manner inconsistent with responsible business conduct standards such as those defined by the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises.

No reference benchmark has been designated for the purpose of attaining the E/S characteristics promoted by the Fund.

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

The Fund uses the following metrics for positive screening:

1. Average annual Scope 1, Scope 2, and where available Scope 3 carbon emissions reductions;
2. Percentage of buildings owned that have earned a recognised green building certification;
3. Average annual water use reduction;
4. Public commitment to carbon emissions reduction target, i.e. Science Based Targets Initiative;
5. adoption of policies and procedures to protect biodiversity; and
6. adoption of policies and procedures to identify, assess, and mitigate physical risks arising from climate change.

The Fund uses the following metrics for negative screening:

1. Specific revenue thresholds regarding fossil fuels, for-profit prisons, and gaming; and
2. Issuers identified as operating in a manner inconsistent with responsible business conduct standards, such as those defined by the UN Global Compact principles.

The Investment Manager will principally source data from voluntary issuer disclosures, industry bodies, and research companies. Where possible, in respect of data disclosed by issuers, the Investment Manager will seek to rely on data that is reported in a manner aligned with international standards or frameworks such as the Carbon Disclosure Project, the Global Reporting Initiative, the Global Real Estate Sustainability Benchmark, and/or the Task Force for Climate Related Financial Disclosures. The Investment Manager will avoid using ESG ratings or scores from third-party providers and will make assessments of issuers based on performance measured against the individual metrics listed above. Data that has the potential for material financial impact is prioritised.

● ***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?***

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

The intended objectives of the sustainable investments of the Fund are to positively contribute towards environmental and social objectives such as reducing carbon emissions and avoiding adverse business lines.

At least 50% of the Fund's Net Asset Value will be invested in sustainable economic activities that contribute to an environmental and/or social objective, in accordance with Article 2(17) of the SFDR. Sustainable economic activities refer to issuers that contribute to an environmental objective and/or a social objective, provided that such investments do no significant ("DNSH") harm to any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable.

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?

In accordance with Article 2(17) of the SFDR, any such sustainable investments must not significantly harm any environmental or social objectives and such sustainable investment issuers must follow good governance practices. Any investment that fails to meet the DNSH thresholds will not be considered towards the sustainable investment share of the Fund. Such DNSH thresholds will include, but are not limited to:

- Involvement in harmful business activities (as outlined above);
- Violation of international norms or involvement in very severe controversies; and
- Violation of certain principal adverse impact indicator thresholds (as outlined below).

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

As part of the DNSH assessment under article 2(17) of the SFDR, the sustainable investment assessment integrates certain metrics related to principal adverse impact indicators to reduce exposure to or to exclude securities which are negatively aligned with the following principal adverse impact indicators:

- GHG emissions;
- Exposure to issuers active in the fossil fuel sector;
- Violation of UN Global Compact principles and OECD Guidelines for multinational enterprises;

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Any securities violating the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights are excluded by the Fund.



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



Yes, the Fund considers the following principal adverse impacts on sustainability factors (PAIs) as outlined in the Sustainable Finance Disclosure Regulation (SFDR):

- Greenhouse gas emissions (GHG)
- Exposure to issuers active in the fossil fuel sector
- Activities negatively affecting biodiversity-sensitive areas
- Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Exposure to fossil fuels through real estate assets
- Investments in issuers without carbon emission reduction initiatives

The information on PAIs will be made available in the Annual Report of the Fund.



No



What investment strategy does this financial product follow?

The Investment Manager actively conducts ongoing research in respect of sustainability within real estate to identify the most significant risks that could materially impact the financial condition of real estate issuers.

The Investment Manager incorporates ESG considerations into the investment process as a core part of the Fund's investment strategy. The Investment Manager aims to consider ESG on the basis of inclusion-based investing (i.e. by applying sustainability criteria to the eligible investment universe through adjusting the weights of the constituents by increasing investment in more sustainable issuers and reducing investment in less sustainable

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

Any other sustainable investments must also not significantly harm any environmental or social objectives.

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

investments) and exclusion-based investing (i.e. screening out firms that do not satisfy the relevant ESG criteria set out by the Investment Manager as detailed below).

The Investment Manager uses data sourced from company disclosures, industry bodies, and research companies that employ both quantitative and qualitative processes to identify and quantify sustainability risk. The Investment Manager will seek data that is aligned to an international reporting standard or framework. The Investment Manager will avoid using third-party ESG ratings. This data is used by the Investment Manager to manage sustainability risk by employing a combination of academic and industry research to determine which ESG risks are more likely to have material impacts on an issuer's financial performance. These material risks are mapped to individual metrics that measure the issuer's exposure.

The Fund seeks to invest at least 80% of its Net Asset Value in securities of issuers that meet the environmental or social characteristics promoted by the Fund. The Fund aims to allocate at least 50% of its investments to sustainable investments as defined under the SFDR.

● ***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 attainment of each of the E/S characteristics promoted by the Fund is enforced by the following binding elements of the investment strategy. The Fund seeks to comply with the EU Paris-Aligned Benchmarks Exclusion Criteria by excluding the following from the portfolio:

- issuers involved in any activities related to controversial weapons;
- issuers involved in the cultivation and production of tobacco;
- issuers that benchmark administrators find in violation of the United Nations Global Compact ("UNGC") principles or the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises;
- issuers that derive 1% or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite;
- issuers that derive 10% or more of their revenues from the exploration, extraction, distribution or refining of oil fuels;
- issuers that derive 50% or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels; and
- issuers that derive 50% or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO₂ e/kWh.

