

Sustainability-related disclosures pursuant to Article 10 of Regulation (EU) 2019/2088 in connection with Article 24 et seq. of Delegated Regulation (EU) 2022/1288

The subject of this document is mandatory information on the environmental and/or social characteristics of this Fund. This document 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 European Small Cap

WKN / ISIN: A2PEYD / LU1959967503; A2DVQE / LU1637619393; A2DVQD / LU1637619120; A3DHL6 / LU2459037235;
A3CSTU / LU2352292002; A2DVQF / LU1637619476

This Fund is managed by the capital management company Universal-Investment-Luxembourg S.A.

a) "Summary"

No sustainable investment objective

No sustainable investments are targeted.

Environmental or social characteristics of the financial product

This 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 and environmental pollution in the field of the environment or labour conditions and health and safety in the social sector. In addition, aspects of corporate governance are given consideration.

Investment strategy

The Fund aims to achieve long-term value growth while taking socially and environmentally responsible investment criteria into account. The investments are in securities that meet the Berenberg sustainability criteria. ESG factors are integrated into the investment decisions to ensure efficient risk management and to generate long-term sustainable returns.

ESG risks and opportunities are not only considered when making investment decisions, but are also applied throughout the holding period and as decision criteria for selling.

ESG analyses are regularly carried out as part of portfolio monitoring:

- Monitoring of each individual security in relation to various ESG issues,
- Regular critical-constructive dialogue with the company's management team,
- Early identification of issues that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

In the ESG exclusion process, companies are identified which have a connection to certain products or activities, such as controversial weapons or coal mining and coal-fired power generation. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective that companies must satisfy in order to qualify as a potential investment for the portfolio. In addition, based on the ESG controversies analysis provided by our external ESG data provider, we identify all companies that are directly involved in particularly serious, ongoing ESG controversies. They are excluded as a matter of principle for investment purposes. In the event of serious ESG controversies, the portfolio management enters into direct engagement with the company, both in the case of existing holdings and in the case of potential new investments, in order to analyse the controversy together with the company and to make a final investment decision based on this analysis.

The ESG risk and opportunity analysis is based on internal research, exchanges with the companies and data from external data providers. Relevant ESG issues are openly discussed and monitored within the investment team and in dialogue with the ESG Office. Based on a bottom-up approach, a fundamental assessment process applies exclusion criteria and analyses industry-relevant ESG criteria, inter alia, to determine a sustainability profile of companies. Alongside ESG compliance, long-term profitability remains the key selection factor.

ESG integration is also part of our activities in the field of active ownership, where we as an investor seek to have a positive impact on how companies handle ESG issues. This includes, inter alia, engagement – i.e. direct dialogue with companies on specific ESG topics. Within the framework of a structured engagement process, existing and/or potential ESG controversies as well as other ESG-relevant aspects are addressed. This engagement enables the portfolio management to determine whether a company/issuer recognises existing and/or potential problems and develops strategies for addressing them as well as for identifying ESG/sustainability opportunities.

Furthermore, based on the "Berenberg Wealth and Asset Management Proxy Voting Policy", recommendations for voting at general shareholder meetings of portfolio companies are defined by the portfolio management in cooperation with the Berenberg Wealth and Asset Management ESG Office. The Berenberg Wealth and Asset Management ESG Office passes these recommendations on to the asset management company, Universal-Investment, which in turn takes these recommendations into account when exercising its voting rights.

Distribution of investments

The asset allocation of the Fund and to what extent the Fund may assume direct or indirect exposures to companies can be found in the Terms and Conditions of Investment.

The "Other Investment" category includes cash holdings and investments in products used for hedging purposes. For other investments that are not covered by the Fund's sustainability strategy, there are no binding criteria for taking environmental and/or social protection into account. This is due either to the nature of the assets in which, at the time of drawing up these contractual documents, there are no legal requirements or normal market procedures, how to implement minimum environmental and/or social protection for such assets or specific investments are excluded from the sustainability strategy, which are then also not subject to the audit of minimum environmental and/or social protection.

