

## Disclosure according to Article 8 Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation)

**Product name:** Dynamik Invest  
**Legal entity identifier:** 5299004U4NT5M22X0V95

### 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 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 5 % 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 promotes E/S characteristics, but **will not make any sustainable investments**

**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 include 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?

In Dynamik Invest, the selection of individual stocks is based on a sustainable investment process. Ratings from the sustainability agency ISS ESG and exclusion criteria play just as much a role as the exchange of opinions between experts in the KEPLER ethics advisory board. The sub-funds are selected according to sustainability criteria.

**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 ISS ESG Performance Score is used to measure the environmental and social characteristics of the investment fund.

The ISS ESG Performance Score evaluates the sustainability of the portfolio. The rating is based on a scale from 0 to 100. The higher the rating, the more sustainable the portfolio.

Furthermore, an assessment of the environmental and social characteristics is made through a use of external data points, which is described in more detail in the section "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?".

● ***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 sustainable investments, through products/services of the invested companies, contribute to one or more of the 17 United Nations Sustainable Development Goals (UN SDGs), each to varying degrees, according to ISS ESG's assessment: No poverty, zero hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, innovation and infrastructure; reduced inequalities; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; partnerships for the goals.



● ***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?***

The following criteria ensure that the sustainable investments do not significantly harm any of the environmental or social sustainable investment objectives: Companies with exposure to controversial weapons or thermal coal (producers with a share of turnover equal to or greater than 1%), as well as companies that disregard established norms such as human or labour rights, or have controversial environmental or economic practices, are not eligible as issuers of sustainable investments.

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

Principal Adverse Impacts (PAIs), are taken into account during the process of identification of sustainable investments by screening issuers for negative contributions to the 17 UN Sustainable Development Goals. In addition, issuers are screened to determine whether their activities have a material adverse impact on sustainability factors: Exposure to controversial weapons or thermal coal (miners with a revenue share equal to or greater than 1%), disregard for established norms such as human or labour rights, controversies in environmental or economic practices.

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

When determining the share of sustainable investments, the companies invested in (via sub-funds) are checked to see whether they violate the OECD Guidelines for Multinational

**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.

Enterprises and the United Nations Guiding Principles on Business and Human Rights. Only companies without such violations and compliant with criteria of good corporate governance (avoidance of labour rights controversies, human rights controversies, controversial environmental behaviour, controversial economic practices) can be considered as issuers of sustainable investments.

*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.*



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

✘ Yes, the investment fund considers principal adverse impacts on sustainability factors (PAIs - Principal Adverse Impacts), which are presented using a series of indicators in the areas of "Climate and Environment", "Social and Employment, Respect for Human Rights and Combating Corruption and Bribery" and "States and Supranational Organisations".

Consideration in the selection of individual securities is based on both exclusion criteria (negative criteria) and a "best-in-class" approach (positive criteria).

Below you find the sustainability indicators for adverse impacts considered in the investment process for individual securities as well as the measures taken:

PAIs 1-3 - GHG emissions; carbon footprint; GHG intensity of investee companies: Companies with exposure to fossil fuels are excluded if they exceed different turnover thresholds, depending on the type of activity (coal mining, coal-fired power generation, oil sands, fracking, other fossil fuels). There is also a consideration in the ISS SDG Impact Rating ("SDG 13 Climate action").

PAI 4 - Exposure to companies active in the fossil fuel sector: Companies with exposure to fossil fuels are excluded according to different turnover thresholds depending on the type of activity (coal mining, coal-fired power generation, oil sands, fracking, other fossil fuels).

PAI 5 - Share of non-renewable energy consumption and production: Consideration is given in the ISS ESG Corporate Rating (indicator "Energy use - Coal/nuclear/unclear energy sources").

PAI 6 - Energy consumption intensity per high impact climate sector: Included in the ISS ESG Corporate Rating (SDG 7: Affordable and clean energy; SDG 9: Industry, innovation and infrastructure; SDG 13: Climate action).

PAI 7 - Activities negatively affecting biodiversity-sensitive areas: companies with controversial environmental behaviour are excluded.

PAI 8 - Emissions to water: In the rating process of the ISS ESG Corporate Rating, the indicator "COD (Chemical Oxygen Demand) emissions" is taken into account.

PAI 9 – Hazardous waste and radioactive waste ratio: The rating process of the ISS ESG Corporate Rating takes into account the indicator "Hazardous waste".

PAI 10 - Violations of the UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: Companies that disregard established standards such as human or labour rights, or are involved in controversial environmental or economic practices, are excluded.

PAI 11 - Lack of processes and compliance mechanisms to monitor compliance to the UN Global Compact Principles and the OECD Guidelines for Multinational Enterprises: Consideration in ISS ESG Corporate Rating (indicators "Business Ethics", "Environmental Management", "Human rights", "Training and education").

PAI 12 - Unadjusted gender pay gap: Consideration in ISS SDG Impact Rating ("SDG 5: Gender equality", "SDG 8: Decent work and economic growth" and "SDG 10: Reduced inequalities").