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

The Fund does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy. However, the Fund uses exclusions to attain the E/S characteristics promoted, as outlined above. The

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.

aggregate impact of the binding constraints on the investment universe depends on future developments outside the control of the Investment Manager, such as evolving business strategies, securities listings or general market conditions.

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

Corporate governance standards are assessed as part of the Investment Manager's investment strategy. It includes a qualitative assessment of a given issuer's governance standards that support investor protection and considers standards related to management structures, employee relations, remuneration of staff, and tax compliance.

Additionally, the Investment Manager's Investment Research Group regularly monitors and assesses corporate governance practices at portfolio companies including topics consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines, and the UN Global Compact.

If an investee company is deemed non-compliant due to a severe issue that directly implicates a company through its operations, products and services, the Investment Manager will cease further investments in the company and will assess whether a divestment is merited.



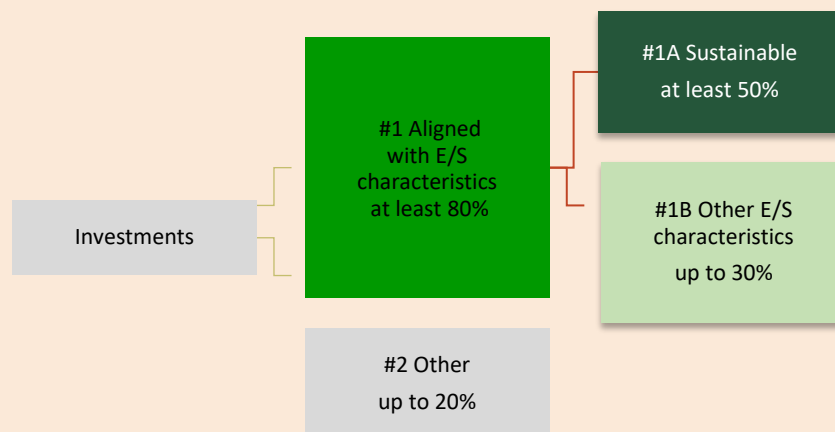
What is the asset allocation planned for this financial product?

The Fund will invest in the securities of issuers with a focus on REITs or REIT-Like Entities.

The Fund generally seeks to achieve a minimum of 80% of its investments to be aligned with the E/S characteristics (#1) promoted by the Fund.

Additionally, the Fund commits to at least 50% of the Fund's Net Asset Value will be invested in sustainable economic activities that contribute to an environmental and/or social objective. In accordance with Article 2 (17) of the SFDR, sustainable economic activities refer to issuers that contribute to an environmental objective and/or a social objective, provided that such investments do no significant harm (DNSH) to any of those objectives and that the investee companies follow good governance practices. The sustainability investment assessment uses data from one or multiple data providers and/or public sources to determine if an activity is sustainable.

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



#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.

#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.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- 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 Fund does not use derivatives to attain the E/S characteristics promoted by the Fund.



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

The Fund invests at least 50% of its Net Asset Value in Sustainable Investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.

● **Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy¹?**



Yes:



In fossil gas



In nuclear energy




No

The Fund does not intend to invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy.

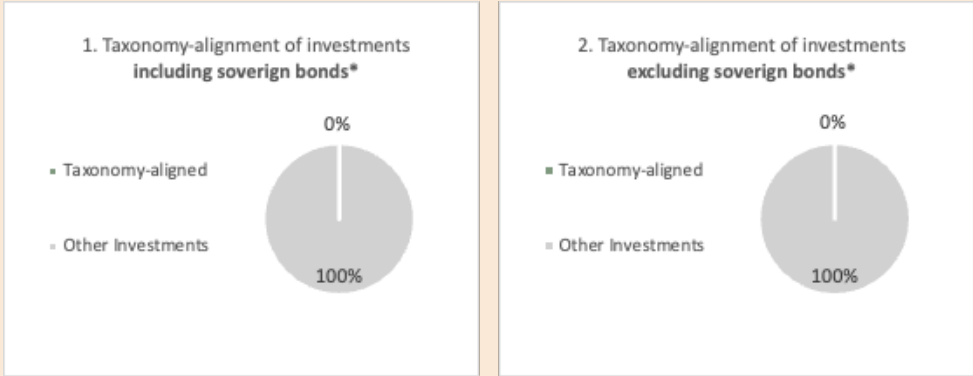
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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

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

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not intend to achieve a minimum proportion of investment in transitional nor in enabling activities.

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



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

The Fund invests at least 50% of its Net Asset Value in Sustainable Investments but commits 0% of its Net Asset Value to sustainable investments with an environmental objective aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Fund does not intend to achieve a minimum share of investments with a social objective.



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

“Assets comprising “Other (#2)” are cash, cash equivalents, and collective investment schemes. Their purpose is to provide liquidity. No specific environmental or social safeguards are applied to Other (#2).”



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No reference benchmark has been designated for the purpose of attaining the E/S characteristics promoted by the Fund.

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

N/A

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

N/A

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

N/A

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

N/A



Where can I find more product specific information online?

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

<https://www.vertfunds.com/investments/ucits/sfdr>