Additional unaudited information

Sustainable Finance Disclosure Regulation ("SFDR" Regulation EU 2019/2088)

Disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Did this financial product have a sustainable investment objective?

Yes ☐	No ☒
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 74.02% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective: _%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

The product promoted firstly climate mitigation by considering companies that plan to reduce their direct and indirect greenhouse gas emissions in line with a global warming of below 2°C. Secondly the product promoted broad social and environmental characteristics by considering companies with a significant revenue share of products and services in the area of alternative energy, energy efficiency, green building, sustainable water, pollution prevention, sustainable agriculture, nutrition, major disease treatment, sanitation, affordable real estate, small and medium-sized enterprise finance, education and connectivity. A sustainable investment/company fulfills one of both of the criteria above. Lastly the product focused on investments issued by investee companies with an ESG rating of AA or higher, thus promoting superior ESG standards in the industry. Those investments were deemed to have E/S characteristics. Binding elements by the product and the share of minimum sustainable investments and investments with environmental and social characteristics have been met and/or exceeded.

The share of investments aligned with environmental/social characteristics was at 81.42%, while the share of sustainable investments was at 74.02%. The share of investments with other environmental characteristics was at 74.02%.

Since 2022 is the first reporting period, a comparison to previous periods is not possible. Furthermore, the lack of reported data does not allow for such a comparison.

A sustainable investment, as defined by the SFDR Article 2(17) should consider the three following building blocks:
• positive contribution to an environmental or social objective;
• do no significant harm;
• good governance practices.

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Based on Rothschild & Co Bank AG's interpretation of these building blocks and mainly using data provided by MSCI ESG Research LLC, companies selected in the financial product had a positive contribution to an environmental or social objective if:
• companies had carbon emissions reduction targets aligned with a global warming of 2°C or less;
• or had a strategic business focus on products with a direct social or environmental impact as shown by a share of revenues from those products of at least 20%.
If the investee company met one of these criteria, the investment is considered to be 100% sustainable.

In-line with the exclusion policy of R&Co Bank AG, PAI 10 (no breach of OECD and UNGC principles) and PAI 14 (exposure to controversial weapons) were considered for all direct investments in private companies.
Furthermore, private companies were considered complying with the ""do no significant harm"" criteria, if they did report on additional PAIs 1 (greenhouse gas emissions), PAI 2 (carbon footprint), PAI 4 (exposure to companies active in the fossil fuel sector), PAI 5 (share of non-renewable energy consumption and production, PAI 6 (energy consumption intensity per high impact climate sector) and PAI 13 (board gender diversity).
Investments in sovereigns were considered of DNSH, if they did not breach international sanctions, demonstrated good performances regarding corruption and international standards and did comply with a minimum ESG rating.
For third party funds we paid attention to its definition of sustainable investments, but could not fully assure that it was fully aligned with the banks interpretation of the SFDR requirements and objectives.

In general, PAIs have been used for the definition of sustainable investments and all of the mandatory PAIs (1-14, 15, 16) were measured.
R&Co Bank AG took into consideration the principal adverse impact indicators (PAIs) in its definition of sustainable investments and considered specifically PAIs 1, 2, 4, 5, 6, 10, 13, 14 and their evolution/trend. Furthermore, PAI 10 (breaches of OECD and UNGC principles) and PAI 14 (exposure to controversial weapons) were used for an exclusionary screening.

Since PAI 10 was an exclusionary criterion. Therefore, all direct investments in private companies were aligned with OECD Guidelines and UN Guiding Principles.

In general, principal adverse impact indicators (PAIs) have been used for the definition of sustainable investments and all the mandatory PAIs (1-14, 15, 16) were measured. In addition, our definition of sustainable investments indirectly took into consideration the optional
PAI relating to investments in companies without carbon emissions reduction initiatives.
R&Co Bank AG paid specific attention to PAIs 4 (exposure to fossil fuel sector), 10 (violations of UN Global Compact principles and OECD guidelines) and 14 (exposure to controversial weapons).

Largest investments	***Sector***	***% Assets***	***Country***
Microsoft Inc	**Information Technology**	**6.12%**	**North America**
UnitedHealth Group Inc	**Health Care**	**5.34%**	**North America**
Accenture PLC	**Information Technology**	**5.32%**	**North America**
Alphabet Inc -A-	**Communication Services**	**5.17%**	**North America**
LVMH	**Consumer Discretionary**	**4.88%**	**France**
Mastercard Inc	**Information Technology**	**4.96%**	**North America**
Danaher	**Health Care**	**4.97%**	**North America**
Moody's	**Financials**	**4.82%**	**North America**
Procter & Gamble	**Consumer Staples**	**4.56%**	**North America**
L'Oréal	**Consumer Staples**	**4.31%**	**France**

Investments with environmental and/or social characteristics were at 81.42% of the assets. Share of sustainable investments was at 74.02%. Share of investments with other environmental characteristics was at 74.02%.
Investments with social characteristics and/or taxonomy-alignment can vary, since no specific thresholds have been set. Derivatives were not used to attain the E/S characteristics promoted by the product.

- Taxonomy-aligned: 0%
- Other environmental: 74.02%
- Social: 0%
- #1A Sustainable: 74.02%
- #1B Other E/S characteristics: 7.39%
- #1 Aligned with E/S characteristics: 81.42%
- #2 Other: 18.58%

The product invested in all sectors and industries, however the sectors with a high greenhouse gas intensity were under-represented.

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The product did not apply a minimum threshold for sustainable investments with an environmental objective aligned with the EU Taxonomy. The EU Taxonomy alignment was also not a specific target within the product's strategy. However, it was and is no intention of the product to target direct investments in private companies that align with the EU Taxonomy. Data was provided by the data provider MSCI ESG Research LLC and can either be estimated or directly reported by private companies. For investments in third-party funds this product relied on disclosures from product manufacturers. Same holds true for investments in government securities since no EU Taxonomy data was available for such entities and therefore could not be considered.
Considering the above limitations, the share of taxonomy-aligned investments (share of revenue, excluding sovereigns) was at 0%.

There is no investments in in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy.
The product did not explicitly apply investments in transitional and enabling activities.

Since 2022 is the first reporting period, a comparison to previous periods is not possible. Furthermore, the lack of reported data does not allow for such a comparison.

The share of investments with an environmental objective not aligned with the EU Taxonomy was at 74.02%.

The share of socially sustainable investments was at 0%.

The "#2 Other" category includes firstly investments that might have not been analyzed from an ESG perspective due to the lack of methodologies, data availability or the nature of the underlying asset (cash). Secondly it includes those securities whose investee companies do not fulfill our criteria for sustainability and "other E/S characteristics". Nevertheless, these securities must meet the exclusion criteria described in the section "Binding elements".

Application of R&Co Bank AG's ESG approach across several divisions such as portfolio management, equity research and investment control to meet exclusionary criteria and environmental and/or social characteristics promoted by the product. The oversight was with the ESG & Portfolio analytics team. Proxy Voting activities took place, but no dedicated engagement on environmental and/or social characteristics conducted.

The fund does not have a benchmark in place.

Limitations to ESG data and methodologies

While the data is provided in good faith and to the best of the Portfolio Manager's knowledge and belief, R&Co IM notes the limitations of the methodologies and data referred to in the SFDR Periodic Disclosure (Annex IV) attached to this document (i.e. limited ability to measure or report on portfolio companies and securities, comparison with different reporting periods....). R&Co IM expects to improve data quality, methodology and reduce the limitations explained in the forthcoming financial statements.