SPECIAL SECTION III.B

As of 1 January 2024

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 – EMERGING MARKETS CORPORATE BOND FUND BALANCED

Legal entity identifier: 529900KM42R21P69DG60

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 **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**

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

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 MainFirst - Emerging Markets Team (EM Team) uses a combination of exclusion criteria and a scoring-based approach.

In the first step, all companies are excluded that do not fulfil the criteria of human rights, labour rights, environment or anti-corruption in accordance with the “UN Global Compact Principles”. At the same time, companies that generate their revenues from the extraction of coal from power plants and tobacco production, as well as from the production of controversial weapons or armaments, are excluded. Countries implicated in various acts of state repression, transnational conflicts, civil wars, accusations of discrimination, etc. are also eliminated from the investment universe.

The EM team takes E/S characteristics into consideration but does not pursue the primary goal of investing only in the most sustainable bonds. Rather, the aim is to achieve a better average ESG risk rating than that of the benchmark.

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. Any long-term improvement in the issuer's ESG rating should tend to narrow its credit spread and generate additional income as a result.

The evolution of the Sustainalytics ESG risk rating is continuously reviewed and adjusted accordingly as part of a monitoring process. In the event of significant deterioration, the company is granted a six-month grace period to explain the reasons for the deterioration and to substantiate its plan to improve its ESG profile. If these assurances fail to materialise, the company is sold.

For companies that do not have an ESG risk rating from Sustainalytics, the EM Team prepares a sustainability analysis using an individual, impact-based assessment process. The framework of the process comprises three aspects: Environment, social aspects and corporate governance. This is carried out primarily through our own research (internet, brokers, local analysts, etc.) as well as through constructive and critical dialogue with the management of the companies. The analysis of the EM Team focuses, for example, on factors such as corporate governance, controversy resolution, etc. In this respect, the team is interested in finding out how other stakeholders are treated, to what extent the board of directors and the management are staffed by external experts, what relationships they have with other companies, or whether critical political interdependencies are known. Transparency with respect to ESG standards can be limited, especially in the case of smaller companies and first-time issuers. In this environment, the willingness of management to provide additional information and provide comprehensive answers to relevant questions plays a crucial role. Within the investment process, positions that do not have an ESG risk rating are then regularly monitored with regard to the evolution of ESG ratings and adjusted accordingly.

- 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.

  - 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.

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 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 1 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:

- Nr. 1 “GHG emissions” (Greenhouse gas emissions Scope 1, Scope 2, Scope 3 and total)

- No. 2 “Carbon footprint”

- Nr. 3 “GHG intensity of investee companies”

- Nr. 4 “Exposure to companies active in the fossil fuel sector”

- No. 10 “Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises”

- Nr. 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?

MainFirst - Emerging Markets Corporate Bond Fund Balanced is a corporate bond fund that focuses on emerging market companies. The investment objective is to achieve long-term capital growth based on appropriate levels of total risk and to consistently outperform the JPM Corporate Emerging Market Bond Broad Diversified Index (JPM CEMBI BD).

The sub-fund's investment strategy focuses on hard currency bonds issued by companies in emerging markets. The approach focuses on identifying inefficiencies and mispricing of companies that offer above-average return potential.

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 selection is made after comprehensive company analyses (bottom-up).

To further assess and independently validate a claim to sustainability, the Sustainalytics scoring model is used to consistently ensure that the average ESG risk score of the sub-fund is better than that of its benchmark JPM CEMBI BD.

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

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. To achieve this, the MainFirst - Emerging Markets Team (EM Team) uses a combination of exclusion criteria and a scoring-based approach.

In the first step, all companies are excluded that do not fulfil the criteria of human rights, labour rights, environment or anti-corruption in accordance with the "UN Global Compact Principles". At the same time, companies that generate their revenues from the extraction of coal from power plants and tobacco production, as well as from the production of controversial weapons or armaments, are excluded. Countries implicated in various acts of state repression, transnational conflicts, civil wars, accusations of discrimination, etc. are also eliminated from the investment universe.

The EM team takes E/S characteristics into consideration but does not pursue the primary goal of investing only in the most sustainable bonds. Rather, the aim is to achieve a better average ESG risk rating than that of the benchmark. 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. Any long-term improvement in the issuer's ESG rating should tend to narrow its credit spread and generate additional income as a result.

The evolution of the Sustainalytics ESG risk rating is continuously reviewed and adjusted accordingly as part of a monitoring process. In the event of significant deterioration, the company is granted a six-month grace period to explain the reasons for the deterioration and to substantiate its plan to improve its ESG profile. If these assurances fail to materialise, the company is sold.

To further assess and independently validate a claim to sustainability, the Sustainalytics scoring model is used to consistently ensure that the Fund's average rating outperforms its benchmark, JPM CEMBI BD. Weighting and selection of securities must be adjusted accordingly in the event of non-compliance. The defined PAIs are also taken into account.

