

ANNEX A

Pre-contractual information on financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Name of the product:
LOYS Sicav – LOYS Global

Company identifier (LEI code):
5299001DPRQH3SFFJQ48

Environmental and/or social characteristics

Does this financial product target sustainable investments?



Yes



No

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

☐ in economic activities that are classed as environmentally sustainable according to EU taxonomy.

☐ in economic activities that are not classed as environmentally sustainable according to 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 20% of sustainable investments.

☐ with an environmental objective in economic activities that are classed as environmentally sustainable according to EU taxonomy

☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under 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 Sub-Fund invests a predominant part of its assets in investments that contribute to relevant environmental (in particular reduction of greenhouse gas emissions, potential contribution to the reduction of global warming, reduction of the use of fossil fuels as well as reduction of energy consumption) and social (in particular respect for human rights and protection of health) characteristics. The Sub-Fund aims to promote these environmental and social characteristics by investing in equities selected under an appropriate ESG/sustainability approach.

The Sub-Fund holds sustainable investments within the meaning of Article 2 (17) of the Sustainability Disclosure Regulation EU 2019/2088 ("SFDR") to the extent of at least 20% of the Sub-Fund's net assets. In doing so, the Sub-Fund has a broad objective of supported environmental and social goals and is aligned with the UN Sustainable Development Goals ("UN SDG").

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Sub-Fund does not use a benchmark.

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.

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?**

The Sub-Fund uses various sustainability indicators for the selection of investments in order to be able to assess the suitability of the investments in terms of the contribution of the advertised environmental and social characteristics. The sustainability indicators are obtained from the external data provider MSCI. The Sub-Fund will apply the following elements in its portfolio management, i.e. in the selection of investments as well as in the management of existing investments:

1) Exclusion criteria

Exclusion criteria
Turnover from the manufacture and/or sale of military equipment
Turnover from the manufacture and/or distribution of outlawed weapons
Turnover from the production of tobacco
Turnover from the production and/or distribution of coal
Serious violations of the UN Global Compact Code (with no positive outcome)
Serious violations of democratic and human rights (based on the Freedom House Index) for sovereign bonds

2) ESG rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG Rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Article 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance.

● **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?**

The Sub-Fund aims to contribute positively to the UN SDGs with a portion of its assets. In doing so, the Sub-Fund pursues a general strategy in relation to the promotion of the SDGs. The goals of the UN SDGs pursue, among other things, the fulfilment of basic needs, e.g. UN SDG 6 “Clean water and sanitation”, or empowerment, e.g. UN SDG 4 “Quality education”.

The Sub-Fund aims to hold sustainable investments within the meaning of Article 2 (17) SFDR, but not sustainable investments within the meaning of the EU taxonomy regulation.

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?

An assessment is made based on selected MSCI Key Issue Scores to review investments for compliance with the DNSH principle.

All investments that are to qualify as sustainable according to Article 2 (17) SFDR must not have a score lower than 2.9.

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

The Sub-Fund systematically takes into account – for the respective share of investments – specific criteria and sustainability indicators at various levels (exclusion criteria, ESG rating, contribution to UN SDGs, Key Issue Scores) as part of the ESG/sustainability strategy. The content requirements of the adverse impact indicators in Annex I, Table 1 (Impact Areas) are taken into account indirectly via selected MSCI Key Issue Scores. None of the investments that are to qualify as sustainable pursuant to Article 2 (17) SFDR may have a score lower than 2.9. In addition, the indicators 4, 10, 14 for adverse effects according to Annex I, Table 1 are limited via defined exclusion criteria.

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

The “MSCI Controversies & Global Norms” module is used to assess UN Global Compact, Human Rights Compliance and Labour Compliance. Any investment that is to qualify as sustainable according to Article 2 (17) SFDR must not show any non-compliance in this respect.

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.

Note: the Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

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.



