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METZLER
Asset Management

ESG Policy

Sustainability as the Basis for your Investment Decisions

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Asset Management

Metzler sets standards: Sustainability in Asset Management

Oliver Schmidt, CESGA
Managing Director and Chief Investment Officer, Metzler Asset Management GmbH

"As an asset manager, we can look back on a long tradition that gives rise to a significant responsibility towards our stakeholders. We will continue to fulfill this obligation in the future by developing tailor-made and sustainable financial products for our clients. For many years, our corporate philosophy has called for close collaboration between portfolio management and the Sustainable Investment Office in order to deliver on this promise. In doing so, we attach particular importance to not just following short-term trends, but to provide our clients with long-term and sustainable support."

The heart of the Metzler Group is Metzler Bank, Germany's oldest private bank with an unbroken tradition of family ownership for over 350 years. Metzler Bank focuses on individual capital market services for institutional clients and discerning private individuals.

In Asset Management, one of the Metzler Group's four business segments, Metzler Asset Management GmbH offers investment services for institutional clients as a subsidiary. These include individually thought-out portfolio management concepts – which consistently incorporate sustainability components – as well as efficient and secure administrative solutions. The aim is always to offer clients the right mix of standardized processes and individual service – and thus to create sustainable value.

Metzler Bank's long history of success is based on a commitment to sustainability. We have always been dedicated to a mission statement that focuses on honesty in business and in dealing with our clients. In the course of our company history, our three corporate values of independence, entrepreneurial spirit and humanity. Our business strategy, which is geared towards continuity, is based on these values, as is our responsible action beyond the banking business through social and community involvement.

25 years of ESG experience: Track record of the Sustainable Investment Office

For Metzler Asset Management, sustainability also means a clear commitment to developing concepts that are viable in the long term. This includes not only products and services, but also the continuous support of our clients in all financial market matters. The commitment to a sustainable business orientation is firmly anchored in our established self-image.

With the launch of the first sustainable special fund in 1999, we can look back on 25 years of experience in the field of sustainable investment solutions. The signing of the Principles for Responsible Investment (PRI) in 2012 and the introduction of basic sustainability in 2015 were further important milestones. We pursue a holistic approach to climate protection and, as an asset manager, want to contribute to reducing the negative effects of man-made climate change. Transparency in our actions is particularly important to us. To live up to this claim, we published a climate policy on climate-friendly dealings with coal, oil and gas companies in 2023.

Daniel Sailer
Head of the Sustainable Investment Office, Metzler Asset Management GmbH

"We can look back on a long and successful ESG history with over 25 years of experience. Important milestones include the founding of the Sustainable Investment Office and our membership of the Net Zero Asset Manager Initiative. In addition to developing sustainable investment strategies for our clients, our aim is also to promote active dialog with companies. In the context of transparency, we are continuously improving our comprehensive ESG reporting for investment strategies. We will continue to consistently pursue this path in the future and make an active contribution to a more sustainable financial system."

1. Significance of ESG at Metzler Asset Management

1.1. ESG philosophy

ESG is short for "Environmental, Social and Governance".

For us, sustainability includes a clear commitment to developing concepts that are feasible in the long term. This relates first and foremost to products and services, but also to providing long-term support to our clients in all matters relating to financial markets. The commitment to a sustainable business focus is thus a core component of how Metzler Asset Management GmbH sees itself.

In the investment process for our actively managed equity, corporate bond, and multi-asset portfolios, we not only consider financial criteria but also how companies and countries address environmental, social, and governance issues. The aim is to further enhance the risk-return profile[1] of our portfolios.

The content presented in this document does not apply to the asset classes of the Metzler Premium Funds and the assets managed as part of an advisory service. These funds follow a different sustainability strategy.

The principles set out here also generally apply to insourcing mandates (e.g. financial portfolio management, investment advisory services) as long as an equity, bond or multi-asset strategy is pursued. Mandates advised by Metzler Bank are exempt from these principles. They follow a different sustainability strategy.

1.2. Initiatives, associations and cooperation partners

Metzler Asset Management GmbH is a signatory and/or supporter of various associations and initiatives that address key ESG issues, including climate concerns. We also work with different cooperation partners in the area of ESG data and analysis.

- **Associations and initiatives**

  As a member of the **Bundesverband Investment und Asset Management e.V. (BVI)**, Metzler Asset Management GmbH consults regularly on ESG issues with other members of the **BVI**'s ESG Working Group and is a member of the Sustainability Committee.

  In 2012, Metzler Asset Management GmbH became one of the first German asset managers to sign the **UN Principles for Responsible Investment (UN PRI)**, a voluntary commitment by signatories established in 2005 on the initiative of the United Nations.

  In November of 2021, Metzler Asset Management GmbH joined the **Net Zero Asset Managers Initiative**. Signatories of this initiative commit to support the goal of net zero

[1] Not warranted or guaranteed

greenhouse gas emissions by 2050 or sooner by developing appropriate investment products and promoting investments in climate protection technologies and solutions. This is in line with global efforts to limit global warming to 1.5 °C and is a clear sign that the asset management industry is attaching high priority to climate protection. The initiative is managed by the United Nations-backed Principles for Responsible Investment (UN PRI) and six other founding partner investor networks.

In 2002, Metzler Asset Management GmbH became a member of the **FNG (Forum für Nachhaltige Geldanlagen**, the German Forum for Sustainable Investments). This association aims to raise awareness for sustainable solutions in investing in order to have a positive impact on the direction of investments. Through FNG, Metzler is also a member of **Eurosif** and a signatory of **CDP** (formerly Carbon Disclosure Project).

In addition, Metzler Asset Management GmbH became an ordinary member of **CRIC e. V.** in 2018. This association focuses mainly on engagement, research and awareness-raising for sustainable investments in society, politics and economy.

- **Cooperation partners**

  Metzler Asset Management GmbH procures ESG data primarily from **MSCI ESG Research**. For ESG integration purposes, data from the **CDP** (formerly Carbon Disclosure Project) and the **Science-Based Targets initiative (SBTi)** is also used. For client-specific exclusion criteria and/or "best-in-class" approaches to managing special AIFs, Metzler Asset Management GmbH works with **ISS ESG**. On matters of proxy voting and engagement, Metzler Asset Management GmbH cooperates with **Columbia Threadneedle Investments** (please see chapter 5).

1.3. Organs and control mechanisms

The topic of sustainability is an integral component in the regularly updated business strategy of Metzler Asset Management GmbH. The ESG strategy is implemented decentrally at individual department level and by committees that meet on an ongoing basis.

All strategic and coordination topics related to sustainability are managed by the Sustainable Investment Office, which reports to the CIO of Metzler Asset Management GmbH. The SIO also deals with ESG advisory and ESG integration in portfolio management.

An **ESG Board** at Metzler Asset Management GmbH meets regularly to discuss sustainability issues. Participants include ESG specialists from the Sustainable Investment Office, the CIO, portfolio managers for equities, fixed income and multi-asset approaches as well as representatives from client relationship management, the Reporting team and the Compliance team.