Monitoring of the environmental or social characteristics

Initially, the environmental and/or social characteristics promoted with the Fund and the sustainability indicators are qualitatively reviewed by the ESG Office of the Management Company/AIFM. Compliance with the investment limits on the basis of the individual sustainability strategy is measured and monitored daily by the Investment Controlling of the Management Company/AIFM and by the Portfolio Manager for outsourced portfolio management mandates. Internal controls are performed by portfolio management and risk controlling. External controls are carried out on a regular basis by the national supervisory authority when auditing the annual reports and at state level.

Methods for environmental or social characteristics

As part of the ESG exclusion process, companies are excluded on the basis of activity-based and norms-based exclusion criteria. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective that companies must satisfy in order to qualify as a potential investment for the portfolio. Inter alia, companies are identified that are directly involved in persistent particularly serious ESG controversies. They are excluded as a matter of principle for investment purposes. In the event of serious ESG controversies, portfolio management enters into direct engagement with the company to analyse the controversy with the company and make a final investment decision based on this. Such exposure will be achieved by portfolio management, but not on behalf of the Fund.

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

Data sources and processing

MSCI ESG Research, IVOX Glass Lewis, RepRisk data is used to achieve any of the environmental and/or social characteristics promoted by the Fund.

Limitations on methods and data

There may be restrictions on obtaining data from data providers such as MSCI ESG and RepRisk if they do not cover the complete universe of relevant companies or have data errors and/or methodological deficiencies. However, the in-house ESG analysis, which includes an in-depth review of environmental and social characteristics and potential further direct contacts with companies to obtain information, reduces the impact of such restrictions on compliance with the environmental and social characteristics promoted by the Fund.

Due diligence

Effective arrangements are taken by defining and applying written policies and procedures to ensure that investment decisions taken on behalf of the Fund are consistent with its objectives, the investment strategy and, as applicable, the risk limits.

Participation policy

The investment management company's participation policy (engagement) is exercised in the form of the exercise of voting rights.

Specific benchmark

This Fund has not determined an index as a benchmark which fulfils the environmental and/or social characteristics promoted by the Fund.

b) "No sustainable investment objective"

This financial product promotes environmental and/or social characteristics, but does not target sustainable investments.

c) "Environmental or social characteristics of the financial product"

This 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 and environmental pollution in the field of the environment or labour conditions and health and safety in the social sector. In addition, aspects of corporate governance are given consideration.

d) “Investment strategy”

The Fund aims to achieve long-term value growth while taking socially and environmentally responsible investment criteria into account. The investments are in securities that meet the Berenberg sustainability criteria. ESG factors are integrated into the investment decisions to ensure efficient risk management and to generate long-term sustainable returns.

ESG risks and opportunities are not only considered when making investment decisions, but are also applied throughout the holding period and as decision criteria for selling.

ESG analyses are regularly carried out as part of portfolio monitoring:

- Monitoring of each individual security in relation to various ESG issues,
- Regular critical-constructive dialogue with the company's management team,
- Early identification of issues that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

In the ESG exclusion process, companies are identified which have a connection to certain products or activities, such as controversial weapons or coal mining and coal-fired power generation. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective that companies must satisfy in order to qualify as a potential investment for the portfolio. In addition, based on the ESG controversies analysis provided by our external ESG data provider, we identify all companies that are directly involved in particularly serious, ongoing ESG controversies. They are excluded as a matter of principle for investment purposes. In the event of serious ESG controversies, the portfolio management enters into direct engagement with the company, both in the case of existing holdings and in the case of potential new investments, in order to analyse the controversy together with the company and to make a final investment decision based on this analysis.

The ESG risk and opportunity analysis is based on internal research, exchanges with the companies and data from external data providers. Relevant ESG issues are openly discussed and monitored within the investment team and in dialogue with the ESG Office. Based on a bottom-up approach, a fundamental assessment process applies exclusion criteria and analyses industry-relevant ESG criteria, inter alia, to determine a sustainability profile of companies. Alongside ESG compliance, long-term profitability remains the key selection factor.

ESG integration is also part of our activities in the field of active ownership, where we as an investor seek to have a positive impact on how companies handle ESG issues. This includes, inter alia, engagement – i.e. direct dialogue with companies on specific ESG topics. Within the framework of a structured engagement process, existing and/or potential ESG controversies as well as other ESG-relevant aspects are addressed. This engagement enables the portfolio management to determine whether a company/issuer recognises existing and/or potential problems and develops strategies for addressing them as well as for identifying ESG/sustainability opportunities.

