



BANTLEON SELECT CORPORATE HYBRIDS

Transparency in the Promotion of Environmental or Social Characteristics

Disclosures regarding Article 10 of Regulation (EU) 2019/2088

Background

BANTLEON considers itself an active and sustainability-driven asset manager. We support the Principles for Responsible Investing (PRI) by explicitly incorporating sustainability criteria into our investment strategies. The inclusion of environmental, social and corporate governance criteria (ESG criteria) in our investment decisions is a hallmark of our investment philosophy.

In its role as capital management company, BANTLEON AG discloses the following information in accordance with Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 («SFDR»). The information below pertains to the umbrella fund BANTLEON SELECT SICAV, hereinafter referred to as the »investment fund«:

BANTLEON SELECT CORPORATE HYBRIDS

a) Summary

The investment fund is a financial product in accordance with *Article 8* of Regulation (EU) 2019/2088 that has environmental and social characteristics. To this end, ESG exclusion criteria are combined with further qualitative ESG factors within a structured ESG integration process. A pre-determined minimum number of securities in the investment fund must be from issuers having an average or above-average ESG profile, depending on the ESG process used. The sustainability research, assessment of compliance with ethical corporate principles, and an analysis of reputational risks are based on the ESG ratings of MSCI ESG Research, a data provider, as well as our own research, using publicly available sources.

b) No Sustainable Investment Objective

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

c) Environmental or Social Characteristics of the Financial Product

The investment fund's environmental and social characteristics arise from the fact that it invests predominantly in financial instruments from issuers having a positive sustainability profile. A positive sustainability profile results from quality scores in environmental and/or social criteria. Environmental criteria are assessed, for example, on the basis of how an issuer addresses environmental problems, such as waste, environmental pollution, CO₂ emissions, water shortages, toxic waste and deforestation, and how well it does so. The social criteria assess how the issuer treats people, particularly in the areas of human capital management, diversity, working conditions, health and safety.

d) Investment Strategy

a. Description of the Investment Strategy for Meeting Environmental and Social Criteria

As part of a standardised ESG process, ESG factors are incorporated into the entire investment process based on the following approaches, which are applied cumulatively:

1. Exclusion Criteria

a. General Exclusion Criteria

Exclusions are applied to financial instruments from issuers that are implicated in controversial weapons, including the following:

- Manufacturers/ distributors of anti-personnel mines (Ottawa Convention of 1997)
- Manufacturers/ distributors of cluster munitions (Oslo Convention of 2008)
- Manufacturers/ distributors of biological and chemical weapons
- Manufacturers/ distributors of depleted-uranium weapons

b. Strategy-Specific Exclusion Criteria

Apart from the aforementioned general exclusion criteria, the investment fund applies no other strategy-specific exclusions.

2. Value- or Norms-Based Criteria

Value- or norms-based criteria apply to the following:

- Issuers that have adhered to the United Nations' Global Compact are preferred within the selection process;
- Issuers from countries that have adhered to the OECD guidelines for multinational issuers are preferred within the selection process.

3. Positive ESG Integration

Using ESG databanks of leading ESG data providers, publicly available sources and internal research, the investment process actively integrates ESG factors. The ESG profiles of potential investments are thoroughly assessed on that basis.

Assessments are based on detailed information on the issuers of these investments and their behaviour or attitudes regarding environmental, social and governance (ESG) aspects. The ESG databases used are based on a scoring system, in which each issuer is assigned a ranking on a graduated scale that serves as an indicator for the ESG profile. The various scale rankings cover the entire spectrum of possible ESG profiles - weak ESG profiles, average ESG profiles and above-average ESG profiles. With this in mind, the ranking on the scale is also to be understood as a rating that expresses an issuer's resilience to long-term, industry-relevant ESG risks. When rankings are assigned, consideration is also given to how well the issuer controls ESG factors compared to its peers, in addition to its actual exposure to those factors. To adequately take ESG factors into account, investments in issuers with average or above-average ESG profiles are given preference within the selection process.

Further information on the strategies used in encompassing ESG factors in the investment decision processes can be found at www.bantleon.com under »Sustainability«.

b. Description of the Policy for Evaluating Good Governance

Several governance-related criteria are used to assess to what degree issuers of financial instruments apply good corporate governance processes. Regarding corporate management, an assessment is made of corporate structure, membership of executive and supervisory bodies, compensation, ownership structure and accounting practices. Regarding the company's conduct, an assessment is made of its business aspects and fraud, anti-competitive conduct, corruption, and tax transparency.

e) Proportion of Investments

A list of assets eligible for the investment fund and covered by the ESG process, including details of any limits, can be found in the fund-specific annex to the prospectus.