An **ESG Operations** team was established under the leadership of the Sustainable Investment Office to implement the ESG strategy at operational level. This organizational unit complements the ESG Board and is staffed with permanent representatives from the relevant departments of Metzler Asset Management GmbH. The team's main goal is to implement strategically defined requirements at operational level and to systematically transfer all resulting regular activities to the specialist departments. Through the close involvement of department-specific ESG experts, the team contributes significantly to anchoring ESG expertise deep within the organization.

The established dual structure – consisting of a strategic management level and an operational implementation level – has proven to be particularly effective. It means ESG-related requirements can be implemented promptly, professionally, and in line with established processes throughout the organization.

In addition to the controlling tasks performed by our portfolio management team, our **Investment Compliance** and **Risk Measurement** teams carry out additional risk controls.

Metzler's **group-wide Compliance team** bears the ultimate responsibility for supervising and examining all compliance-related issues in the Metzler Group. This team is organizationally independent from the other departments and is not involved in any business, trading or other operational activities of the company. Due to this functional segregation, Metzler is able to avoid all conflicts of interests. The Management Board of Metzler Asset Management GmbH, ESG experts and the Compliance team hold regular meetings to ensure continuous exchange on ESG topics. The Compliance team also participates in the ESG Board meetings of Metzler Asset Management GmbH.

1.4. Consideration of adverse impacts of sustainability on Metzler Asset Management GmbH at company level

When designing financial products, Metzler Asset Management GmbH takes environmental and social aspects as well as principles of good corporate governance into account. Overall consideration of adverse sustainability impacts (Principal Adverse Impacts, PAI) on Metzler Asset Management GmbH at the company level generally does not take place at company level, but rather on an individual product or mandate basis.

A detailed statement pursuant to Article 4 of Regulation (EU) 2019/2088 (SFDR), which includes background information and considerations, is available on our website.

Metzler Asset Management GmbH: **Statement on Adverse Sustainability Impacts**

2. ESG in portfolio management

2.1. Objective and basic principles

Metzler Asset Management GmbH systematically integrates environmental, social, and governance (ESG) aspects into the investment process. The aim is to identify financial risks at an early stage, identify opportunities, and improve the quality of investment decisions in line with responsible portfolio management. This is implemented using defined ESG investment approaches, which are applied in different ways depending on the product profile and client requirements.

Metzler Asset Management GmbH pursues a structured ESG approach in portfolio management with the aim of improving the risk/return profile of its funds by incorporating key sustainability aspects into traditional investment analysis. Sustainability aspects are taken into account throughout the entire investment process and include the following ESG investment approaches: **exclusion criteria, ESG integration, proxy voting and engagement**.

2.2. ESG investment approaches

2.2.1. Exclusion criteria

Exclusion criteria apply to business areas, practices, or behaviors that are incompatible with the core values and sustainability goals of Metzler Asset Management GmbH. They serve to avoid investments that pose significant environmental, social, or ethical risks or violate recognized international norms. These criteria are applied consistently and are an integral part of Metzler Asset Management GmbH's responsible investment practices.

2.2.2. ESG integration

ESG integration means systematically incorporating environmental, social, and governance criteria into fundamental analysis and the investment process, e.g. in portfolio construction. The aim is to take ESG risks and opportunities into account during the stock picking process in order to make more informed investment decisions. Investments are made exclusively in securities where exclusion criteria do not apply.

2.2.2.1. Selecting equities and corporate bonds

The selection of individual securities and issuers plays a key role in our ESG integration. ESG factors are not considered individually but are systematically incorporated into the analysis and decision-making processes.

The assessment takes into account how various general and industry-specific ESG key indicators impact business success. Financial analysis using economic valuation models is complemented by advanced ESG analysis, which provides portfolio managers with more comprehensive information for making investment decisions.

ESG analysis comprises the following:

- Identification of controversial business practices, e.g. serious cases of corruption and bribery
- Assessment of involvement in controversial business practices
- Management of sustainability risks
- Transformation strategies to support sustainable change
- Contribution to key issues for the future, e.g. transformative technologies, energy efficiency, innovative approaches in healthcare, and social and sustainable lifestyles.

2.2.2.2. Selecting government bonds

When selecting government bonds, defined sustainability criteria are systematically incorporated into the analysis. This is based on an ESG filter that covers a wide range of risk areas. It ensures that countries with elevated ESG risks are identified at an early stage and critically examined.

ESG analysis is based on the following criteria:

- ESG risk factors determined on the basis of ESG ratings for countries. The underlying data includes climate-related indicators such as the use of energy resources and overall environmental performance
- Access to political rights and civil liberties
- Extent of corruption
- Peace status of the country
- Frequency and relevance of money laundering incidents.

2.2.2.3. QbrickS® – an ESG portfolio construction and analysis tool

Using QbrickS®, a proprietary quantitative tool, we can analyze portfolios precisely and optimize them in line with complex ESG requirements. Taking sustainability, allocation, and investment style ("risk premiums") into account, client preferences and specifications can be integrated at portfolio level in a customized manner. Using QbrickS®, we counteract unintended style and allocation effects in ESG integration. In addition, we aim to ensure that the performance of the portfolios reflect the active fundamental investment decisions of our portfolio managers.

2.2.3. Engagement

Metzler Asset Management GmbH engages in dialogue and addresses relevant ESG issues with the companies in which it invests (indirectly or directly). It strives to influence companies so they achieve ongoing improvements in the respective ESG areas. A more detailed description of this engagement approach can be found in Chapter 5 of this ESG policy.

2.2.4. Consideration of principal adverse impacts (PAIs)

At Metzler Asset Management GmbH, consideration of principal adverse impacts (PAIs) is an integral part of ESG integration. Company-specific PAI indicators are continuously provided to portfolio managers on an ESG dashboard in order to systematically incorporate ESG aspects into the investment process.

Portfolio managers also communicate regularly with the Sustainable Investment Office, where PAI key figures at fund level are jointly evaluated and discussed in order to achieve long-term improvement in the sustainability impact within the portfolios.

PAI consideration is based on selected environmental, social, and governance indicators. These include key figures on greenhouse gas emissions, biodiversity, water consumption, waste, social and employee issues, as well as human rights and ethical issues. Additional indicators promoting transparency and integration are also taken into account. The analysis is based on an ESG screening that covers relevant issuers, e.g. companies, supranational organizations and countries. The valuation of indirectly held assets (e.g. via fund shares) is based on publicly available information from the respective capital management company.

For transparency purposes, PAI indicators are made available to investors in our ESG reports. An official statement pursuant to Article 4 of Regulation (EU) 2019/2088 (SFDR) (see section 1.4) includes a description of our overall strategic approach to PAI consideration and the possible reasons for not applying it.

2.3. ESG standards at Metzler Asset Management GmbH

The ESG investment approaches mentioned above are an integral part of our investment philosophy. They are applied in accordance with our interrelated Metzler sustainability standards:

2.3.1. Basic sustainability at Metzler

Metzler's basic sustainability was integrated into our investment strategies in 2016. It defines minimum standards of responsibility in the form of norm-based exclusions (e.g. violations of the UN Global Compact), sector-specific exclusions (e.g. controversial weapons), and the systematic integration of ESG factors into the investment process. This is complemented by ongoing engagement with companies to promote sustainable development.

