

Sustainability related disclosures pursuant to Article 10 of Regulation (EU) 2019/2088 in conjunction with Article 24 of Delegated Regulation (EU) 2022/1288

The subject of this document is mandatory information on the environmental and/or social characteristics of this fund. It is not promotional material. This information is required by law in order to transparently explain the environmental and/or social characteristics promoted by the fund.

Berenberg EM Bonds ESG

WKN / ISIN: A2H8YT / LU1725431628; A2H8YV / LU1725439449; A2H8YS / LU1725429309; A2H8YU / LU1725438987

The fund is managed by Universal-Investment-Luxembourg S.A. (the "management company").

a) „Summary“

No sustainable investment objective

Sustainable investments are not the objective of this funds.

Environmental or social characteristics of the financial product

This (Sub)Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

Environmental and social characteristics are taken into account in the investment decisions such as climate change, biodiversity and environmental pollution in the field of the environment, working conditions, human rights, religious freedom and death penalty in social matters and corporate and governance issues such as bribery, corruption, lending, authoritarian regimes and unfair business practices.

Investment strategy

The Berenberg Sustainable EM Bonds fund pursues an investment strategy consisting of emerging markets and government and corporate hard currency bonds. The investment process is accompanied by ESG specific negative screening and a best-in-class approach followed by a fundamental country and corporate selection. The resulting investment portfolio is then allocated via a quantitative optimisation process with the resulting risks being continuously monitored and managed by tracking volatility on the basis of individual issuers.

The fund's objective is to improve the risk/return ratio compared to traditional emerging markets bond funds over a sustained period of time.

Investments are only made in securities that meet Berenberg's sustainability criteria. ESG factors are integrated into investment decisions to ensure efficient risk management and a sustainable long-term return.

The strategy is based on a multi-stage investment process starting with the country and corporate selection.

Issuer selection takes into account ESG criteria applied to potential investments to ensure compliance with minimum ESG standards. Negative screening includes various criteria at country and corporate level.

For example, a general exclusion for countries is based on a lack of democratic values, use of the death penalty, possession of nuclear weapons and failure to ratify international human rights and environmental conventions.

Berenberg ESG exclusion criteria are a minimum standard that companies and countries must meet in terms of ESG in order to qualify as an investment. The Berenberg Sustainable EM Bonds fund applies both exclusion criteria and thresholds that go beyond Berenberg ESG exclusion criteria. There are additional thresholds for nuclear energy, peace status, military spending, corruption and money laundering.

In addition, the investment process involves a three-step "Best-in-Berenberg" approach, which selects only the best countries and companies based on their ESG rating, credit rating and fundamental strength. The first criterion is the overall credit rating. For government bonds, a minimum credit rating of B- is required, while corporate issuers must have an investment grade rating. The second criterion is the MSCI ESG rating for countries and issuers provided by MSCI ESG Research. We require a minimum rating of BB for countries and companies.

In addition, an internal "ESG shadow rating" is used primarily to be able to compare and supplement data from external data providers such as MSCI ESG Research. In the internal analysis, corporate bonds must undergo an individual qualitative analysis in which issuers are screened for all non-quantifiable ESG-related factors, including (but not limited to) negative ESG-related headlines, ongoing litigation or other conflict situations, merger and acquisition activities that could have ESG implications or new product developments that could affect a company's ESG profile.

Proportion of investments

The minimum proportion of the (sub-)fund's investments made to meet the advertised environmental and/or social characteristics is 51% of the value of the (sub-)fund's assets

Unter die Kategorie „Andere Investition“ fallen die Kassehaltung sowie Investitionen in Produkte, die zu Absicherungszwecken eingesetzt werden.

For other investments that are not part of the (Sub) Fund's sustainability strategy, there are no binding criteria to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of the (Sub) Fund's documents there are no legal requirements or standard market procedures on how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, which are then also not subject to the consideration of minimum environmental and/or social safeguards.

Monitoring of environmental or social characteristics

Initially, the environmental and/or social features and the sustainability indicators promoted by the (sub-) fund are checked in a qualitative manner by the ESG Office of the management company/the AIFM. Compliance with the investment limits, based on the individual sustainability strategy, is measured and monitored daily by Investment Controlling of the management company/the AIFM and additionally by the portfolio manager for outsourced portfolio management mandates. Internal controls are carried out by portfolio management and risk controlling. External controls are carried out regularly by auditors in examining the annual reports and at state level by the national supervisory authority.