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

X

Yes, the Sub-Fund takes into account the following main adverse sustainability effects (or principal adverse impact, "PAI") for investments intended to contribute to the achievement of the environmental and social characteristics:

#	PAI	Cover	
		Via	Type of investment ²
Shares and corporate bonds			
CLIMATE INDICATORS AND OTHER ENVIRONMENT-RELATED INDICATORS			
1	GHG emissions	Key Issue Score	# No. 1 A – Sustainable investments
2	Carbon footprint	Key Issue Score	# No. 1 A – Sustainable investments
3	GHG emission intensity of the companies in which investments are made	Key Issue Score	# No. 1 A – Sustainable investments
4	Exposure to companies active in the fossil fuel sector	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments
5	Share of energy consumption and generation from non-renewable energy sources	Key Issue Score	# No. 1 A – Sustainable investments
6	Intensity of energy consumption by climate-intensive sectors	Key Issue Score	# No. 1 A – Sustainable investments
7	Activities that adversely affect areas with biodiversity in need of protection	Key Issue Score	# No. 1 A – Sustainable investments
8	Emissions in water	Key Issue Score	# No. 1 A – Sustainable investments
9	Proportion of hazardous and radioactive waste	Key Issue Score	# No. 1 A – Sustainable investments
INDICATORS IN THE AREAS OF SOCIAL AFFAIRS AND EMPLOYMENT, RESPECT FOR HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION AND BRIBERY			
10	Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments

² # 1 – E/S characteristics – refers to “#1 Aligned with environmental or social characteristics” from asset allocation. Under “#1 – E/S characteristics”, both equities and corporate bonds as well as government bonds are included, whereby it should be noted that dedicated PAI indicators for equities & corporate bonds and government bonds are taken into account in each case.

11	Lack of processes and compliance mechanisms to monitor adherence to the UNGC Principles and OECD Guidelines for Multinational Enterprises	Key Issue Score	# No. 1 A – Sustainable investments
12	Unadjusted gender pay gap	<i>Due to a lack of or inconsistent data coverage, a consideration of these PAIs cannot be guaranteed at the current point in time.</i>	
13	Gender diversity in the management and control bodies		
14	Engagement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)	Exclusion criterion	# No. 1 – E/S characteristics
		Key Issue Score	# No. 1 A – Sustainable investments

The results are reported on in the annual report.

No



What investment strategy does this financial product follow?

The investment objective of **LOYS Sicav – LOYS Global** (“Sub-Fund”) is to invest the Sub-Fund’s assets internationally in securities in accordance with the principle of risk diversification in order to achieve appropriate income and the highest possible long-term capital growth.

In the context of investment decisions and on an ongoing basis throughout the period of investment of existing investments in the Sub-Fund, the Fund Manager takes into account any risks associated with sustainability (environmental, social and governance factors).

However, no assurance can be given that the aforementioned objectives of the investment policy will be achieved.

The Sub-Fund’s ESG/sustainability strategy, as previously outlined, takes into account the following elements depending on the extent to which the investments are expected to contribute to the advertised environmental and social characteristics:

- Negative screening (exclusion criteria)
- Positive screening (ESG rating)
- Sustainable investments according to Article 2 (17) SFDR
- Consideration of PAIs (*applies exclusively to “# 1 A – Sustainable investments”*)

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?

All potential investments are subject to an assessment by the Fund Manager. The Fund Manager bases this assessment on the data and information provided by MSCI.

The following sustainability indicators are binding in the context of the investment decision, whereby exclusion criteria and ESG rating must be complied with at least for investments in accordance with “#1 Aligned with environmental or social characteristics”, and for investments in accordance with #1A “Sustainable investments” the requirements in accordance with the contribution to the UN SDGs are also relevant.³⁴

³ See “Asset allocation” section

⁴ See “Asset allocation” section

1) Exclusion criteria

The following exclusion criteria are relevant for at least 70% of the net Sub-Fund assets. An exclusion criterion is applicable if an investment does not comply with the respective limit value.

Exclusion criteria	Limit
Turnover from the manufacture and/or sale of military equipment	≤ 10%
Turnover from the manufacture and/or distribution of outlawed weapons	0%
Turnover from the production of tobacco	≤ 5%
Turnover from the production and/or distribution of coal	≤ 30%
Serious violations of the UN Global Compact Code (with no positive outcome)	
Serious violations of democratic and human rights (based on the Freedom House Index) for sovereign bonds	

2) ESG rating

Investments that do not violate the exclusion criteria are assessed in a next step with regard to their MSCI ESG Rating.

MSCI determines an ESG rating based on the identification and assessment of material ESG opportunities and risks relevant to issuers in a given industry. MSCI determines an ESG rating on a scale from “AAA” (best rating) to “CCC” (worst rating).

At least 51% of the Sub-Fund’s investments must have a minimum rating of “BB”.

