

Statement on principal adverse impacts of investment decisions on sustainability factors

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Financial market participant: UI BVK Kapitalverwaltungsgesellschaft mbH, LEI: 529900SYNEPT4XKPW031

Summary

UI BVK Kapitalverwaltungsgesellschaft mbH (LEI: 529900SYNEPT4XKPW031, hereinafter UI BVK KVG) considers principal adverse impacts of its investment decisions on sustainability factors. This statement is the consolidated statement on the principal adverse impacts on sustainability factors of UI BVK KVG.

This declaration relates to the period 1st November 2022 to 31st December 2022.

Investment decisions may cause, contribute to, or be directly associated with adverse, material or likely material, impacts on sustainability factors ("**adverse impacts**"). These adverse impacts are made measurable by means of indicators. Principal impacts include, on the one hand, adverse impacts on the climate and other environment-related adverse aspects and on the other hand, adverse impacts in the field of social and employee matters, respect for human rights, anti-corruption and anti-bribery matters. A distinction is made between "adverse impacts" and the "principal adverse impacts" ("**PAI**"), which are to be considered material due to their adverse external effects and thus to be taken into account in the investment decisions of the financial market participant.

UI BVK KVG is part of the Universal Investment Group, one of Europe's largest fund service platforms, and as a financial market participant is subject to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector ("**Disclosure Regulation**") and of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 ("**Delegated Regulation**"). UI BVK KVG commenced operations for the first time in the fourth quarter of 2022. As a capital management company, UI BVK KVG launches funds for a limited group of institutional investors.

The principal adverse impacts of investment decisions on sustainability factors, the strategies for identifying and weighting these principal adverse impacts on sustainability factors, and the engagement policy are described below, with reference to recognised international standards.

For this statement, principal adverse impacts of investment decisions relating to funds managed by UI BVK KVG are considered. Investment decisions relating to the investment of UI BVK KVG's own funds are not covered.

For the funds of UI BVK KVG, the 18 so-called mandatory indicators from the Delegated Regulation (climate and other environment-related indicators, as well as indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters) as well as 6 additional opt-in indicators have been defined as indicators for principal adverse impacts. Depending on the focus of the investment policy of the fund, (i) indicators for investments in investee companies, (ii) indicators for investments in sovereigns (and supranational organisations), or (iii) indicators for investments in real estate assets are taken into account in investment decisions.

For the present statement, the respective (quantitative) impacts of the individual indicators for the reference period 01.11.2022-31.12.2022 have been included in accordance with the requirements of the Delegated Regulation, as well as the description of the measures taken or planned to avoid or reduce the identified principal adverse impacts. The possibility of considering the principal adverse impacts depends largely on the availability of relevant information in the market. The required data is not available to a sufficient extent and in the required quality for all assets in which UI BVK KVG invests via the managed funds and mandates.

For securities (shares and bonds) and fund shares from securities funds, the PAI indicators for companies and sovereigns were calculated based on data from MSCI ESG Research. The coverage of the data was considerably limited for some indicators, such as indicators on greenhouse gas emissions or sectoral energy consumption intensity.

Work is continuously being done to improve the quality and quantity of both the data obtained from data providers and the data collected directly, in order to enhance transparency about our adverse impacts. Currently, 38 % of the portfolios are covered by securities funds/target funds. Target funds from the areas of alternative assets and real estate, which account for 62 % of the portfolios, were deliberately excluded from this statement. The allocation of existing PAI indicators to alternative investments is challenging, and there is currently no common methodological basis for consistent data collection on alternative investments such as private equity, infrastructure or renewable energies. Accordingly, the data available for these asset classes is not sufficiently meaningful to meet the high-quality standards of the UI BVK KVG and allow comparability. Regarding real estate target funds, there is currently a lack of sufficient data availability.

UI BVK KVG is particularly committed to developing marketable and robust standards for the collection and calculation of PAI for other asset classes through its association work with the BVI Bundesverband Investment und Asset Management e.V. (German Investment and Asset Management Association). In order to increase the informative value of the statement in the future, UI BVK KVG is continuously working on expanding the coverage and increasing the underlying data quality.

UI BVK KVG has implemented processes and procedures to consider the principal adverse impacts of investment decisions on sustainability factors, e.g. by requiring assigned portfolio managers to consider PAI using a best-effort approach. In addition, pursuant to Art. 8 Disclosure Regulation (funds with environmental and/or social features) or funds pursuant to Art. 9 Disclosure Regulation (funds that exclusively make sustainable investments), mandatory PAI consideration at fund level can be/must be provided through a contractual fixation. The consideration is reported in the pre-contractual documents, the Art. 10 Disclosure Regulation web document and the respective annual report of the fund. UI BVK KVG is also prohibited from investing in issuers that have a connection (ownership, production or investment) with cluster munitions or from trading derivatives on agricultural commodities.

The participation policy (including engagement, if applicable) of UI BVK KVG is exercised in the form of voting rights. In addition, a future-oriented climate scenario is developed. UI BVK KVG is a member of the BVI Bundesverband Investment und Asset Management e.V. (Federal Association of Investment and Asset Management).

The German version of this statement is available here: https://www.universal-investment.com/-/media/Compliance/PDF/UBK-DE/2023_06_30_Nachhaltigkeit---PAI.pdf

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