

Details on the fund's ESG investment strategy

In addition to fundamental key figures, the Nordlux Pro Bürgerstiftungsfonds also systematically takes into account social, ecological and responsible corporate management key figures. Stock selection is primarily based on data from the recognized ESG data provider MSCI ESG Research LLC (MSCI).

The mixed fund focuses on equities and bonds from those companies and countries that pay particular attention to their ecological and social performance as well as corporate governance (ESG) and adhere to certain norms on the part of the state. The investable sustainability universe is created by using a multi-level sustainability filter:

The first minimum criterion, which applies to investments in investment funds, countries and companies, is an MSCI ESG rating of at least B. Alternatively, a comparable ESG rating from another provider can be used. In addition, investments are only made in investment funds that follow an ESG approach.

Investments are not made in the securities of companies that do not comply with the following international principles:

- The ten principles of the United Nations Global Compact (UNCG), which relate to the protection of human and labor rights, environmental protection and the fight against corruption.
- The core labor standards of the International Labor Organization (ILO), which cover, among other things, working conditions, wages and the safety/health of employees.

Furthermore, no investments are made in the securities of states that commit serious violations of democracy or human rights and are therefore classified as “not free” according to the Freedom House Index.

The next step is to pursue a zero-tolerance policy towards companies that generate sales from banned weapons and nuclear weapons. A complete exclusion also applies if there is a connection to shale gas/oil or oil sands. This is particularly true for companies that own reserves or carry out production activities.

In addition, all companies are excluded where more than 5 percent of the turnover is attributable to one of the following business areas:

- The alcohol industry;
- The nuclear industry;
- The manufacture of biocides;
- The production, trade and provision of pornographic content;
- The production and distribution of palm oil;
- The gambling industry;
- The tobacco industry;
- The production of conventional and unconventional oil and gas;
- The armaments industry;
- The arms industry as well
- The mining of thermal coal.

In the next step, those companies whose controversial behavior in relation to ESG aspects has serious and very serious consequences are not investable. For example, climate and environmental protection, product and data security, labor rights, corruption and bribery are considered.

After these selection steps, all remaining companies are subjected to a best-in-class test on the stock side to ensure that the portfolio only includes stocks that are among those with the best ESG ratings in their industry. The final, multiple-filtered sustainability universe is finally combined with the fundamental key figures in

order to identify the companies that are convincing in the areas of ecology, social affairs and responsible corporate management and also have economically attractive valuations.