

onemarkets

Libra Fund

Website Disclosure

1. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Sub-Fund will invest minimum of 80% of the Sub-Fund's total assets in investments with environmental and/or social characteristics. Of these investments, a minimum of 10% of the Sub-Fund's total assets will be invested in Sustainable Investments.

Sustainable Investments meet the DNSH requirements, as defined by applicable law and regulation. The Investment Manager (or "Schoellerbank") has developed a set of criteria across all Sustainable Investments to assess whether an issuer or investment does significant harm. Investments considered to be causing significant harm do not qualify as Sustainable Investments.

The Investment Manager considers all mandatory principal adverse impacts (PAI) listed in Annex I Table I of the SFDR-RTS (EU 2022/1288).

The indicators for PAIs are considered through the Investment Manager's DNSH standard for Sustainable Investments. The process specifically considers PAIs and assesses securities against those criteria. The Investment Manager applies a two-step screening process:

- the environmental and social characteristics are determined at the first stage by means of mandatory exclusion criteria that all securities must comply with;
- In the second stage, the remaining investment universe is assessed for the performance of environmental and social characteristics using positive criteria;

Sustainable Investments are assessed to consider any detrimental impacts and ensure compliance with international standards of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight Sub-Fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. Issuers deemed to have violated these conventions are not considered as Sustainable Investments.

2. ENVIRONMENTAL AND / OR SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

The Sub-Fund promotes Environmental/Social (E/S) characteristics which are defined in cooperation with the Investment Manager's "Advisory Board for Ethics and Sustainability" and aims to invest in sustainable investments.

Characteristics are divided into two distinct categories: ecological and social.

In the ecological area, climate protection and the protection of natural ecosystems are important investment principles. Investments are avoided in economic activities that are particularly detrimental to these environmental goals, such as coal extraction and power generation, oil and gas extraction using problematic methods (e.g. fracking) or in particularly sensitive ecosystems (e.g. arctic oil) to do.

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In the social sphere, investments are made to promote democracy, respect human rights, fight corruption, gender equality and overcome discrimination. This is to be achieved through a catalog of criteria based on the Universal Declaration of Human Rights and the principles of the UN Global Compact.

3. INVESTMENT STRATEGY

Investment strategy

The Investment Manager makes the investment decisions for this Sub-Fund by applying sustainability factors on the investment universe defined through the rigorously quality focused screening process. The Investment Manager has developed a two-step process that collects appropriate measures of investments in order to assess environmental and social characteristics.

During the first step (negative screening), the Investment Manager will seek to limit and/or exclude direct investment (as applicable) in corporate issuers which, in the opinion of the Investment Manager, have exposure to, or ties with, certain sectors (in some cases subject to specific revenue thresholds) will furthermore seek to limit exposure to investments that are deemed to have associated negative externalities including but not limited to:

1. Companies manufacturing, maintaining, or trading controversial and/or morally unacceptable weapons, as identified through the international obligations, treaties, and legislations.
For nuclear weapons the exclusion is applicable to all those companies which derive from nuclear weapons more than 5% of their consolidated revenues.
2. Companies involved in thermal coal production and/or production of energy from thermal coal which derive from these businesses more than 2% of their consolidated revenues.
It's also requested a mandatory phase out by 2028.
3. Companies involved in controversial fuel production and companies that extract hydrocarbons with controversial techniques or in areas with high environmental impact.
4. Companies involved in the tobacco business which derive from these businesses more than 5% of their consolidated revenues.
5. Companies involved in the nuclear energy production which derive from these businesses more than 5% of their consolidated revenues.
6. Companies involved in the weapons business which derive from these businesses more than 5% of their consolidated revenues.
7. Companies involved in the gambling business which derive from these businesses more than 5% of their consolidated revenues.
8. Companies involved in the adult entertainment business which derive from these businesses more than 5% of their consolidated revenues.
9. Companies involved in the production of high-proof alcohol business which derive from these businesses more than 5% of their consolidated revenues.
10. Companies involved in the genetically modified organism's business which derive from these businesses more than 5% of their consolidated revenues.
11. Companies involved in the animal testing business (unless there is a legal need for it) which derive from these businesses more than 5% of their consolidated revenues.

Furthermore, the following exclusion criteria apply to issuing countries:

1. Bonds issued by countries that are not compliant with FATF Recommendations (Black and Grey lists).
2. Bonds issued by countries that are not signatories of Paris 2015 Agreement on climate change are excluded.
3. Bonds issued by countries classified with 'partly free or not free'- status according to freedom house index.

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4. Bonds issued by countries that violate democratic principles and fundamental/human rights or/and have a controversy in Human Rights, Labour Rights, Freedom of Speech and Press, Freedom of Association, Discrimination or Child Labour.
5. Bonds issued by countries which apply the death penalty.
6. Bonds issued by countries with high military budgets (more than 3% of GDP).
7. Bonds issued by countries with inadequate efforts to protect the climate (Climate Change Performance Index (CCPI) < 40).
8. Bonds issued by countries with more than 10% of total primary energy supply and no moratorium on building NP plants and no decision on abandoning NP plants.
9. Bonds issued by countries classified as Non-Ratifier of the Convention on Biological Diversity.
10. Bonds issued by countries in which corruption in the public sector is perceived to be too high (Corruption Perception Index (CPI) of Transparency International e. V. < 50).