Methodologies for environmental or social characteristics

As part of the ESG exclusion process, companies and countries are excluded on the basis of activity-based and norm-based exclusion criteria. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective in order to qualify as a potential investment for the portfolio. Among other things, companies are identified that are directly involved in ongoing particularly serious ESG controversies. These are generally excluded for investment. In the event of serious ESG controversies, the portfolio management enters into direct engagement with the company in order to analyse the controversy together with the company and to make a final investment decision based on this analysis. This commitment is undertaken by the portfolio management, but not on behalf of the fund.

Regular automated verification of compliance with the binding elements of the investment strategy and sustainability indicators based on this strategy is used to measure whether the promoted social and environmental characteristics have been met.

Data sources and processing

MSCI ESG Research

Limitations to methodologies and data

There may be restrictions on the collection of data from data providers such as MSCI ESG if they do not cover the entire universe in a more relevant way or have data errors and/or methodological shortcomings. If there is a suspicion that such misrepresentations exist, we will conduct an internal review and, if necessary, contact the data providers to limit the impact on the fulfilment of the promoted environmental and/or social characteristics.

Our proprietary "ESG shadow rating" tool for government bonds is used to compare and supplement data derived from external ESG service providers such as MSCI. We also use the tool when MSCI data is not available.

Due diligence

Through the establishment and application of written policies and procedures effective arrangements are in place to ensure that investment decisions made on behalf of the (sub-) fund are consistent with its objectives, investment strategy and, where applicable, risk limits.

Engagement policies

The engagement policy of the Management Company/the AIFM is exercised in the form of voting.

Designated reference benchmark

This (Sub)Fund has not designated an index as reference benchmark to meet the environmental and/or social characteristics promoted by the (Sub)Fund.

b) „No sustainable investment objective“

This financial product promotes environmental and/or social characteristics, but does not have sustainable investment as its objective.

c) „Environmental or social characteristics of the financial product“

This (Sub)Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

Environmental and social characteristics are taken into account in the investment decisions such as climate change, biodiversity and environmental pollution in the field of the environment, working conditions, human rights, religious freedom and death penalty in social matters and corporate and governance issues such as bribery, corruption, lending, authoritarian regimes and unfair business practices.

d) „Investment strategy“

The Berenberg Sustainable EM Bonds fund pursues an investment strategy consisting of emerging markets and government and corporate hard currency bonds. The investment process is accompanied by ESG specific negative screening and a best-in-class approach followed by a fundamental country and corporate selection. The resulting investment portfolio is then allocated via a quantitative optimisation process with the resulting risks being continuously monitored and managed by tracking volatility on the basis of individual issuers.

The fund's objective is to improve the risk/return ratio compared to traditional emerging markets bond funds over a sustained period of time.

Investments are only made in securities that meet Berenberg's sustainability criteria. ESG factors are integrated into investment decisions to ensure efficient risk management and a sustainable long-term return.

The strategy is based on a multi-stage investment process starting with the country and corporate selection.

Issuer selection takes into account ESG criteria applied to potential investments to ensure compliance with minimum ESG standards. Negative screening includes various criteria at country and corporate level.

For example, a general exclusion for countries is based on a lack of democratic values, use of the death penalty, possession of nuclear weapons and failure to ratify international human rights and environmental conventions.

Berenberg ESG exclusion criteria are a minimum standard that companies and countries must meet in terms of ESG in order to qualify as an investment. The Berenberg Sustainable EM Bonds fund applies both exclusion criteria and thresholds that go beyond Berenberg ESG exclusion criteria. There are additional thresholds for nuclear energy, peace status, military spending, corruption and money laundering.

In addition, the investment process involves a three-step "Best-in-Berenberg" approach, which selects only the best countries and companies based on their ESG rating, credit rating and fundamental strength. The first criterion is the overall credit rating. For government bonds, a minimum credit rating of B- is required, while corporate issuers must have an investment grade rating. The second criterion is the MSCI ESG rating for countries and issuers provided by MSCI ESG Research. We require a minimum rating of BB for countries and companies.