Furthermore, based on the “Berenberg Wealth and Asset Management Proxy Voting Policy”, recommendations for voting at general shareholder meetings of portfolio companies are defined by the portfolio management in cooperation with the Berenberg Wealth and Asset Management ESG Office. The Berenberg Wealth and Asset Management ESG Office passes these recommendations on to the asset management company, Universal-Investment, which in turn takes these recommendations into account when exercising its voting rights.

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

- Application of norms-based ESG exclusion criteria and monitoring ESG controversies with the exclusion of companies directly related to ongoing particularly serious ESG controversies, including governance practices and compliance with international norms based on Berenberg Wealth and Asset Management ESG principles and ESG exclusion criteria
- Engagement with portfolio companies associated with serious ESG controversies on the basis of Berenberg Wealth and Asset Management Engagement principles
- ESG analysis based on internal research, exchanges with companies and data from external ESG data providers, including governance practices
- Submission of recommendations to the investment company for voting at general meetings of portfolio companies on the basis of the Berenberg Wealth and Asset Management Proxy Voting Policy.

e) “Distribution of Investments”

The asset allocation of the Fund and to what extent the Fund may assume direct or indirect exposures to companies can be found in the Terms and Conditions of Investment.

The "Other Investment" category includes cash holdings and investments in products used for hedging purposes. For other investments that are not covered by the Fund's sustainability strategy, there are no binding criteria for taking environmental and/or social protection into account. This is due either to the nature of the assets in which, at the time of drawing up these contractual documents, there are no legal requirements or normal market procedures, how to implement minimum environmental and/or social protection for such assets or specific investments are excluded from the sustainability strategy, which are then also not subject to the audit of minimum environmental and/or social protection.

f) “Monitoring of the environmental or social characteristics”

The environmental and/or social characteristics promoted by the Fund and the sustainability indicators used to measure compliance with these environmental and/or social characteristics are:

- (a) upon creation of a fund intended to be classified as an Article 8 fund under the Disclosure Regulation,
- (b) in the event of a fund being transferred from another management company/AIFM, or
- (c) in the event of a classification being changed from an Article 6 fund to an Article 8 fund

initially subjected to a qualitative review by Universal Investment's ESG Office on the basis of the strategy pursued.

The Fund's individual sustainability strategy is contractually agreed and disclosed in the Fund's pre-contractual documents. Compliance with the investment limits on the basis of the individual sustainability strategy is measured and monitored daily by the Investment Controlling of the Management Company/AIFM and also by the Portfolio Manager for outsourced portfolio management mandates.

Both MSCI data and proprietary research by the portfolio manager or third-party data are used, whereby the portfolio manager's research is reviewed by investment controlling.

The monitoring of outsourced portfolio management companies is initially carried out when the portfolio managers are brought in and on an ongoing basis – e.g. by means of specific ESG reports. External controls are carried out on a regular basis by the national supervisory authority when reviewing the annual reports and at state level.

g) “Methods for environmental or social characteristics”

As part of the ESG exclusion process, companies are excluded on the basis of activity-based and norms-based exclusion criteria. The Berenberg ESG exclusion criteria set a minimum standard from an ESG perspective that companies must satisfy in order to qualify as a potential investment for the portfolio. Inter alia, companies are identified that are directly involved in persistent particularly serious ESG controversies. They are excluded as a matter of principle for investment purposes. In the event of serious ESG controversies, portfolio management enters into direct engagement with the company to analyse the controversy with the company and make a final investment decision based on this. Such exposure will be achieved by portfolio management, but not on behalf of the Fund.

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

h) “Data sources and processing”

MSCI ESG Research, IVOX Glass Lewis, RepRisk data is used to achieve any of the environmental and/or social characteristics promoted by the Fund.