Certain securities are excluded from investments:

- Securities are excluded if their issuers violate the principles of the United Nations Global Compact (UNGC) or the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational companies, according to the audit results of MSCI ESG Research.

  If any of these standards are violated, we exclude the company from the investment universe. In the MSCI ESG Research controversy system, this corresponds to a “red flag.”

- Securities are excluded if their issuers are involved in activities related to controversial weapons. For example, the production or distribution of landmines and weapons of mass destruction.

  The term “controversial weapons” is based on Article 12(1)(a) of Delegated Regulation (EU) 2020/1818 and covers all weapons that are considered controversial under international treaties and conventions and the principles of the United Nations. This includes weapons covered by the Convention on the Prohibition of Anti-Personnel Mines (Ottawa Convention) and the Convention on the Prohibition of Cluster Munitions (Oslo Convention), as well as biological and chemical weapons in accordance with the relevant UN conventions (UN BWC and UN CWC). The complete legal definition is set out in Article 12(1) of Delegated Regulation (EU) 2020/1818 and in Annex I, Table 1, No. 14 of the Delegated Regulation on SFDR.

- No investments are made in derivative financial instruments based on agricultural commodities due to our ethical responsibility not to support speculation on staple foods, as this can exacerbate price fluctuations and jeopardize food security, particularly in low-income regions.

2.3.2. Metzler’s Climate Policy, consideration of climate-related aspects

In addition to basic sustainability, Metzler Asset Management GmbH introduced a Climate Policy in 2023. This policy sets out specific requirements for investing in companies in the fossil fuels industry. The policy defines thresholds for activities in the coal, oil, and gas sectors and aims to specifically reduce climate-related risks in portfolios and actively promote the transition to a climate-neutral economy.

2.3.2.1. Stance on coal, oil and gas companies

We support a complete phase-out of the coal sector in Europe and many OECD countries by 2030 at the latest and in the rest of the world by 2040 at the latest. We aim to do our part in achieving this by excluding companies that exceed defined absolute and relative thresholds, implementing ESG integration, exercising proxy voting rights and through active engagement.

Securities are excluded from investment if they originate from issuers that are engaged in climate-related business activities and:

- Achieve 5 percent or more of sales through the extraction of oil and natural gas using unconventional methods (fracking, oil sands) or
- Achieve 5 percent or more of sales via exploration, mining, extraction, distribution, or refining of coal and lignite or
- Achieve 25 percent or more of sales via electricity generation from thermal coal or
- Generate coal-fired power of more than 100 million MWh or
- Are active in deep-sea mining. The assessment is based primarily on data published by the Deep Sea Mining Campaign.

When investing in securities issued by financial institutions, particular attention is paid to ensuring that binding environmental guidelines for financing oil and gas companies and specific carbon reduction targets are in place.

Our public funds in the "Integration+" and "Sustainability" fund families are subject to additional climate-related criteria that go beyond the general requirements of Metzler's Climate Policy. This is due to investors' specific expectations that ESG-oriented fund products should take a more consistent approach and impose far-reaching restrictions on investments in coal, oil and gas companies.

2.3.2.2. "Integration+" mutual funds at Metzler Asset Management GmbH

In addition to the exclusion criteria set out in Chapter 2.3.2.1 of the climate guidelines, investments in securities are excluded if they originate from issuers that are engaged in climate-related business activities and:

- Achieve 5 percent or more of sales via electricity generation from thermal coal or
- Achieve 5 percent or more of sales via uranium mining or
- Generate 5 percent or more of sales by operating nuclear power plants or more than 5 percent of sales by manufacturing essential components for nuclear power plants.

2.3.2.3. “Sustainability“ mutual funds at Metzler Asset Management GmbH

In addition to the exclusion criteria set out in Chapter 2.3.2.1 of the Climate Policy, investments in securities are excluded if they originate from issuers engaged that are engaged in climate-related business activities and:

- Achieve 5 percent or more of sales via electricity generation from thermal coal or
- Achieve 5 percent or more of sales via uranium mining or
- Generate 5 percent or more of sales by operating nuclear power plants or more than 5 percent of sales by manufacturing essential components for nuclear power plants or
- Generate 1 percent or more of sales via exploration, mining, extraction, distribution or processing of hard coal and lignite or
- Generate 10 percent or more of sales from the exploration, extraction, distribution or refining of petroleum or
- Achieve 50 percent or more of sales via the exploration, extraction, production or distribution of gaseous fuels or
- Generate 50 percent or more of sales via electricity generation with greenhouse gas emissions intensity exceeding 100 g CO_2 e/kWh.

2.3.2.4. Client-specific mandates/special funds

For customized mandates and special funds, the thresholds and criteria defined in Chapter 2.3.1 and 2.3.2.1 are applied as standard. However, additional individual investor requirements may deviate from the provisions of this ESG policy and partially or completely replace certain criteria.

2.3.2.5. Climate initiatives

Metzler Asset Management GmbH is a member or supporter of various associations and initiatives that promote climate protection and climate-related standards in the financial sector. An overview of the relevant collaborations can be found in Chapter 1.2.

2.3.2.6. Climate-related proxy voting and engagement

Climate-related issues play a key role in engagement and proxy voting. These are described in detail in Chapter 5.

2.3.3. Enhanced ESG approaches for mutual funds and special funds

Enhanced ESG approaches are implemented for sustainability-oriented mutual funds and customized special fund mandates that are based on the sustainability preferences of investors. They may include additional exclusion criteria, specific ESG and climate strategies and/or impact targets such as an explicit focus on Sustainable Development Goals (SDGs).

2.3.4. Scope of application

Metzler Asset Management GmbH's ESG standards consist of **basic sustainability** and **climate guidelines** and apply to all **equity, corporate bond, and multi-asset portfolios actively managed on a discretionary basis** by Metzler Asset Management GmbH. The associated **ESG exclusion criteria**, **ESG integration**, proxy voting, and **engagement** with companies are also systematically applied in these portfolios.

Insofar as the structure and investment strategy allow, ESG approaches are also taken into account for other fund products, provided they can be fully integrated into the investment strategy as an essential component.

Quantitative strategies that are predominantly based on derivatives and for which full implementation of ESG standards is not methodologically possible are not taken into account.

Passively managed approaches generally track the benchmark directly. In these cases, the application of ESG standards is not always possible or only possible to a limited extent.

Customized mandates and special funds are subject to individual client requirements that may differ from internal ESG guidelines. Individual criteria may be partially or completely replaced. Nevertheless, Metzler Asset Management GmbH always strives to integrate its in-house ESG approach into the investment process to the extent possible.

2.4. Sustainable investments

2.4.1. Sustainable investments within the meaning of Article 2(17) of the Disclosure Regulation

Ecologically and/or socially sustainable economic activities within the meaning of Article 2(17) of the Disclosure Regulation include investments that contribute to achieving at least one of the following objectives:

- To finance economic activities that aim to achieve the 17 Sustainable Development Goals of the United Nations by investing in companies with at least 50 percent of sales stemming from products or services that demonstrate a strong focus on at least one of the goals.