For companies that do not have an ESG risk rating from Sustainalytics, the EM Team prepares a sustainability analysis using an individual, impact-based assessment process. The framework of the process comprises three aspects: Environment, social aspects and corporate governance. This is carried out primarily through our own research (internet, brokers, local analysts, etc.) as well as through constructive and critical dialogue with the management of the companies. The analysis of the EM Team focuses, for example, on factors such as corporate governance, controversy resolution, etc. In this respect, the team is interested in finding out how other stakeholders are treated, to what extent the board of directors and the management are staffed by external experts, what relationships they have with other companies, or whether critical political interdependencies are known. Transparency with respect to ESG standards can be limited, especially in the case of smaller companies and first-time issuers. In this environment, the willingness of management to provide additional information and provide comprehensive answers to relevant questions plays a crucial role. Within the investment process, positions that do not have an ESG risk rating are then regularly monitored with regard to the evolution of ESG ratings and adjusted accordingly.

- **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 have a commitment 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 this to be just under 20% of the total ESG rating. (https://connect.sustainalytics.com/hubfs/INV/Methodology/Sustainalytics_ESG%20Ratings_Methodology%20Abstract.pdf)

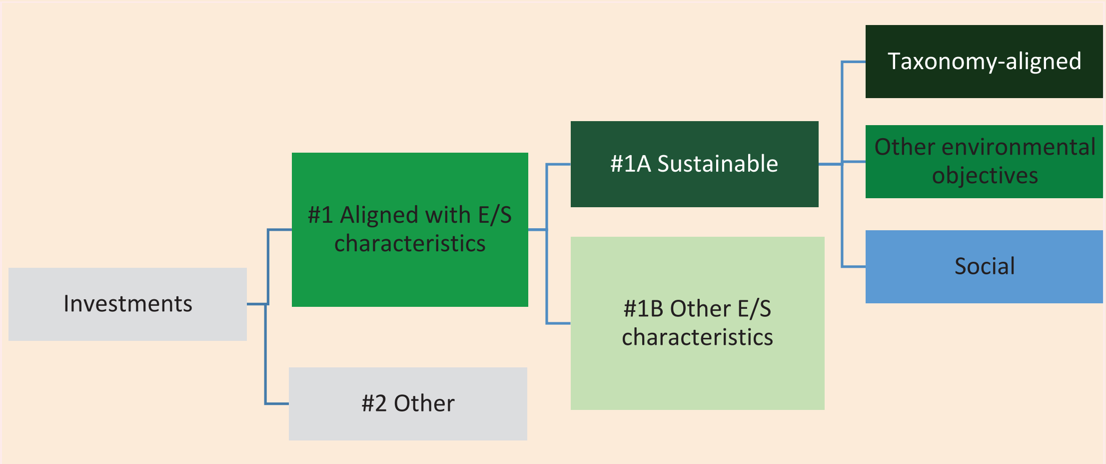
Companies are also subjected to a controversy review. This involves assessing the involvement of companies in incidents with negative environmental, social and governance (ESG) impacts). (https://connect.sustainalytics.com/hubfs/INV/Methodology/Controversies%20Research%20Methodology.pdf)

Other key factors are the exclusion of companies that violate the UN Global Compact.

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 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.

- **Does the financial product invest in EU taxonomy-aligned fossil gas and/or nuclear energy[‡‡] activities?**

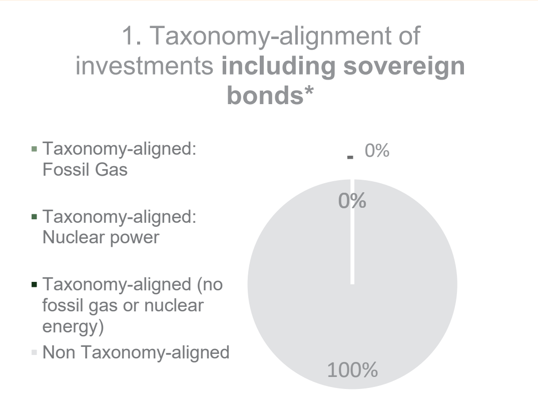
☐ Yes

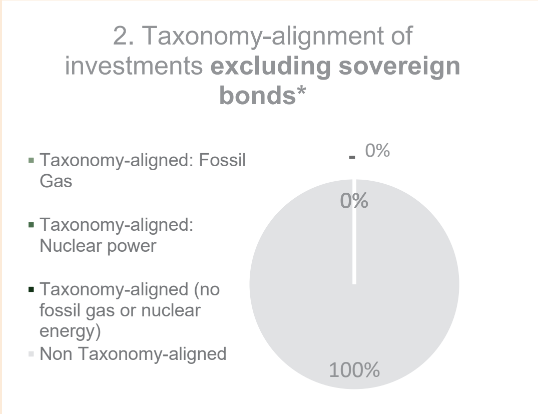
In fossil gas In nuclear energy

☒ No

[‡‡] Fossil gas and/or nuclear energy activities are only EU taxonomy aligned if they contribute to mitigating climate change and do not significantly affect any EU Taxonomy objective – see explanation in the left margin. The detailed criteria for EU taxonomy-aligned economic activities in the sector of 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 Energy	0%	Taxonomy-aligned: Nuclear Energy	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 is 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, bonds, 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,

☒ 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: www.ethenea.com/esg_doc_mf