

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.

15 Annex “Sustainable investment objective” to the Sub-Fund Vontobel Fund – Clean Technology

Pre-contractual disclosure annex for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Vontobel Fund – Clean Technology
Legal entity identifier: 529900ZUMAVW7HND8O02

Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes
 No

<input checked="" type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: 80% <ul style="list-style-type: none"> <input checked="" type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> 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 ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What is the sustainable investment objective of this financial product?

The Sub-Fund’s sustainable investment objective consists of investing in issuers that contribute to pre-defined so called “Impact Pillars” through their products and services, based on pre-determined revenue thresholds and on the Investment Manager’s assessment using a proprietary impact score. The Impact Pillars are: clean energy infrastructure, resource-efficient industry, clean water, building technology, low emission transportation and lifecycle management. The targeted companies provide products and services along the whole value chain, which tackle today’s pressing environmental problems i.e., such as environmental pollution, climate change, resource limitations, technological advances and growing needs for water and wastewater infrastructure.

The Sub-Fund partially intends to invest in sustainable investments with an environmental objective as defined by the EU Taxonomy. These objectives are amongst others: “climate change mitigation”, “climate change adaptation”, “transition to a circular economy”.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

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 the sustainable investment objective of this financial product?**

- Percentage of investments in securities of corporate issuers that derive more than 20% of their revenues from economic activities that contribute to at least one of the Impact Pillars (based on a proprietary methodology)
- Percentage of investments in securities of corporate issuers that have a positive Impact Strategy score (based on a proprietary methodology)
- Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund (excluded products and/or activities are indicated under the investment strategy section)
- Percentage of investments in securities of corporate issuers that pass the minimum MSCI ESG score that has been set for this Sub-Fund (ESG score of B)
- Percentage of investments in securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues
- Percentage of securities covered by ESG analysis

● **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

In order to ensure that the sustainable investments that Sub-Fund intends to make do not cause significant harm to any environmental or social investment objective, the Sub-Fund takes into account all the mandatory indicators for adverse impacts and ensures that the Sub-Fund's investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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

The Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

— — — — *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 Sub-Fund has a controversy monitoring process in place, that among others takes into account the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This process is based on third party data and may be complemented by the Investment Manager own ESG research capabilities. The Sub-Fund excludes issuers that are (i) in violation with the norms and standards (defined under the investment strategy section) promoted by the Sub-Fund ; (ii) involved in severe controversies. Unless, in either case, the Investment Manager has identified a positive outlook (i.e., through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Sustainable investments with an environmental objective aligned with the EU Taxonomy do not significant harm environmental or social sustainable investment objective. This will be ensured by: taking into account the adverse impacts on sustainability factors as described above, alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, and compliance with the Technical Screening Criteria of the Delegated Acts for the EU Taxonomy.



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

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.



Yes, the Investment Manager takes into account all the mandatory adverse impact indicators and any relevant additional adverse impact indicators by applying the following process:

The Investment Manager identifies issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. When no reliable third-party data is available, the Investment Manager may make reasonable estimates or assumptions.

Where the Investment Manager identifies an investment as having a critical and poorly managed impact in one of the considered principal adverse impacts areas, and where no signs of remedial action or improvement have been observed, an action by the Investment Manager must be taken. Action mechanisms may include: exclusion, active ownership, tilting.

Information on how principal adverse impacts on sustainability factors were considered will be made available in the periodic reporting of the Sub-Fund.



No



What investment strategy does this financial product follow?

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

In order to attain the sustainable investment objective, the Sub-Fund applies the following ESG framework: Impact Pillars contribution, exclusion approach, monitoring of severe controversies, screening.

Impact Pillars contribution:

The Sub-Fund invests in issuers that contribute to the Impact Pillars through their products and services. In order to qualify for investment,

- the investee companies must have a positive contribution to at least one of the Impact Pillars, where the company must derive at least 20% of its revenues from economic activities that contribute to at least one of the Impact Pillars. Accordingly, if an issuer derives more than 20% of its revenues from economic activities that contribute to at least one of the Impact Pillars and complies with the remaining elements of the investment strategy, it will be considered a sustainable investment.
- the investee companies must have a positive impact strategy score ("Impact Strategy score"). The Investment Manager systematically assess the investee companies impact strategies, based on a qualitative scoring of six criteria (score from -3 to +3), reflecting the benefits linked to an investee company's strategy, also relative to peers or similar industries. These six scores aggregate to an overall Impact Strategy score for each company.