- To promote climate neutrality by investing in companies that do not generate net carbon emissions, whose implicit temperature increase is below 2 °C, or whose transformation strategy is clearly geared towards a net zero emissions path. These investments make a significant contribution to limiting the rise in average global temperature to well below 2 °C compared to the pre-industrial era and strive to even limit the increase to 1.5 °C.

- To promote equality and diversity in the workplace by investing in companies that are considered pioneers in these areas and implement measures to strengthen diversity.

The investment process for identifying sustainable investments takes into account a positive list of companies that have developed a robust strategy for the key indicators mentioned above and have a strong track record in meeting environmental and/or social goals. Information from MSCI ESG Research is used as the basis for the positive list according to individual key indicators. For the 17 Sustainable Development Goals of the United Nations, sales from products and services that are in line with these goals are taken into account.

2.4.2. Sustainable investments shall not significantly harm environmental or social investment objectives or violate minimum legal protection requirements

It shall be ensured that sustainable investments do not significantly undermine any of the environmental and social objectives listed in Article 2(17) of the Disclosure Regulation or the environmental objectives listed in Article 9 of the EU Taxonomy Regulation.

A significant adverse impact means there are serious implications for the sustainability indicators or a breach of the minimum safeguards set out in Article 18 of the EU Taxonomy Regulation. Additional negative criteria are taken into account when selecting sustainable investments.

Furthermore, the fund or rather the company ensures that investments classified as sustainable are only made in issuers or companies that observe the governance aspects specified in Article 2 No. 17 of the Disclosure Regulation in their business activities. This is ensured by the exclusions specified in the investment strategy and via ESG integration.

2.4.3. Consideration of adverse effects on sustainability factors

When selecting sustainable investments, indicators for adverse impacts on sustainability factors (principal adverse impacts or PAIs) are used to determine whether there is any significant adverse impact. Criteria for a serious impact have been defined for environmental and social indicators, as well as for additional indicators.

Metzler Asset Management GmbH has defined qualitative or quantitative thresholds with regard to the impact on the indicators that may not be breached in order to determine whether the investment significantly impairs the environmental or social objectives of Article 2 No. 17 of the Disclosure Regulation.

Investments that violate these guidelines are classified as non-sustainable. If data is missing, it is also impossible to classify an investment as sustainable. The thresholds are determined on the basis of various factors and may change over time. They are reviewed at least once a year.

2.4.4. Alignment of sustainable investments with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights

Sustainable investments are monitored on the basis of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The principles are based on international norms in the areas of human rights, labor rights, the environment and corruption. If violations of these standards are identified at a company, the company is excluded from the investment universe. The acquisition of company shares is not permitted and existing holdings are sold. Compliance is ensured by excluding issuers who violate any of the ten principles of the United Nations Global Compact or have a poor ESG rating of "CCC."

2.5. Consideration of sustainability risks

Transparency in handling sustainability risks is ensured in accordance with Article 3 of the Disclosure Regulation.

Risk measurement monitors sustainability risks. This covers all financial products within the meaning of the Disclosure Regulation and takes into account (1) management of investment funds (AIFs), (2) undertakings for collective investment in transferable securities (UCITS), and (3) external portfolios (portfolio management).

Sustainability risks refer to events or conditions in the areas of the environment, society, or corporate governance that could have a significant negative impact on the value of an investment in a financial product.

Sustainability risks can affect all known types of risk (e.g. market risk, counterparty risk, liquidity risk) and contribute to the materiality of these types of risk. Typical sustainability risks include the consequences of environmental events (e.g. floods, heat waves), changing regulatory frameworks (e.g. laws implementing the Paris Climate Agreement), or a company's violations of social or legal norms (e.g. loss of reputation and trust, compensation obligations, government sanctions).

If sustainability risks arise, this can lead to significant deterioration of the financial profile, liquidity, profitability, or reputation of the underlying investment. This, in turn, can adversely affect the performance of the financial product and have a negative impact on the share value and the capital invested by the investor.

The impact of sustainability risks is monitored by Metzler Asset Management GmbH together with all relevant financial risks. In particular, value-at-risk (VaR) is calculated regularly, which includes daily monitoring and comparison with the results of monthly ESG risk monitoring.

Comprehensive ESG risk reporting is part of ESG risk monitoring. This reporting aggregates key risk indicators at fund level relating to controversial business practices, violations of global standards, the quality of ESG risk management, and physical and transitional climate risks.

This approach ensures consistent and effective risk management and makes it possible to identify potential risks at an early stage and take appropriate measures.

When selecting suitable portfolio managers, care is taken to ensure that they have the necessary capacities and knowledge and have processes in place to take sustainability risks into account in their investment decisions.

2.6. ESG data

2.6.1. Internal assessment in the absence of ESG data

For assessing ESG criteria, various ESG data sources are tapped. The main external source is MSCI ESG Research, an established provider of standardized ESG ratings at issuer and industry level.

For securities that have not been rated by ESG data providers due to insufficient data, Metzler Asset Management GmbH is entitled to conduct its own review. This analysis assesses whether the company in question meets the specified requirements in the following areas: (1) compliance with the applicable exclusion criteria, (2) consideration of ESG risks and opportunities in accordance with the defined ESG integration criteria, and (3) fulfillment of the requirements for sustainable investments. Metzler Asset Management GmbH uses available external information, its own analyses, and well-founded estimates to ensure that its assessment is as reliable as possible. The results of these reviews are systematically documented and reviewed at least once a year to ensure ongoing compliance with the specified criteria and to make any necessary adjustments.

2.6.2. Data sources and processing

The quality, completeness and timeliness of the data sources tapped are subject to a regular review process. The methodological principles of external data providers ("ESG vendors") and their data coverage are continuously evaluated. In the event of methodological changes or significant data gaps, internal processes are readjusted or a supplementary assessment is carried out using internal analyses. Data processing and monitoring are governed by Metzler Asset Management GmbH's internal guidelines and are subject to regular internal and external audits.

The ESG data collected is incorporated into several stages of the investment process: when applying exclusion criteria, when determining sustainable investments, and when assessing ESG risks and opportunities. Technical processing is fully automated via IT interfaces. ESG data is continuously reconciled between ESG vendors and Metzler Asset Management GmbH and updated as necessary. This ensures that the latest data is available for investment decisions and ESG compliance checks. Potential violations of defined ESG criteria can thus be identified at an early stage and reported to portfolio management so that appropriate measures can be taken.

The share of estimated sustainability data varies depending on the specific data. According to information from data provider MSCI ESG Research as of May 13, 2025, for example, Scope 1 and Scope 2 greenhouse gas emissions for 16.0 percent of the companies included in the MSCI World Index were estimated using models. It is not possible to make a general statement about the total share of estimated values across all data points.

2.6.3. Restrictions regarding methods and data

There are certain limitations to the methods and data sources used to assess ESG characteristics, particularly with regard to the availability, quality and timeliness of external ESG data. ESG ratings and sustainability information, e.g. from MSCI ESG Research, may in some cases be unavailable or only available to a limited extent, or may differ from the assessments of other ESG data providers. Reasons for this may include insufficient disclosure by issuers, methodological differences between data providers, or delayed updates.