PAI 13 – Board gender diversity: Consideration in ISS SDG Impact Rating ("SDG 5: Gender equality", "SDG 8: Decent work and economic growth" and "SDG 10: Reduced inequalities")

PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons): Companies involved in "controversial weapons" are excluded.

In the selection of sub-funds, consideration is given as follows: The majority of sub-funds that do not invest almost exclusively in public bonds or in inflation-indexed bonds must take into account the principal adverse impacts on sustainability factors (PAIs).

For information on how the principal adverse impacts on sustainability factors were taken into account in the last financial year of the fund, please refer to the annual report under "Information pursuant to Art. 11 Disclosure Regulation".

 No

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

## What investment strategy does this financial product follow?

The investment fund invests in individual securities and sub-funds, taking into account sustainability criteria to promote a sustainable economy.

According to the market situation or estimate of the fund management the investment fund invests in all types of bonds, shares, certificates, ETFs and shares in investment funds of national and international issues, and in money market instruments and sight deposits or deposits at notice. The proportion of these investment categories may in this vary dynamically. Derivative financial instruments may also be used for hedging purposes and speculatively for investment level control.

The selection of individual securities and sub-funds is largely based on criteria of economic, ecological and social sustainability. In addition, ESG exclusion criteria are taken into account in the selection of individual securities.

### ● ***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 attainment of the advertised ecological or social characteristics is to be ensured by the following investment strategy:

#### **Investment process of individual securities:**

The selection of individual securities includes both exclusion criteria and a best-in-class approach.

KEPLER-FONDS KAG uses, among others, the analysis company ISS ESG, a long-standing partner in the field of sustainability analysis.

First, the investments are analysed with regard to violations of exclusion criteria. The exclusion criteria for companies (company controversies) take into account both the level of business areas (sector-based screening) and the business practices of companies (norm-based screening).

The selection of the majority of investments in companies is also based on a "best-in-class" rating. The "best-in-class" criteria for companies are primarily determined by ISS ESG's SDG Impact Rating. This is based on ESG Corporate Rating, SDG Solutions Assessment and controversy research by ISS ESG. The Carbon Risk Rating is taken into account as an additional criterion. All companies from the investment universe of the KEPLER Ethik funds also meet the "best-in-class" criteria.

Based on the criteria defined in the sustainability process described above, ISS ESG provides KEPLER-FONDS KAG with a sustainable investment universe on a quarterly basis with a list of issuers that meet the targeted criteria. While the exclusion criteria apply to all individual securities, the "best-in-class" criteria must be implemented for the majority of individual securities.

In order to discuss and promote the social and environmental performance of the investments, the KEPLER Ethics Advisory Board has been established, which meets regularly and consists of both internal and external experts on the topic of ethics, sustainability and sustainable investments.

More details, including a list of the exclusion criteria applied, can be found at <https://www.kepler.at/de/themen/nachhaltige-geldanlage/kepler-esg-investmentprozesse/investmentprozess-kepler-esg-balanced.html>.

#### **Investment process sub-funds:**

The majority of the sub-funds must also fulfil sustainability criteria. The following criteria are defined as sustainability criteria for these sub-funds:

The sub-fund either promotes social and/or environmental characteristics as defined in Art. 8 or strives for a sustainable investment objective as defined in Art. 9 EU Disclosure Regulation. At the same time, these investments also take into account the principal adverse impacts on sustainability factors (PAIs).

Deviating from this, sub-funds that invest almost exclusively in public bonds or in inflation-indexed bonds also fulfil the sustainability criteria if their securities investments predominantly take into account the "ESG balanced" country exclusion criteria defined by KEPLER.

More details can be found at <https://www.kepler.at/de/themen/nachhaltige-geldanlage/kepler-esg-investmentprozesse/investmentprozess-kepler-esg-balanced-dachfonds.html>.

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no commitment to reduce the scope of the investments by a minimum rate.

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

In the selection of individual securities, companies that violate the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights are excluded from the investment via the exclusion criterion "confirmed non-compliance with established norms" (labour rights controversies, human rights controversies, controversial environmental behaviour, controversial economic practices).

In addition, an assessment is made as part of the sub-fund selection process. The invested sub-funds that promote social and/or ecological characteristics as defined in Art. 8 or have a sustainable investment objective as defined in Art. 9 of the EU Sustainable Finance Disclosure Regulation take the criterion of good corporate governance into account in the investment process.