In addition, an internal "ESG shadow rating" is used primarily to be able to compare and supplement data from external data providers such as MSCI ESG Research. In the internal analysis, corporate bonds must undergo an individual qualitative analysis in which issuers are screened for all non-quantifiable ESG-related factors, including (but not limited to) negative ESG-related headlines, ongoing litigation or other conflict situations, merger and acquisition activities that could have ESG implications or new product developments that could affect a company's ESG profile.

Good governance practices of investee companies are evaluated on the basis of the following elements of the investment strategy:

- Application of norms-based ESG exclusion criteria and monitoring of ESG controversies with the exclusion of companies directly related to ongoing particularly serious ESG controversies including governance practices and compliance with international standards based on Berenberg Wealth and Asset Management ESG principles and ESG exclusion criteria
- Engagement with portfolio companies associated with serious ESG controversies based on the Berenberg Wealth and Asset Management engagement principles

e) „Proportion of investments“

The asset allocation of the Fund and the extent to which the Fund has direct or indirect exposures in investee entities can be found in the investment limits and guidelines.

The minimum proportion of sustainable investments beträgt 0%.

The "Other" category includes cash and investments in products that are used for hedging purposes.

For other investments that are not part of the (Sub) Fund's sustainability strategy, there are no binding criteria to consider minimum environmental and/or social safeguards. This is either due to the nature of the assets, where at the time of the preparation of the (Sub) Fund's documents there are no legal requirements or standard market procedures on how to consider minimum environmental and/or social safeguards for such assets or investments are specifically excluded from the sustainability strategy, which are then also not subject to the consideration of minimum environmental and/or social safeguards.

f) „Monitoring of environmental or social characteristics “

The environmental and/or social characteristics promoted by the (sub-)fund and the sustainability indicators used to measure the fulfilment of these environmental and/or social characteristics are subject to an initial qualitative review by the ESG Office of Universal Investment against the strategy pursued (a) upon the launch of a (sub-)fund to be classified as an Article 8 fund under the Disclosure Regulation, (b) upon a fund transfer from another management company/AIFM or (c) upon a change of classification of an Article 6 fund into an Article 8 fund. The individual sustainability strategy of the (sub-)fund is contractually agreed and disclosed in pre-contractual documents of the (sub-) fund. Compliance with the investment limits, based on the individual sustainability strategy, is measured and monitored daily by the Investment Controlling department of the management company/the AIFM and additionally the portfolio manager in the case of outsourced portfolio management mandates. MSCI data as well as the portfolio manager's own research or data from third-party providers are used, whereby the portfolio manager's research is checked by Investment Controlling.

The control of outsourced portfolio management companies takes place initially when the portfolio managers are appointed and on an ongoing basis, e.g., by means of specific ESG reports. External controls are carried out regularly by auditors in examining the annual reports and at the state level by the national supervisory authority.

g) „Methodologies for environmental or social characteristics “

As part of the ESG exclusion process, companies and countries are excluded on the basis of activity-based and norm-based exclusion criteria. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective in order to qualify as a potential investment for the portfolio. Among other things, companies are identified that are directly involved in ongoing particularly serious ESG controversies. These are generally excluded for investment. In the event of serious ESG controversies, the portfolio management enters into direct engagement with the company in order to analyse the controversy together with the company and to make a final investment decision based on this analysis. This commitment is undertaken by the portfolio management, but not on behalf of the fund.

Regular automated verification of compliance with the binding elements of the investment strategy and sustainability indicators based on this strategy is used to measure whether the promoted social and environmental characteristics have been met.

h) „Data sources and processing“

MSCI ESG Research

Exclusions and monitoring of controversies based on data provided by MSCI ESG.

- Due diligence is carried out as part of the data procurement process in the selection of data providers by professional and technical experts, including an assessment of the coverage of the portfolio and the benchmark universe, a review of the underlying models and frameworks of providers and a comparison of provider data with internal analyses and evaluations.
- Contact and discussions with the data provider will take place in the event of material changes to the underlying data and/or data issues.
- Data is automatically integrated into internal systems for portfolio management and monitoring purposes.
- In the event of relevant ESG controversies, an internal analysis and evaluation of the underlying data/information are carried out.
- As part of the ESG opportunity and risk analysis, relevant data/information from internal research, discussions with companies and data from external ESG data providers are aggregated.
- Estimated data may be required, e.g. if a company does not provide such reporting, and can be obtained directly from data providers. As coverage and methods change and evolve, the proportion of estimated data cannot be reliably stated.

i) „Limitations to methodologies and data“

There may be restrictions on the collection of data from data providers such as MSCI ESG if they do not cover the entire universe in a more relevant way or have data errors and/or methodological shortcomings. If there is a suspicion that such misrepresentations exist, we will conduct an internal review and, if necessary, contact the data providers to limit the impact on the fulfilment of the promoted environmental and/or social characteristics.