For financial instruments without any adequate external ESG ratings, Metzler Asset Management GmbH is entitled to conduct its own analysis based on internal rating procedures. This analysis examines whether the respective company meets the defined exclusion criteria, whether ESG risks and opportunities are adequately taken into account, and whether the conditions for sustainable investment in line with the investment strategy are met. The assessment is based on available external information, internal research, and well-founded assumptions and estimates.

The results of these internal assessments are systematically documented and regularly reviewed. Updates are made when there are new findings or changes in data occur. This process is designed to ensure that, even when external data is limited, consistent ESG assessments are carried out on the basis of comprehensible and plausible principles.

The methodological and data-related limitations described above do not affect the ability to comply with the ESG approach or to achieve sustainable investment objectives.

Metzler Asset Management GmbH uses established review and control processes to ensure that a systematic and compliant ESG integration process is maintained even when only limited data is available.

2.7. ESG portfolio controlling

2.7.1. Investment controlling

As part of ESG portfolio controlling, the Investment Controlling department monitors compliance with all relevant ESG investment limits and exclusion criteria – both ex ante before orders are placed and ex post as part of ongoing control processes. The investment limit monitoring system linked to the front office checks all orders for violations of client-specific, legal, and internal ESG requirements. For example, issuers who violate recognized international norms such as the principles of the United Nations, the UN Global Compact, or the International Labor Organization (ILO) are blocked by the system. This prevents investments in these securities.

2.7.2. Risk management

The risk management department is responsible for identifying, assessing and managing ESG-specific risks, in particular those sustainability risks that could have a material negative impact on the performance of financial products. These risks are integrated consistently across all relevant products and processes. ESG-related committee meetings are held regularly for continuous management purposes:

- Metzler Asset Management GmbH's ESG Board meets regularly
- Performance review meetings with portfolio management, CIO, investment compliance, and risk measurement take place regularly. In addition to evaluating traditional risk and performance indicators, relevant ESG risk indicators are also systematically included.

2.7.3. Risk controlling

The Risk Controlling department reports regularly on ESG risks. It documents and communicates the potential impact of sustainability risks on capital investments and thus supports risk-conscious management of ESG targets. ESG risk reporting is provided regularly to internal committees and serves as a basis for strategic and operational decisions in the context of sustainability-oriented capital investment.

2.8. Staff training and qualifications

For quality assurance purposes, Metzler Asset Management GmbH has entered into a partnership with the German Association for Financial Analysis and Asset Management (DVFA). All portfolio managers and employees in the sales and risk management departments complete a structured training program and take the Certified Environmental, Social and Governance Analyst (CESGA®) exam.

In addition, our ESG experts and portfolio managers regularly attend specialist events and conferences on sustainable investing in order to integrate the latest developments and best practices into their daily work.

Continuous training for employees is a high priority. Training and qualification measures are continuously updated and made available to as many employees of Metzler Asset Management GmbH as possible.

3. Our mutual funds

We implement high sustainability standards in all actively managed, discretionary mutual funds. These include fundamental exclusions that are considered minimum standards of responsibility and are summarized under "Metzler basic sustainability." They are supplemented by additional climate-related aspects as defined in Metzler Asset Management GmbH's climate guidelines. Furthermore, they contain specific exclusions based on the sustainability preferences of investors in Germany, Austria and Switzerland. We also systematically incorporate ESG information into the investment process and supplement it with active dialogue with companies and proxy voting. All actively managed, discretionary mutual funds comply with the transparency requirements set out in Articles 8 or 9 of the Disclosure Regulation.

Our mutual funds are divided into three fund families: "Integration/Integration+", "Sustainability" and "Ethical Values". This structure forms the basis of our mutual fund pyramid, which was introduced in 2025, and enables us to actively pursue different sustainability approaches and effectively implement their respective goals.

3.1. Fund family "Integration/Integration+"

In the categories "Integration" and "Integration+", we combine traditional financial analysis with enhanced ESG assessment to make informed investment decisions. This involves examining how general and industry-specific ESG key indicators impact business success.

In the "**Integration+**" category, we take into account additional value-based exclusion criteria based on the minimum exclusion criteria of the FNG label, the leading quality standard for sustainable mutual funds in German-speaking countries.

3.2. Fund family "Sustainability"

Here, we use the same ESG integration process as for the fund family "Integration/Integration+", but we supplement it with exclusion criteria in accordance with the EU benchmarks for climate-related change. This excludes companies that do not meet the additional requirements of the Paris-Aligned Benchmark (PAB) Regulation and are named in Article 12(1)(a) to (g) of CDR (EU) 2020/1818.

3.3. Fund family "Ethical Values"

The Metzler Global Ethical Values mutual fund aims to replicate the Global Ethical Value Index while ensuring appropriate risk diversification. Alongside additional climate-related ESG information in ESG integration, strict ethical and sustainable exclusions that go beyond the exclusions of the Integration/Integration+ and Sustainability fund families are also taken into account. This mutual fund makes sustainable investments of at least 90 percent in accordance with the Disclosure Regulation and aims to support climate protection. Depending on the investment focus, climate adaptation and the circular economy may also be taken into account.

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3.4. Overview of funds

A detailed description of the ESG approaches and further information on the environmental and social characteristics of our mutual funds can be found in the current sales prospectuses and the pre-contractual information documents accessible via the following links:

Fund	Fund family	SFDR classification	Pre-contractual document
Metzler European Equities	Integration	Article 8	
Metzler German Smaller Companies	Integration	Article 8	
Metzler European Growth	Integration	Article 8	**Link**
Metzler Global Equities	Integration+	Article 8	**Link**
Metzler European Dividend	Integration+	Article 8	**Link**
Metzler European Smaller Companies	Integration+	Article 8	**Link**
Metzler Euro Corporates	Integration+	Article 8	
Metzler Multi Asset	Integration+	Article 8	
Metzler Multi Asset Dynamic	Integration+	Article 8	
Metzler Multi Asset Defensive	Integration+	Article 8	
Metzler Global Growth Sustainability	Sustainability	Article 8	
Metzler Global Ethical Values	Ethical Values	Article 9	

4. The role of ESG in cooperation and outsourcing relationships

Our fundamental understanding of ESG and the associated standards have high priority at Metzler Asset Management GmbH and apply equally to all collaborations and outsourcing relationships with external managers and advisors. It is crucial that our ESG-related practices are accepted by all of our partners and integrated into their processes.

4.1. Existing partnerships:

- YIELCO Investments AG is a long-term cooperation partner for launching infrastructure funds in Luxembourg. YIELCO contributes expertise related to infrastructure, private debt and private equity. Metzler Asset Management GmbH advises YIELCO on ESG issues and is jointly responsible for marketing the funds.
- Metzler Realty Advisors Inc. is a subsidiary of Metzler Bank that advises international investors on US real estate investments. The focus is on commercial real estate in US economic centers, primarily office buildings. Metzler Realty Advisors Inc. represents part of the business conducted by Metzler Asset Management GmbH.
- Metzler/Payden, LLC is a joint venture with US investment firm Payden & Rygel aimed at expanding diversification opportunities. Payden & Rygel specializes in managing active bond and balanced strategies.