During the second step, the remaining issuers go through a “positive screening” regarding their social and environmental standards. Positive criteria are indicators that speak for an above-average performance of a company or state regarding the advertised environmental and social characteristics.

Companies and countries need to fulfil these five criteria to be considered a sustainable investment:

1. Companies and countries with a below-average greenhouse gas emission intensity.
2. Companies that initiate initiatives to reduce CO2 emissions in accordance with the Paris Agreement
3. Non-Fossil Fuel Companies
4. Businesses whose operations do not adversely affect areas of vulnerable biodiversity
5. Companies and countries with above-average overall performance in climate change mitigation or adaptation

Good governance

By excluding companies that seriously violate the rules of the UN Global Compact, the procedures of good corporate governance are observed. Issuers that lack processes of good corporate governance or that have committed significant abuses in this area are avoided. These include serious violations of environmental protection, social standards, and labor rights, as well as corruption, money laundering, tax evasion and unfair business practices. In addition, the sub-fund does not invest in bonds issued by countries that do not comply with minimum standards for the prevention of money laundering or that are susceptible to corruption.

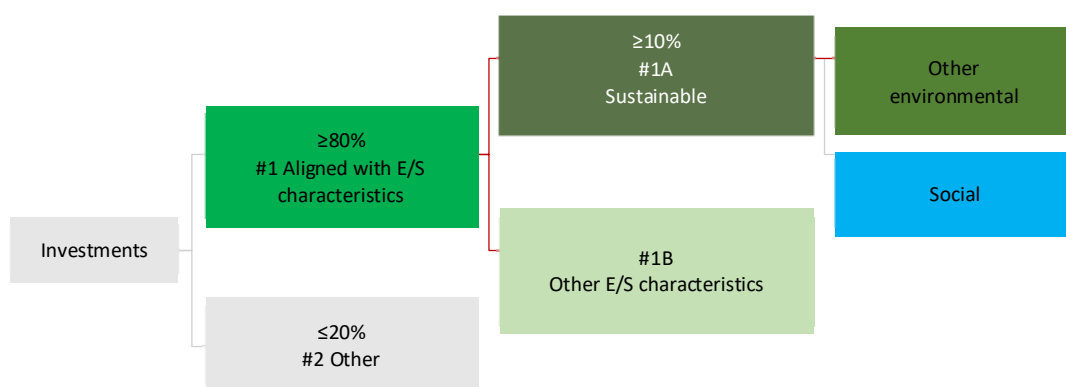
4. PROPORTION OF INVESTMENTS

A minimum of 80% of the Sub-Fund's total assets will be invested in investments that are aligned with the environmental and/or social characteristics (#1 Aligned with E/S characteristics). Of these investments, a minimum of 10% of the Sub-Fund's total assets will be invested in Sustainable Investments (#1A Sustainable), and the remainder will be invested in investments aligned with other environmental and/or social characteristics described above (#1B Other E/S characteristics). The Sub-Fund may invest up to 20% of its total assets in other investments (#2 Other investments).

The Sub-Fund does not currently commit to investing more than 0% of its assets in Sustainable Investments with an environmental objective aligned with the EU Taxonomy, however, these investments may form part of the portfolio.

The Sub-Fund may invest up to 10% of its net assets in UCITS and UCIs eligible under article 41(1)e) of the 2010 Law.

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5. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager continuously monitors the Sub-Fund using ISS ESG data and assessments to identify changes in issuers' sustainability factors.

Internal control processes have been defined at the Investment Manager to ensure that the exclusion criteria and the minimum share of environmental and social investments are monitored.

Suitable data for verification is provided by ISS ESG. In this way it can be ensured that the PAIs are monitored on an ongoing basis. A material change in the PAI may lead to changes in the allocation and sale of certain investments. This is particularly necessary if Exclusion criteria are violated, or minimum values set are fallen short of.

Any changes in the portfolio - whether due to a change in allocation by the Investment Manager or an inflow or outflow of funds on the part of the customer - are also included in the above-mentioned control.

The investment process is continuously reviewed by Investment Manager's risk management. Suitable processes and technical procedures are installed for this purpose.

6. METHODOLOGIES

The data provided by ISS ESG is aggregated by the Investment Manager at portfolio level. This applies in particular to the PAI indicators, which are incorporated into the exclusion criteria and positive criteria described in the section "the environmental and / or social characteristics promoted by the fund".

Through the implementation of the data on the exclusion and positive criteria as well as the PAI indicators, the current status with regard to the fulfilment of the exclusion and minimum criteria can be assessed. Subsequently, new data shows how the desired characteristics change over time.

If there is a deterioration in some environmental or social criteria, the reasons for this development are analysed. If the Investment Manager comes to the conclusion that the new developments cannot be tolerated, the investments in question are reduced or sold out of the portfolio altogether.