Our proprietary “ESG shadow rating” tool for government bonds is used to compare and supplement data derived from external ESG service providers such as MSCI. We also use the tool when MSCI data is not available.

j) „Due diligence“

The (sub-)fund's underlying assets are managed by the Management Company/AIFM exclusively in the interest of the investors and in accordance with strict statutory and regulatory requirements.

Before the assets are acquired, portfolio management checks whether the asset can be acquired in accordance with the legal and contractual requirements. Effective arrangements are in place through the establishment and application of written policies and procedures to ensure that investment decisions made on behalf of the (sub-)fund are consistent with its objectives, investment strategy and, where applicable, risk limits. After the assets have been acquired, a further corresponding daily check is carried out by the investment controlling department of the Management Company/AIFM and on an ongoing basis by the portfolio manager. The internal control of these due diligence obligations is carried out in the Risk Controlling department as the second line of defence and at a downstream level by the Internal Audit department as the third line of defence.

The control of outsourced portfolio managers is carried out by means of ISAE or comparable reports. These reports are evaluated by subject matter experts of the Management Company/AIFM within the framework of outsourcing controlling. Before commencing business activities in new products or new markets, including the acquisition of assets, the Management Company/AIFM ensures that the associated risks and the impact on the overall risk profile of the (sub-)fund are appropriately captured, measured, monitored, and managed.

When complying with their respective duties, the Management Company/AIFM, the portfolio manager, in case the investment decision making is outsourced, or, if applicable, an appointed investment advisor, take into account sustainability risks and - at their entity level - the principal adverse impacts of investment decisions on sustainability factors.

The (sub-)fund's underlying assets are under the independent supervision, safekeeping, and monitoring of the depositary. Further external controls are carried out regularly by auditors in examining the annual reports and at state level by the national supervisory authority.

k) „Engagement policies“

The engagement policy of the Management Company/the AIFM is exercised in the form of voting. In order to safeguard the interests of the investors in the managed (sub-)funds and to fulfil the associated responsibility, the management company/the AIFM shall exercise the shareholder and creditor rights from the shareholdings held in the managed (sub-)funds in the interests of the investors. The decision-making criterion for the exercise or non-exercise of voting rights for the management company/the AIFM shall be the interests of the investors and the integrity of the market as well as the benefit for the investment fund concerned and its investors.

The Management Company/AIFM shall base its domestic voting on voting guidelines ("Voting Guidelines"). These Voting Guidelines shall be considered as the basis for the responsible management of the capital and the rights of the investors.

For votes abroad, the management company/the AIFM shall use to the respective country-specific guidelines of Glass Lewis, which take into account the local framework conditions. In addition, the Glass Lewis Guidelines "Environmental, Social & Governance ("ESG") Initiatives" are applied to the specific country guidelines and are used as a matter of priority. The application of these guidelines ensures that the voting criteria are country-specific and based on transparent and sustainable corporate governance policies as well as other environmental and social criteria aimed at the long-term success of the companies held by investment funds (so-called portfolio companies).

These voting standards used are based on the interests of the (sub-)funds managed by the management company/the AIFM and are therefore in principle applied to all (sub-)funds, unless it is necessary to deviate from these voting guidelines for individual (sub-)funds in the interest of investors, market integrity or the benefit for the respective investment fund.

The management company/the AIFM shall publish the principles of its participation policy and an annual participation report on its website.

The Asset Manager, if the portfolio management is outsourced, or an appointed investment adviser, if applicable, may take further action to meet environmental and/or social characteristics as part of their corporate engagement activities. However, this engagement is not done on behalf of the (sub-)fund.

l) „Designated reference benchmark“

This (Sub)Fund has not designated an index as reference benchmark to meet the environmental and/or social characteristics promoted by the (Sub)Fund.

m) „Status and document version“

Version	Date	Description
1.0	01.01.2023	First Version