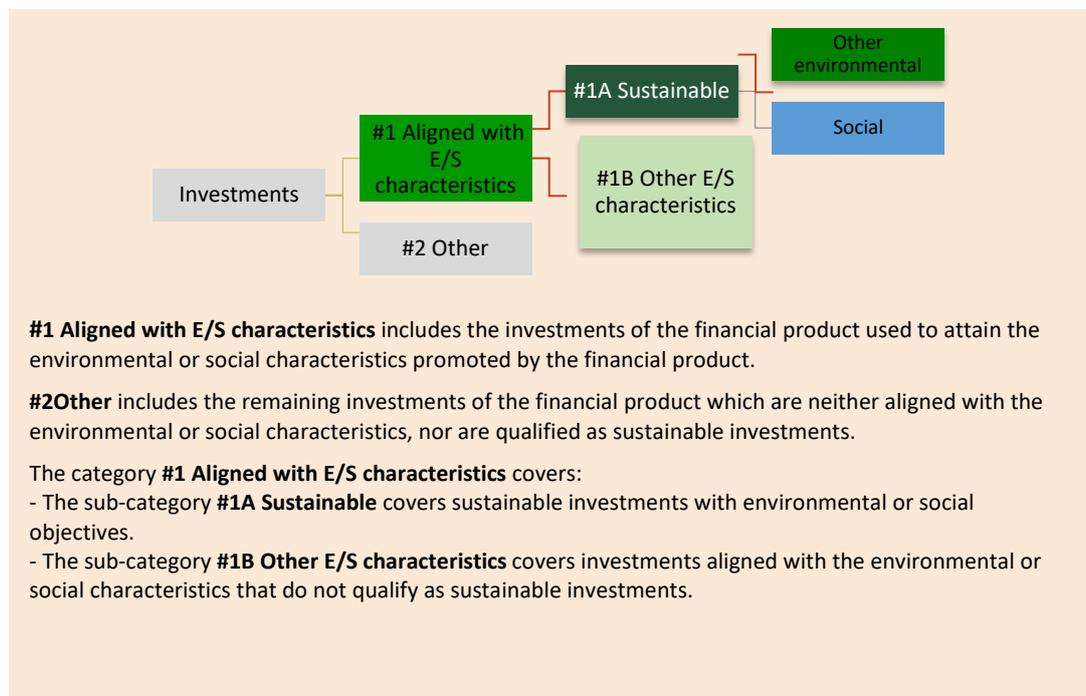
**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



## What is the asset allocation planned for this financial product?

As stated above, the asset allocation aims to achieve the environmental and social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy. The following minimum ratios shall be met:

- **60 % of investments are aligned with environmental and social characteristics (#1 Aligned with E/S characteristics),**
- **5 % of investments have a sustainable investment objective (#1A Sustainable).**
- **Up to 40 % of investments do not meet these characteristics (#2 Other).**



**#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.

**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The share of the investments with environmental / social characteristics (#1) results from the binding elements of the investment strategy through which sustainability criteria are observed. A share of other investments (#2) cannot be excluded, as under certain circumstances a share of the fund assets may be invested in securities, demand deposits, time deposits, FX, derivatives for which no sustainability criteria are defined. Furthermore, individual securities held in the financial product may fall outside the sustainable, quarterly investment universe. These securities are sold within a period of 4 months.

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

Not applicable.

**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.



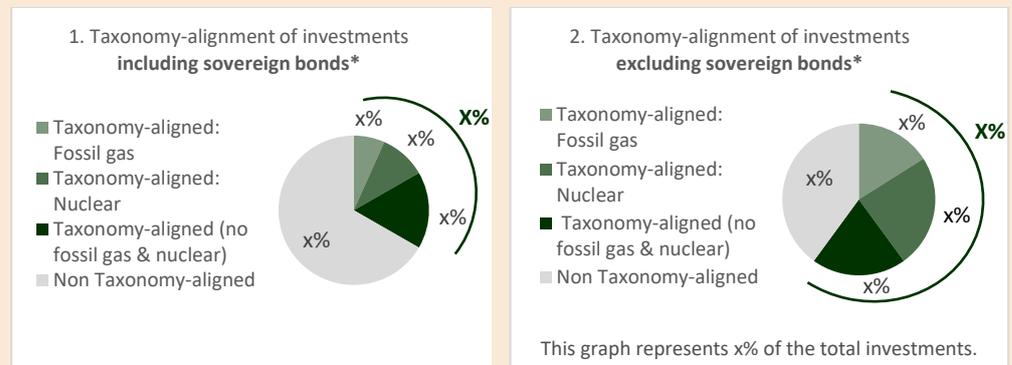
## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The sustainable investments of this financial product are 0 % aligned with the EU Taxonomy.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

- Yes:
- In fossil gas  In nuclear energy
- No

*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 minimum share of investments in transitional activities is 0 %. The minimum share of enabling activities is 0 %.

<sup>1</sup> 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.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU



### What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Sustainable investments are assessed for contributions to the 17 United Nations Sustainable Development Goals (SDGs). As these include both environmental and social objectives, it is not possible to set specific minimum shares each for environmental and social investment. The combined minimum share of sustainable investments with environmental and social objectives of the financial product is 5 %.



### What is the minimum share of socially sustainable investments?

Since, as explained above, a separation is not possible in the assessment of sustainable investments, the total share of sustainable investments in relation to environmental and social objectives of the financial product is at least 5 %.



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

Under certain circumstances, a share of the fund assets may be invested in securities, demand deposits, time deposits, FX, derivatives for which no sustainability criteria are defined. Furthermore, individual securities held in the financial product may fall outside the sustainable investment universe. These securities are sold within a period of 4 months.



### 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.

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

Not applicable.

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

Not applicable.

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

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website: [www.kepler.at](http://www.kepler.at)**