- Exclusions and controversy monitoring based on data provided by MSCI ESG Research
- ESG opportunity and risk analysis is based on internal research, exchanges with companies and data from external data providers, including MSCI ESG Research and others, such as RepRisk
- Providing recommendations for voting at general meetings based on analysis provided by IVOX Glass Lewis
- Due diligence is carried out as part of the data sourcing process in the selection of data providers by technical and technical experts, including the assessment of the portfolio coverage and the benchmark universe, review of underlying models and frameworks of providers, as well as the comparison of vendor data with internal analysis and valuations
- In the event of material changes to the underlying data and/or data issues, the data provider is contacted and the respective matter discussed
- 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 associated data/information is carried out
- As part of ESG opportunity and risk analysis, relevant data/information is aggregated from internal research, interactions with companies and data from external ESG data providers
- Estimated data may be required (e.g. when a company does not provide relevant reporting) and can be obtained directly from data providers. As coverage and methods change and evolve, the proportion of estimated data cannot be given reliably.

i) “Limitations on methods and data”

There may be restrictions on obtaining data from data providers such as MSCI ESG and RepRisk if they do not cover the complete universe of relevant companies or have data errors and/or methodological deficiencies. However, the in-house ESG analysis, which includes an in-depth review of environmental and social characteristics and potential further direct contacts with companies to obtain information, reduces the impact of such restrictions on compliance with the environmental and social characteristics promoted by the Fund.

j) “Due diligence”

The assets underlying the Fund are managed exclusively in the interests of investors within the strict legal and regulatory requirements by the Management Company/the AIFM.

Prior to the acquisition of the assets, portfolio management checks whether the asset can be acquired in accordance with the legal and contractual requirements. Effective arrangements are taken by defining and applying written policies and procedures to ensure that investment decisions taken on behalf of the Fund are consistent with its objectives, the investment strategy and, as applicable, the risk limits. Once the assets have been acquired, another corresponding daily review is carried out by the Investment Controlling 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 a second line of defence and at downstream level by the internal audit as a third line of defence.

Outsourced portfolio managers are monitored by means of ISAE or comparable reports. These reports are evaluated by experts of the Management Company/AIFM as part of outsourcing controlling. Before starting business activities in new products or on new markets, including the acquisition of assets, the Management Company/AIFM shall ensure that the associated risks and the effects on the overall risk profile of the Fund are adequately recorded, measured, monitored and managed.

The Management Company/AIFM, the portfolio manager (if the investment decision is outsourced) or, if applicable, an appointed investment adviser, take into account the sustainability risks and – at their company level – the principal adverse effects of investment decisions on sustainability factors when fulfilling their duties.

The underlying assets of the Fund are subject to the independent supervision, custody and supervision of the Depository. Further external controls are carried out on a regular basis by the national supervisory authority when auditing the annual reports and at state level.

k) “Participation policy”

The investment management company's participation policy (engagement) is exercised in the form of the exercise of voting rights. In order to safeguard the interests of the investors in the managed funds and to fulfil the associated responsibility, the capital management company exercises the shareholder and creditor rights from the shares held in the managed funds within the meaning of the investors. Decision-making criteria for exercising or not exercising voting rights are the interests of the investors and the integrity of the market as well as the benefits for the investment fund in question and its investors.

The asset management company sets its voting behaviour on the basis of BVI's “Analysis Guidelines for Shareholders' Meetings” that are considered to be ESG-compliant, which form the basis for responsibly handling investors, capital and rights as an industry standard.

When voting abroad, the asset management company uses Glass Lewis’s country-specific guidelines that take into account the local framework conditions. In addition, the Glass Lewis “Environmental, Social & Governance (“ESG”) Initiatives” guidelines are applied to the specific country guidelines and take precedence. The application of these guidelines ensures that voting takes place on a country-specific basis according to the criteria of transparent and sustainable corporate governance policies as well as other criteria from the environmental and social fields which focus on the long-term success of the businesses in which the investment funds are invested (i.e. “portfolio companies”).

These voting standards are based on the interests of the funds managed by the asset management company and are therefore generally applied to all funds, unless it is necessary to deviate from these voting guidelines for individual funds in the interests of the investors, the market integrity or the benefit of the respective investment fund.

The capital management company publishes the principles of its participation policy and an annual participation report on its website.

The asset manager (if portfolio management is outsourced) or an appointed investment advisor, if applicable, may take further measures as part of their company-related engagement activities to fulfil environmental and/or social characteristics. However, this engagement will not take place on behalf of the Fund.

l) “Specific benchmark”

This Fund has not determined an index as a benchmark which fulfils the environmental and/or social characteristics promoted by the Fund.

m) “Status and document version”

Version	Date	Description
1.0	1 January 2023	Initial version