4.2. The role of ESG criteria when selecting business partners

In terms of **organization**, our partners must demonstrate commitment and experience in responsible investing. There must be clear guidelines, a management structure, internal oversight and accountability at the highest level.

In terms of **corporate culture and personnel**, we expect appropriate resources and incentives as well as competence and experience in responsible investing.

In the **investment process**, essential ESG factors and systematic sustainability criteria must be included in the portfolio risk assessment process.

Our partners assume **fiduciary liability (stewardship)** and act exclusively in the interests of investors when handling environmental, social and governance issues in order to safeguard or increase the long-term value of the investments. This can be done, for example, by exercising voting rights or through engagement, whereby systematic risks should also be taken into account.

As far as **reporting and contracts** are concerned, we expect disclosure of ESG-related topics in regular customer reports and inclusion of ESG factors in contractual agreements.

4.3. Contract requirements for asset managers

External asset managers who work with Metzler Asset Management GmbH must comply with specific obligations. These include strict adherence to our guidelines regarding responsible investing. They must respect human rights in accordance with the OECD Guidelines and the UN Guiding Principles. Essential ESG factors and exclusion lists must be included in their investment strategies. In addition, regular reporting and communication on responsible investing is essential. These commitments ensure that our partners adhere to the same high standards as we do and act in the investors' best interests.

4.4. Monitoring of asset managers

Metzler Asset Management GmbH monitors external asset managers and reviews them both annually and at any time necessary to ensure compliance with our ESG standards. If we have reason for concern, we take further measures. We contact them, place them on a watch list, review our relationship with them, and possibly terminate the contract if deficiencies persist.

To ensure the accuracy of the information reported, our partners must provide an external review by an independent third party, e.g. a financial auditor.

If advisors are consulted when selecting business partners, Metzler Asset Management GmbH ensures that such advisors also take the principles described into account during the selection process.

5. Proxy voting and engagement

Metzler Asset Management GmbH uses a structured approach to actively influence companies represented in its portfolios. The aim is to effectively address business-relevant ESG challenges and initiate sustainable change – via own initiatives as well as external partners.

As part of a targeted, direct engagement strategy ("silent active ownership"), Metzler Asset Management GmbH conducts confidential dialogues with selected companies based on internal ESG analyses. Specific sustainability issues are addressed in order to encourage improvements in corporate governance while ensuring independence and a long-term focus.

In addition, Columbia Threadneedle Investments was commissioned to engage in active ESG dialogue with other portfolio companies. The aim is to address key environmental, social and governance challenges and promote positive developments.

In addition, Columbia Threadneedle Investments exercises voting rights (proxy voting) at annual general meetings on behalf of Metzler Asset Management GmbH. Voting is based on clearly defined ESG and governance criteria and represents a further instrument for actively exerting influence.

The cooperation agreement specifically applies to the corporate governance guidelines, proxy voting guidelines, engagement guidelines, and agreements on dealing with conflicts of interest. These guidelines were drawn up by Columbia Threadneedle Investments and are recognized as standard practice by Metzler Asset Management GmbH. They apply across the board to all activities carried out by Columbia Threadneedle Investments and can be viewed in Chapter 5.4. In addition, the requirements of Metzler Asset Management GmbH for cooperation and outsourcing partners described in Chapter 4 also apply to Columbia Threadneedle Investments.

All voting results (proxy voting) and significant engagement successes achieved by Metzler Asset Management GmbH are published annually on a calendar year basis. All relevant information is publicly available on our company website and provides transparency regarding our active engagement in sustainable corporate governance.

The current guidelines can be accessed by clicking on the following link:
Columbia Threadneedle Investments: Responsible Investment Engagement Policy

5.1. Direct engagement – silent active ownership

Responsible investing does not end with the investment decision. Once we have identified what could damage long-term shareholder or bondholder value the most, we engage in intensive discussions with representatives of the companies in which we invest.

The following topics, for example, have been subjects for discussion:

- Environmental standards
- Human rights
- Labor rights
- Corporate governance.

When we encourage companies to adopt best practices in ESG matters, we refer to relevant international norms and standards, e.g. the ILO Core Conventions (ILO = International Labor Organization), the UN Guiding Principles on Business and Human Rights, and the UN Global Compact. However, such standards are often only the starting point for developing a common understanding of ESG issues. Our engagement is tailored to each individual company and based on the specific circumstances of each ESG issue. We use a variety of tools and methods for our communication, including face-to-face meetings, conferences, phone calls and emails.

Each of our portfolio managers has around 200 such contacts with companies every year. We document these discussions in a database. In these discussions, we address economic questions about the business model as well as ESG topics in close cooperation with our Sustainable Investment Office. Our silent active ownership approach is not about media-effective appearances at annual general meetings, but rather about constructive discussions with decision-makers such as the CEO or CFO. Our portfolio managers and the Sustainable Investment Office see themselves as sparring partners.

5.2. Cooperative engagement

Metzler Asset Management GmbH uses Columbia Threadneedle Investments' reo®-Service to expand engagement activities for certain mandates. This model of cooperative engagement enables us to exert targeted influence on ESG-related issues at companies through collective engagement with several institutional investors – even if we only hold a minority stake.

By using the reo®-Service, we benefit from Columbia Threadneedle Investments' many years of experience, thematic depth, and global reach in active corporate dialogue. The approach pursues a long-term engagement strategy that encourages companies to make improvements in the areas of environment, social affairs, and corporate governance – with clear expectations, escalation paths and documentation standards.

For Metzler Asset Management GmbH, cooperative engagement via reo®-Service is an additional way to exert direct influence on companies. With reo®-Service we can take responsibility even with smaller shareholdings, actively shape the transition to sustainable business models, and consistently implement our fiduciary mandate in the interests of investors.

This applies to proxy voting and engagement alike in addition to the general ESG requirements described in Chapter 4. We have reviewed Columbia Threadneedle Investments' underlying engagement and governance guidelines and recognized them as a binding standard. Potential conflicts of interest between Columbia Threadneedle Investments and Metzler Asset Management GmbH are addressed by clearly defined agreements (see Chapter 4.4).

All cooperative dialogues and significant engagement talks are published annually and can be accessed on our website:
Metzler Asset Management GmbH: Engagement Summary

5.3. Proxy voting

5.3.1. Legal framework

The German Investment Code and the rules of conduct of the German Investment Funds Association (BVI), the central representative body for the investment industry in Germany, dictate that Metzler Asset Management GmbH is obliged to exercise proxy voting for the company securities held in its funds solely in the interest of the unit holders. Metzler Asset Management GmbH takes this fiduciary responsibility for its clients seriously and votes on their behalf, whether directly or indirectly via an authorized third party according to clearly defined criteria.

5.3.2. Guidelines for proxy voting

Metzler Asset Management GmbH generally practices proxy voting for all of its funds.

This also applies to mandates with outsourced portfolio management. In individual cases and at the specific request of an investor or an external investment manager, however, proxy voting rights can be transferred to a third party.