The processes described under item *d) Investment Strategy* are generally applicable to all investment fund assets (except bank deposits, derivatives and indirect investments). At least 65% of the investment fund's securities must be from issuers that have an average or above-average ESG profile, depending on the ESG processes used. This results in a sustainability profile that demonstrates that an issuer scores well or sufficiently well on the basis of environmental and/or social criteria. The actual rating is usually higher than this minimum. Hence, the issuers of those securities that exceed the minimum percentage also meet the environmental and/or social criteria by far. Even so, the minimum percentage (with a related residual percentage) does provide some leeway. For securities that exceed the minimum, the issuer's compliance with environmental and/or social criteria is based on the best-efforts principle.

f) Monitoring of Environmental or Social Characteristics

The investment fund's compliance with environmental and social indicators is monitored on a daily basis. This is done using technical investment compliance systems which provide insight into the investment fund's assets, in particular the minimum sustainability profile required at the level of a financial instrument's issuer. Changes occurring in the issuer's domain regarding environmental and/or social criteria that have (negative or positive) implications for its sustainability profile are recorded in the aforementioned systems, triggering an alert when pre-determined investment compliance rules are breached.

As part of an ongoing risk analysis, sustainability reports and ESG indicators are also monitored. In addition to quantitative monitoring, every conversation with issuers includes the subject of ESG opportunities and risks.

Internal control mechanisms are handled by the risk management & investment compliance department. External control mechanisms are handled by internal and external auditors.

g) Methodologies

For more on this point, please see *d) Investment Strategy* and *f) Monitoring of Environmental and Social Indicators*.

h) Data Sources and Processing

BANTLEON's investment team uses both internal and external sources for its ESG data. As the basis of sustainability analysis, assessment of compliance with ethical corporate principles such as the UN Global Compact guidelines, and analysis of reputational risks, BANTLEON uses the ESG ratings of the data provider MSCI ESG Research. ESG ratings from MSCI ESG Research are available for more than 8'500 companies and include detailed fundamental research at the levels of individual sectors and companies. An IT interface integrates MSCI ESG Research data into BANTLEON's investment compliance and reporting processes. In addition, BANTLEON has an internal process that includes its own ESG review of individual stocks on the basis of publicly available sources.

i) Limitations to Methodologies and Data

The effectiveness of BANTLEON's ESG processes is based mainly on the experience and know-how of its investment team and the quality of data and information available. While the methods used are designed to assess issuers' sustainability profile and sustainability risks precisely, there is no guarantee that such methods will be able to identify all circumstances that are relevant to a suitable ESG assessment. BANTLEON assumes that the ESG data acquired from third parties and processed by its own research department are reliable and comprehensive. However, such data may be subject to inaccuracies or restrictions that BANTLEON is unaware of. Although the processes and methods used to measure and incorporate ESG factors are quite comprehensive, there is a residual that not all relevant ESG factors will be identified and properly assessed. BANTLEON regularly checks the criteria used and findings for consistency and comprehensiveness in accordance with the respective investment fund's investment policy.

j) Due Diligence

For more on this subject, see item *f) Monitoring of the Environmental and Social Characteristics*.

k) Engagement Policies

The engagement approach is restricted to corporate bonds. The purpose of ESG engagement is to have a positive influence on issuers. With this in mind, BANTLEON takes part in various conferences, roadshows and corporate presentations. At these events analysts and portfolio managers are urged to discuss the issuer's ESG profile and ESG development with company management. The findings are integrated into the analysis of the issuer.

l) Benchmark Index for Environmental and Social Characteristics

The investment fund does not refer to any benchmark index.

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The full details of the »BANTLEON Mutual Funds« are described in the currently valid prospectus, the key information document (»PRIIP-KID«) and the semi-annual and annual reports. These documents are the only binding basis for a purchase of fund shares. They are available free of charge on www.bantleon.com or can be ordered in printed form from BANTLEON Invest GmbH, Aegidientorplatz 2a, D-30159 Hanover (Fund Management Company in Germany), Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna (Contact and Information Agent in Austria), BANTLEON AG, Claridenstrasse 35, CH-8002 Zürich (Representative in Switzerland) or UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich (Paying Agent in Switzerland).

Performance calculations are based on the daily fund share prices and the reinvestment of income (BVI method). All costs within the fund are taken into consideration, except the subscription fee. Additional fees, commissions and other costs can be charged at the time of buying. These costs are not taken into account in the calculations presented here and can have a negative impact on performance. Past performance is not indicative of future results.

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