Exclusion approach:

The Sub-Fund excludes:

- securities of corporate issuers that derive a non-negligible part of their revenues from the following products and/or activities: unconventional / controversial weapons (0%), nuclear weapons (0%), coal (extraction/thermal, 5%), other unconventional oil and gas (i.e. tar /oil sands, shale gas...; 5%), conventional oil and gas extraction (20%), coal power generation (10%), nuclear energy generation (20%), tobacco (5%), adult entertainment (5%), alcohol (5%), gambling (5%), fur (5%), palm oil (5%). The percentage indicated reflect the revenue thresholds applied related to the production of such products and/or activities. For selected products and/or activities, additional limits apply as disclosed on the web-site.

Monitoring of severe controversies:

- The Sub-Fund promotes the adherence with certain international norms and standards by excluding securities of issuers that are (i) in violation with these norms and standards or (ii) that are involved in severe controversies (such controversies may be related to environmental, social and/or governance issues). Unless, in either case, the Investment Manager has identified a positive outlook (for example

through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

Screening:

- The Sub-Fund invests in securities of corporate issuers that pass the minimum ESG rating (minimum is set at B, on a scale from AAA to CCC, with AAA being the best, and CCC being the worst rating), which is provided by a third-party ESG data provider selected by the Investment Manager, namely MSCI ESG. This model evaluates sector-specific environmental, social and governance criteria. The criteria refer to companies' actions and performance in relation to environmental protection in production, environmental product design, employee relations, environmental and social supply chain standards and management systems. The ESG model scores companies relative to the other companies in the related industry.

Additionally, the Sub-Fund follows an active ownership approach, which takes into account relevant environmental, social and governance matters. The Investment Manager sees these activities as a way to support the attainment of the environmental and social characteristics promoted by the Sub-Fund. The Sub-Fund is covered by the engagement pool of the Investment Manager's stewardship program, which is mainly based on a collaboration with a stewardship partner. The Investment Manager has limited influence on the stewardship partner's engagement program.

The securities will be analyzed based on the binding elements prior to investment and monitored on a continuous basis. The securities in the portfolio have their sustainability performance periodically reevaluated using the above-described sustainability framework. If a security does not comply with the binding criteria described below, the Investment Manager divests from such an issuer within a time period to be determined by the Investment Manager without exceeding in principle three months after such breach was detected, considering prevailing market conditions, and taking due account of the best interests of the shareholders. The Board of Directors or the Management Company of Vontobel Fund may decide to further postpone the rectification of such a breach or decide to carry out the divestment in several instalments over a longer period of time in exceptional cases, provided this is considered to be in the best interests of the shareholders.

● **What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?**

- The Sub-Fund invests in issuers that have a positive Impact Strategy score.
- The Sub-Fund invests in issuers that derive at least 20% of its revenues from economic activities that contribute to at least one of the Impact Pillars.
- The Sub-Fund excludes securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). Such controversies may be related to environmental, social or governance issues.
- The Sub-Fund invests in securities of corporate issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund (ESG score of B)
- The application of the binding elements, as described above, leads to the exclusion of at least 20% of the investments considered prior to the application of the investment strategy (i.e. global listed equity markets).
- The ESG analysis covers 100% of the Sub-Fund's securities. The use of ESG data may be subject to methodological limits.

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

The Investment Manager will assess investee companies' good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance, by applying a severe controversies monitoring process. The Sub-Fund excludes issuers that are (i) in violation with the norms and standards promoted by the Sub-Fund or (ii) that are involved in severe controversies, including those related to governance matters. Unless, in either case, the Investment Manager has identified a positive outlook (i.e., through proactive response by the issuer, proportionate rectification measures already announced or taken, or through active ownership activities with reasonable promise of successful outcomes).

The Sub-Fund further intends to ensure good governance of the investee companies via active ownership. The Investment Manager puts best effort in engaging with regards to ESG policies and to promote sustainability awareness.