For Universal-Investment-Gesellschaft mbH mandates that are managed by Metzler Asset Management GmbH, proxy voting takes place independently by Metzler Asset Management GmbH. This includes all public funds and can also be exercised for individual special funds upon specific request of an investor.

Metzler Asset Management GmbH and Universal-Investment-Gesellschaft mbH generally register all shares held in the funds they manage for proxy voting regardless of the planned voting behavior. If Metzler Asset Management GmbH rejects proposed resolutions, it votes “no.” In cases of doubt or unclear circumstances, Metzler Asset Management GmbH will abstain from voting.

If conflicts of interest arise regarding individual voting items, Metzler Asset Management GmbH will abstain from voting on these specific items. Such conflicts of interest can arise from the activities of Metzler Asset Management GmbH as a capital management company or from the activities of other companies within the Metzler Group.

Furthermore, Metzler Asset Management GmbH will always weigh up the costs and benefits before proxy voting. If, for example, proxy voting were to involve unreasonably high costs or great effort, Metzler Asset Management GmbH would refrain from exercising these voting rights.

If third parties are involved in proxy voting, recommendations are reviewed by Metzler Asset Management GmbH and, if necessary, supplementary or deviating specifications and specific instructions on individual agenda items are issued.

In our commitment to transparency, we file annual reports on our proxy voting activities with the US Securities and Exchange Commission (SEC). These reports, which are prepared in accordance with the requirements of Form N-PX, contain information about our votes on executive compensation issues ("say-on-pay"), including the approval of compensation packages, voting frequency, and particularly generous severance packages for executives in mergers or acquisitions transactions. Our reports relate exclusively to publicly traded US companies, cover the period from July 1 to June 30, and are submitted electronically to the SEC by August 31 of each year. All relevant information is recorded in accordance with current regulatory requirements.

5.3.3. Consideration of sustainability aspects

When considering motions for annual general meetings, Metzler Asset Management GmbH takes environmental and social characteristics as well as good corporate governance practices into account and checks the compatibility of each motion. Service provider Columbia Threadneedle Investments is mandated to support Metzler Asset Management GmbH in these matters and their voting guidelines are reviewed by Metzler Asset Management GmbH in annual meetings. Columbia Threadneedle Investments' voting recommendations for individual companies are also reviewed annually on a random basis. If, taking all circumstances into account, Metzler Asset Management GmbH considers a motion at a general meeting to be incompatible with social or environmental concerns, it will abstain from voting or vote "no."

Information on all cases of proxy voting are published annually on a calendar year basis and are available on our website:
Metzler Asset Management GmbH Vote Summary Report

5.4. Cooperation with Columbia Threadneedle Investments

In the cooperation with Columbia Threadneedle Investments, the Corporate Governance Guideline forms the basis for exercising shareholder rights and for engagement with issuers. It sets out principles of good corporate governance and expectations regarding transparency, accountability and sustainability. This guideline was developed by Columbia Threadneedle Investments and is recognized as standard practice by Metzler Asset Management GmbH.

The current Corporate Governance Guideline can be accessed here:
Columbia Threadneedle Investments: Corporate Governance Guidelines

Proxy voting that is outsourced to Columbia Threadneedle Investments is governed by **Columbia Threadneedle Investments' own Voting Policy** which is recognized as standard practice by Metzler Asset Management GmbH.

The current Voting Policy can be accessed here:
Columbia Threadneedle Investments Proxy Voting Policy

Engagement carried out by Columbia Threadneedle Investments is governed by the **Engagement Policy for Responsible Investing**. This policy was developed by Columbia Threadneedle Investments and is recognized as standard practice by Metzler Asset Management GmbH.

The current Engagement Policy for Responsible Investing can be accessed here:
Columbia Threadneedle Investments: Responsible Investment Engagement Policy

In the cooperation with Columbia Threadneedle Investments, some specific agreements have been made on how to deal with potential conflicts of interest. These agreements relate to proxy voting and engagement, and they apply on top of the general requirements set out in Chapter 4 on ESG integration in cooperation and outsourcing relationships. The aim is to maintain the independence of decision-making processes and ensure transparency regarding possible conflicts of interest between Columbia Threadneedle Investments as a service provider and Metzler Asset Management GmbH as a client.

The current documents on dealing with conflicts of interest can be accessed here:
Columbia Threadneedle Investments: Conflicts of Interest Addendum – Proxy Voting

6. Reporting

6.1. Transparency and publications

Transparency of ESG topics is important for Metzler Asset Management GmbH. The following documents are publicly accessible:

- The fund price is published daily. The **composition of our mutual funds** is published monthly (master data, investment strategy, risk profile, performance, fund structure, industry composition, top 10 equities, top 10 industries, key figures, costs and fees)

  www.metzler.com/en/metzler/asset-management/fund-prices-und-documents

- The Metzler Asset Management GmbH **PRI report** is accessible at **www.metzler.com/esg > Downloads > "PRI Assessment Report"**

6.2. ESG reporting

Metzler Asset Management GmbH provides extensive ESG reporting for all funds and mandates. This includes a detailed review of the portfolios according to social, environmental and governance factors. Reporting also covers the milestones achieved in engagement activities.

For Metzler's mutual funds, ESG reports are accessible on our website here: **www.metzler.com/en/metzler/asset-management/fund-prices-und-documents**

Metzler Asset Management GmbH is continually developing its ESG reporting system, a strategic management and communication tool. The aim is to make sustainability transparent, structured and comprehensible for investors at all levels.

Megatrends and individual sustainability goals are incorporated into the reporting system in order to provide holistic, robust and comparable ESG assessments. Reports highlight ESG aspects from various perspectives, ranging from standard-based exclusions to impact analyses and from governance structures to the climate impact of capital investments.

The following topics form the central components of the report:

- **Values and norms**: Measurement of the percentage of sales in controversial business areas and recording violations of international norms and standards
- **ESG rating**: Assessment of ESG opportunities and risks at company level
- **Climate:** Analysis of the climate impact of capital investments (e.g. carbon intensity, temperature pathways, net-zero compatibility)
- **Megatrends**: Transparency of investments in long-term social and economic developments

- **Impact investing**: Measurement of the impact on the United Nations Sustainable Development Goals (UN SDGs)
- **EU taxonomy**: Proportion of taxonomy-eligible and taxonomy-compliant investments, including green bonds
- **Engagement and voting**: Documentation of active dialogue with companies and proxy voting results
- **Principal Adverse Impacts (PAIs)**: Assessment of the most significant adverse impacts on the environment and society in accordance with SFDR
- **Government bonds**: Sustainability analysis of sovereign issuers (ESG profile at country level)

7. Social responsibility

Since the 1674 establishment of the Metzler Bank in Frankfurt/Main, several members of the Metzler family in all generations have been committed – both personally and financially – to promoting social, scientific and cultural causes in their home city. These Metzler family members have been among the founders of several public institutions or their sponsoring associations, e.g. the Städel Museum, the Senckenberg Nature Research Society, Goethe University or the Bürgerhospital, and are still committed to their further development.