3) Contribution to UN Sustainable Development Goals – only relevant for investments that qualify as sustainable according to Article 2 (17) SFDR

Investments that have successfully passed both previous assessment steps in the ESG/sustainability analysis are assessed in a further step with regard to their contribution to one of the UN SDGs. In the course of this assessment, the investments are first evaluated with regard to a possible positive contribution to one of the UN SDGs. The assessment of the positive contribution is made based on information from the “MSCI Sustainable Impact Metrics” module. The “SDG Net Alignment Score” sustainability indicator is used to assess the positive contribution. This sustainability indicator measures the contribution of the investment per UN SDG on a scale from “Strongly Misaligned” (most negative contribution) to “Strongly Aligned” (most positive contribution). An investment must make a positive contribution in this respect, i.e. “Aligned” or “Strongly Aligned” with at least one UN SDG.

If a positive contribution can be identified, the next step is to assess the investment in terms of compliance with the “do no significant harm principle” (“DNSH”). Selected “Key Issue Scores” from MSCI’s “MSCI ESG Ratings” module are taken into account. The “Key Issue Scores” are assigned in relation to sustainability-relevant key risks on a scale of 0–10. To ensure compliance with the “do no significant harm principle”, investments are required to achieve a score of ≥ 2.9.

Finally, in addition to the previous UN Global Compact assessment, the investments are also assessed with regard to human rights compliance and labour compliance. This final assessment is based on information from MSCI’s “MSCI Controversies & Global Norms” module. The assessment consists of four individual assessments where the outcome can be “Pass”, “Watch List” or “Fail”. The investments must be at least a “Pass” in all individual assessments.

Investments that meet the requirements of all three steps are fully qualified as sustainable investments according to Article 2 (17) SFDR.

- *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 has not set a minimum rate of reduction for the investments under consideration.

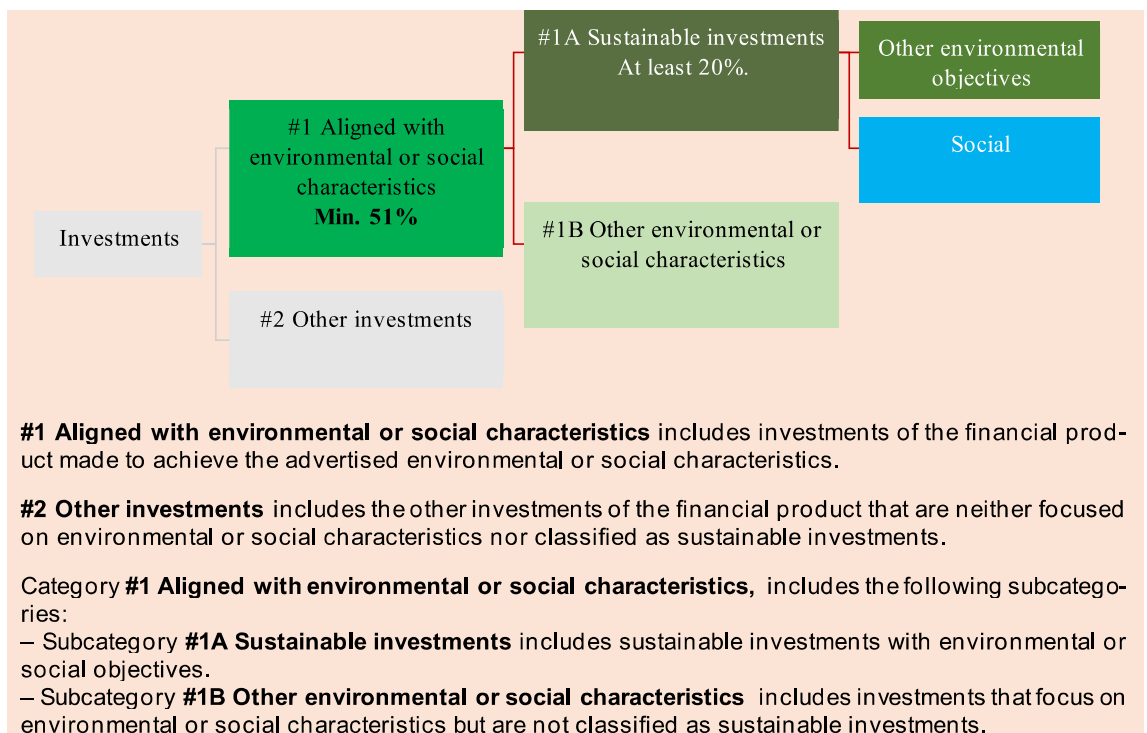
- *What is the policy to assess good governance practices of the investee companies?*

The assessment of compliance with good corporate governance standards is taken into account directly via the exclusion criterion "Serious violations of the UN Global Compact Code (with no positive outcome)" and indirectly via the MSCI ESG Rating (min. BB) for the respective investment. MSCI also takes into account companies' good governance practices when assessing and valuing them. This applies to all investments that are intended to contribute to the achievement of the Sub-Fund's advertised environmental and social characteristics ("#1 Aligned with environmental or social characteristics").