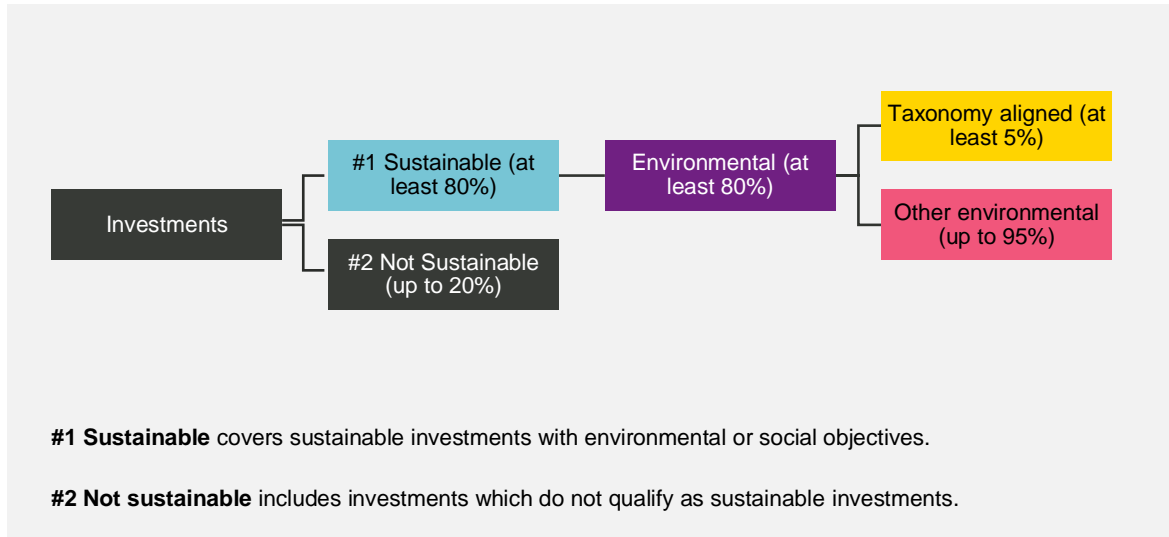
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation and the minimum share of sustainable investments?

The Sub-Fund is expected to invest at least 80% of its NAV in issuers that qualify as sustainable investments (#1 Sustainable), under normal market conditions.

Asset allocation describes the share of investments in specific assets.



The percentage indicated above refer to the Sub-Fund's net asset value.


- **How does the use of derivatives attain the sustainable investment objective?**
Not applicable. Derivatives are not used for the purpose of attaining the sustainable investment objective of the Sub-Fund.

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.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional ac-

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



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

The Sub-Fund intends to partially invest in sustainable investments with an environmental objective as defined by the EU Taxonomy. These objectives are: “climate change mitigation”, “climate change adaptation”, “transition to a circular economy”.

It is expected that at least 5% of the Sub-Fund’s investments will be considered as aligned with the EU Taxonomy. This percentage reflects the alignment with the objectives “climate change mitigation” and “climate change adaptation”. At the date of the Sales Prospectus, the EU Taxonomy technical screening criteria are available only for the objectives “climate change mitigation” and “climate change adaptation”.

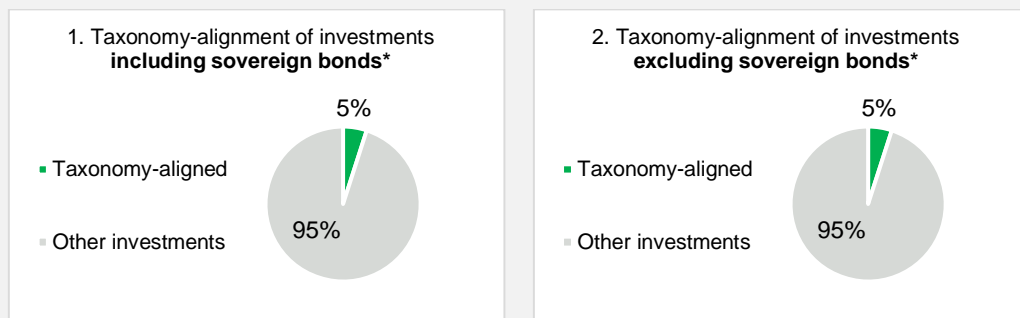
As the Sub-Fund will solely invest in investee companies, none of the investments will consist of sovereign exposures.

The Taxonomy alignment of the investment is calculated by turnover.

In order to calculate and monitor the EU Taxonomy alignment of the Sub-Fund, the Investment Manager will use data reported by the investee companies themselves. Where investee companies do not report such data, the Investment Manager will use equivalent information obtained directly from investee companies and/or from third party data providers.

The compliance with the criteria for environmentally sustainable economic activities will not be subject to an assurance provided by one or more auditors or a review by one or more third parties.

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 will invest at least 1% in enabling activities but does not seek particular exposure to transitional activities.



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

The Sub-Fund will partially invest in environmentally sustainable investments, as defined by the EU Taxonomy. However, the Sub-Fund also invests in sustainable investments that are not aligned with the criteria set out by the EU Taxonomy. As all sustainable investments with an environmental objective may be aligned with the EU Taxonomy, the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is indicated to be 0%.



What is the minimum share of sustainable investments with a social objective?

Not applicable. The Sub-Fund does not intend to invest in sustainable investments with a social objective.



What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?

The Sub-Fund may hold ancillary liquidity and use financial derivative instruments for the purpose of hedging. While these instruments are not expected to detrimentally affect the attainment of the Sub-Fund’s sustainable investment objective, no minimum environmental or social safeguards are applied.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Not applicable.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<http://am.vontobel.com/view/GTCTA#documents>, under “Sustainability Related Disclosures”.