7. DATA SOURCES AND PROCESSING

Data sources

In order to be able to assess the environmental and social characteristics of an investment, the Investment Manager relies on data from ISS ESG. Schoellerbank relies on data from ISS ESG, a company with internationally recognised expertise in all areas of sustainable and responsible investment. ISS ESG provides Schoellerbank with extensive expertise on companies, states, and supranational entities.

The following are examples of the type of data Schoellerbank obtains from ISS ESG. This data is used by Schoellerbank to verify compliance with the exclusion criteria or the positive selection criteria:

- Turnover generated by a company in a line of business relevant to Schoellerbank's exclusion criteria: e.g., trade in controversial weapons or the extraction of fossil fuels.

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- Information on controversial practices and incidents in a company: e.g., medically unjustified animal testing, corruption, or tax evasion
- Assessments of companies and states with regard to their handling of the challenges of climate change: Determination of an overall rating and presentation of the strengths and weaknesses of each issuer
- Information on greenhouse gas emissions of companies and countries to determine the carbon footprint

ISS ESG receives data from various sources. They come both from the companies, states and supranational entities concerned themselves and from other sources, such as governmental or non-governmental organisations. In some cases, the data is also based on (single) estimates made by ISS ESG. In addition, ISS ESG also produces scores based on raw data, which assess various dimensions of sustainable issues - e.g., how well the issuer fulfils the principles of the UN Global Compact.

Measures taken to ensure data quality

Schoellerbank checks the data provided by ISS ESG - including estimated values - on a random basis for plausibility. Schoellerbank only uses data for the review of the exclusion criteria that is available for all eligible investments. This means that issuers for which not all exclusion criteria can be clearly checked on the basis of the available data are not considered for investment.

In the case of positive selection criteria, it is possible that individual data points are not available for issuers. In this case, the positive selection criterion for the issuer cannot be checked and the issuer is not classified as an environmental or social investment. However, an investment is still possible if all exclusion criteria can be clearly checked.

Processing

The Sub-Fund is continuously reviewed using ISS ESG data - including estimates - to identify changes in the sustainability factors of issuers. This is done by Schoellerbank's IT systems, which reconcile portfolio investments with ISS ESG data.

Proportion of data that are estimated

The data provider ISS ESG also relies on estimates in its analysis. The proportion of estimated data is not known.

8. LIMITATIONS TO METHODOLOGIES AND DATA

Schoellerbank cannot fully verify the data provided by ISS ESG. Currently, data in the area of EU Taxonomy and for individual PAI indicators is not yet fully available and therefore the data quality is not yet ideal. With the increasing provision of information by market participants, it is to be expected that the quality of the data for the main factors will improve. Schoellerbank can only decide on the basis of known facts whether an investment will advance the set goals.

In addition, Schoellerbank cannot predict or influence whether the issuers identified will also use the capital provided in the future in line with Schoellerbank's sustainability goals. Only if it can be foreseen on the basis of the aforementioned metrics that this is no longer the case a reaction can be taken.

The availability of sustainability data published by companies and verified by independent external bodies is still very limited. Therefore, data is also obtained from non-verified sources, some of which include estimates. It is therefore possible that assessments made on the basis of unverified sources will have to be revised in retrospect.

Schoellerbank uses a wide range of criteria and data points to assess the environmental and social profile of an issuer. This reduces the risk of incorrect or incomplete data harming the achievement of the goals set. In addition, the data is continuously updated, and the history is maintained, which enables the identification of deviations over time.

9. DUE DILIGENCE

Schoellerbank has implemented processes and procedures to collect and process the data provided by ISS ESG for portfolio management. The data is implemented in Schoellerbank's IT systems. This enables the Investment Manager to monitor the Sub-Fund on an ongoing basis regarding compliance with the ecological and social criteria and the achievement of the targets.

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The independent risk management function of the Investment Manager and the internal audit department monitor the process for assuring compliance with the defined exclusion criteria and minimum criteria.

10. ENGAGEMENT POLICIES

As part of the investment process - i.e., according to which criteria shares are acquired, held and sold for the Sub-fund - there is ongoing monitoring of all shares and the companies behind them. The analysis of the companies in which the Sub-Fund invests within the scope of asset management refers to their strategy, their financial and non-financial results, their capital structure, their social and environmental impact, their valuation and their corporate governance.

The following reasons are decisive for the fact that Schoellerbank does not consider it expedient to represent investor interests at general meetings as part of its asset management activities and therefore refrains from exercising voting rights:

- Taking into account the cost-benefit ratio, Schoellerbank does not exercise the voting rights in the respective general meetings, as the share of voting rights of all shares in those portfolios that are managed by Schoellerbank within the scope of asset management - i.e. consolidated across all mandates - do not reach a significant proportion of the voting rights of all shareholders of the respective companies due to diversification principles and are therefore insignificant.

As already explained in the monitoring measures above, the environmental and social criteria of the investments are checked on an ongoing basis. If it is determined that a company no longer meets the required environmental and social criteria, the investment is sold promptly or, in the case of insufficient positive criteria, a replacement investment is sought.

11. DESIGNATED REFERENCE BENCHMARK

No index was determined as a reference value for the environmental or social characteristics advertised with the financial product.