What is the asset allocation planned for this financial product?

For the allocation of the Sub-Fund, please refer to the following:



- *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The Sub-Fund does not use derivatives to promote the advertised environmental and social characteristics.

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.



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

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 0%.

☐ Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁵

☐ Yes

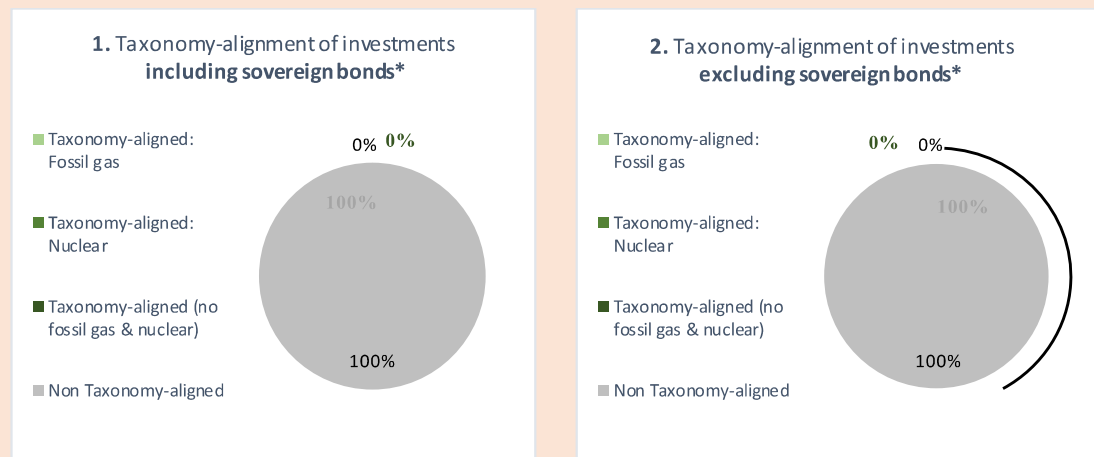
☐ In fossil gas

☐ In nuclear energy

☒ No

The sub-fund does not seek to make taxonomy-compliant investments, in particular in the fossil gas and/or nuclear energy sectors. Nevertheless, as part of the investment strategy, it may also invest in companies that are in any case also active in these areas.

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.

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

The Sub-Fund does not seek to make sustainable investments within the meaning of the EU taxonomy regulation, i.e. the investments do not take into account the EU criteria for environmentally sustainable economic activities.

The minimum is 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.

⁵ 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 sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Sustainable investments are examined as a contribution to the SDGs. As these include both environmental and social objectives, no minimum percentage is set.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.



What is the minimum share of socially sustainable investments?

Since, as previously explained, a separation is not possible in the valuation of sustainable investments, no minimum share is specified.

Therefore, at least 20% consists of sustainable investments with environmental and/or social objectives.



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

These may be bank deposits, derivatives in the context of hedging transactions or in the course of the application of techniques and instruments for efficient portfolio management, as well as investments that do not meet the sustainability indicators or do not have sufficient information to allow an appropriate assessment.

The above-mentioned minimum exclusions, which take into account both environmental and social criteria and thus provide a certain minimum level of protection, apply to at least 70% of the net Sub-Fund assets. For the remaining investments, no special criteria are provided with regard to minimum environmental or social protection.



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?

The Sub-Fund does not use a benchmark.

Reference benchmarks

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

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

The Sub-Fund does not use a benchmark.

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

The Sub-Fund does not use a benchmark.

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

The Sub-Fund does not use a benchmark.

- Where can the methodology used for the calculation of the designated index be found?
The Sub-Fund does not use a benchmark.



Where can I find more product-specific information online?

More product-specific information can be found on the website:
You can find more information about the product via the following link : www.hauck-aufhaeuser.com