In 1998, these initiatives by the Metzler family and Metzler Bank, some of which date back centuries, culminated in the establishment of the Albert und Barbara von Metzler Foundation, which operates independently from the Group. This foundation concentrates on the development of children and adolescents, primarily in the field of German language learning, and also helps resolve social problems. The foundation's patronage of the arts and culture, health care, science and research, nature and the environment, and community development round off the "portfolio" of support. Its work extends to all of Germany and beyond, especially locations where Metzler has offices.

In addition to Metzler's own charitable activities, Metzler also persuades others to donate ("Anstiften zum Stiften"). This project is a cornerstone in Metzler's commitment to involve as many other people, companies or institutions as possible in order to secure project funding. Innovative fundraising concepts have been used since the beginning of the 21st century, e.g. the matching fund model "1 + 1 = 3". Furthermore, employee commitment is actively promoted as employees take on sponsorships for charity projects and get personally involved. Metzler employees can also submit their own applications for funding to the Metzler Foundation. Thus, social commitment is becoming more and more widespread and the Metzler network is constantly growing.

The work of the Metzler Foundation is non-profit and takes place in cooperation with other charitable or non-profit groups, scientific specialists and initiatives, and the public authorities in order to achieve the best results.

The Metzler family, the Foundation and Metzler Bank with its employees are all convinced of the importance of their chosen commitments and will surely remain committed "corporate citizens" full of ideas and zest long into the future.

8. Modification history

March 2022: Service provider BMO Global Asset Management was renamed Columbia Threadneedle Investments after the acquisition.

April 2023: Supplement to Chapter 1.1. “The content presented in this document does not apply to the asset classes of the Metzler Premium Funds and the assets managed as part of an advisory service. These funds follow a different strategy in dealing with sustainability risks.”

July 2023: Addition of Chapters 2.4., 2.5. and 2.6., as well as stylistic adjustments to wording.

January 2025: Addition of the entire Chapter 4. “The role of ESG in cooperation and outsourcing relationships”. In Chapter 1.2. “Initiatives, associations and cooperation partners”: removal of the TCFD due to its dissolution and stylistic adjustments to the wording. Addition of the new “Strategies for integrating sustainability risks into the investment decision-making process” and associated stylistic changes in Chapter 2.7. “ESG portfolio controlling”.

January 2025: Revision of individual guidelines and stylistic adjustments to the wording

August 2025: Addition of the climate, risk, silent active ownership, and proxy voting policies to the existing ESG policy to create a uniform, consolidated document.

The following new chapters were added to address the following topics: 1.4. “Consideration of adverse impacts of sustainability on Metzler Asset Management GmbH at company level”, 2.2.2.2. “Selecting government bonds”, 2.2.4. “Consideration of principal adverse impacts (PAIs)”, 2.4. “Sustainable investments”, 2.6. “ESG data”, 2.6.3. “Restrictions regarding methods and data”, 3. “Our mutual funds”, 5.2. “Cooperative engagement” and 5.4. “Cooperation with Columbia Threadneedle Investments”.

Chapter 2.7. “ESG portfolio controlling” was revised to more clearly reflect the separation of functions between investment controlling, risk management and risk controlling.

Chapters 2.2. “ESG investment approaches”, 2.2.2.3. “QbrickS® – an ESG portfolio construction and analysis tool”, 6. “Reporting” and 6.2. “ESG reporting” were updated.

Overall, stylistic wording adjustments were made, including the removal of duplicate wording.

Excerpts from Columbia Threadneedle Investments’ policies were removed. In future, hyperlinks leading to the relevant documents will be provided.

The exclusion criteria of the Climate Policy were expanded to include activities related to deep-sea mining.

December 2025: The definition of controversial weapons was aligned with the provisions of Article 12(1)(a) of the Delegated Regulation (EU) 2020/1818.

Metzler's Climate Policy:

January 2025: Adjustments to Chapter 2.2.1 "Exclusion criteria": update of the MSCI controversy methodology and change of the exclusion criterion to "red flag" in accordance with MSCI ESG Research. In Chapter "Climate initiatives": removal of the TCFD due to its dissolution and removal of the "Green and Sustainable Finance Cluster Germany" following MAM's withdrawal. In Chapter 3 "Our mutual funds": update of the exclusion criteria, taking into account the guidelines for fund names with ESG or sustainability-related terms. Stylistic adjustments to the wording.

August 2025: Integration of the separate policy into the existing ESG Policy to create a uniform, consolidated document.

Modification history of Metzler's Risk Policy:

January 2025: Adjustment to Chapter 2.2.1 "Exclusion criteria": update of the MSCI controversy methodology and change of the exclusion criterion to "red flag" in accordance with MSCI ESG Research. Adjustments to Chapter 2.7 "ESG portfolio controlling": more detailed description of the processes for monitoring and controlling sustainability risks.

August 2025: Integration of the separate policy into the existing ESG Policy to create a uniform, consolidated document.

Modification history of Metzler's Silent Active Ownership Policy:

January 2025: stylistic adjustments to the wording.

August 2025: Integration of the separate policy into the existing ESG Policy to create a uniform, consolidated document.

Modification history of Metzler's Proxy Voting Policy:

January 2025: Start of reporting on the proxy voting activities of US listed companies to the SEC.

August 2025: Integration of the separate policy into the existing ESG Policy to create a uniform, consolidated document.

9. Disclaimer Metzler Asset Management GmbH

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Past performance cannot be regarded as an indicator of future performance. It cannot be guaranteed that a portfolio will repeat its past performance in the future. Any gains generated by investments are subject to fluctuations; the price or value of any financial instrument described in this document may rise or fall. Moreover, the actual performance of a portfolio depends on its asset volume as well as on the agreed fee structure and external expenses.

The model calculations contained in this document, if any, are examples showing the possible performance and are based on various assumptions (e.g. regarding earnings and volatility). Actual performance may be higher or lower, depending on market developments.

Metzler cannot guarantee that a portfolio will maintain a certain minimal value or that a specific target return will be achieved. Consequently, none of the capital preservation strategies mentioned in this document, if any, can offer full asset protection.

In particular, it cannot be guaranteed that ESG investments will actually increase returns and/or reduce portfolio risk. Similarly, no civil liability of Metzler can be derived from the goal of "responsible investing" (as defined by the BVI Rules of Conduct). Information on sustainability at Metzler Asset Management can be found here: www.metzler.com/esg-en.

This document is non-binding and does not constitute an offer or any part of an offer to buy or sell financial instruments. Only the sales prospectuses, basic information sheets (PRIIPs) and annual and half-yearly financial statements valid at the time of purchase are binding for purchasing mutual funds. These and other mandatory documents, including the fund´s complaint resolution process, are available for download at www.metzler.com/funds and www.universal-investment.com/en/ Corporate/ Compliance/Ireland/.

In the case of fund products, investors have the right to file a complaint in a model case proceeding as per sec. 606 German Code of Civil Procedure or to initiate an ombudsman proceeding at the German Investment Funds Association (BVI). The German Capital Investor Model Proceedings Act (KapMuG) applies.

It may be decided at any time to terminate the cross-border distribution arrangements. In such circumstances, investors will be informed of this decision and will be provided with the opportunity to redeem their units.

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