

# Information according to Art 10 SFDR

Name of the product: **PRIVATE BANKING DYNAMIC**

Legal entity identifier: **529900Y48KB7XJWNKX68**

ISIN: **AT0000A1L882**

## a) Summary

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In accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (Disclosure Regulation), this financial product promotes environmental or social characteristics but does not have a sustainable investment objective.

Fund applies a broad interpretation of sustainability. Both environmental and social characteristics are promoted through the application of the Management Company's proprietary sustainability approach. This is ensured by the application of the Management Company's ESG toolbox as part of the investment process.

The sustainable investments that comprise part of this financial product do no significant harm to the environmental or social sustainable investment objectives because this Fund invests in financial products that have been categorised as sustainable by the Management Company on the basis of the applicable sustainable investment process. This categorisation sets forth that the financial products may have no significant adverse impacts on environmental or social factors, as such a violation would preclude an investment based on the binding ESG characteristics of this investment process.

Principle Adverse Impacts ("PAI") are not considered in this Fund or the selection of assets within it.

At least 51% of the fund assets are acquired in financial instruments that are classified as sustainable by the management company on the basis of a predefined selection process.

In order to be classified as sustainable by the management company, units must be acquired in such investment funds that have a classification pursuant to Article 8 or Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation").

Units are predominantly, i.e. at least 51% of the fund assets, acquired in investment funds which, according to their fund rules, invest primarily in bonds or equities or comparable assets, or which are categorized by at least one internationally recognized source as bond or equity funds or comparable funds.

The issuers included in the respective investment funds need not be subject to any geographical restrictions with regard to their registered office, nor to any sectoral restrictions with regard to their corporate purpose.

The Management Company also exercises an active ownership function when it makes direct investments in securities.

Data from external providers are also used when gathering sustainability related data for internal analyses.

The external data may be incomplete, imprecise, or unavailable at times. The providers of sustainability ratings also take different influences into account and apply different weightings, meaning that a company that is the target of an investment can have different sustainability scores. There is therefore the risk of a security or issuer being assessed incorrectly.

A proprietary rating model called ESGenius is used to limit this risk. In this rating model, the predominant sustainability approaches in the market (ethically oriented approach versus a risk view) are combined into an overall view during the analysis. Combining the different providers reduces any data gaps and also verifies the plausibility of the different approaches, and thus attains the promoted environmental or social characteristics.

No index has been designated as a reference benchmark for the attainment of the environmental and/or social objectives.

Information on how the environmental or social characteristics of the Fund are promoted can be found in the annex to the prospectus or the Information for Investors pursuant to § 21 AIFMG.

Information on how the environmental or social characteristics were met and information on the overall sustainability-related impact of the Fund can be found in the annual reports of the Fund published on or after 1 January 2023.

### **Summary - slovak**

V súlade s článkom 8 nariadenia Európskeho parlamentu a Rady (EÚ) 2019/2088 o požiadavkách na zverejňovanie informácií o udržateľnosti v sektore finančných služieb (ďalej len "Nariadenie o zverejňovaní") tento finančný produkt podporuje environmentálne alebo sociálne vlastnosti, ale nezameriava sa na udržateľné investície.

Pri riadení fondu sa udržateľnosť interpretuje všeobecne. Uplatňovaním vlastného prístupu k udržateľnosti sa podporujú environmentálne aj sociálne charakteristiky. To je zabezpečené aplikáciou EAM ESG Toolbox ako súčasť investičného procesu.

Udržateľné investície realizované prostredníctvom tohto finančného produktu čiastočne výrazne nepoškodzujú environmentálne alebo sociálne ciele udržateľných investícií, pretože tento investičný fond investuje do finančných produktov, ktoré správcovská spoločnosť klasifikovala ako udržateľné na základe platného procesu udržateľného investovania. Táto klasifikácia vyžaduje, aby finančné produkty nemali významný nepriaznivý vplyv na environmentálne alebo sociálne faktory, keďže vzhľadom na záväzné charakteristiky ESG tohto investičného procesu by v prípade takéhoto porušenia bola investícia neprípustná.

Pri výbere aktív do fondu nie sú zohľadňované hlavné nepriaznivé vplyvy investičných rozhodnutí na faktory udržateľnosti ("PAI" z anglického Principle Adverse Impacts).

Nakupujú sa prevažne, to znamená do minimálne 51 % výšky majetku fondu, finančné nástroje, ktoré sú klasifikované na základe procesu výberu vopred definovaného správcovskou spoločnosťou ako udržateľné. Aby boli správcovskou spoločnosťou klasifikované ako udržateľné, musia byť podiely nadobudnuté v takýchto investičných fondoch, ktoré sú klasifikované podľa článku 8 alebo článku 9 Nariadenia Európskeho parlamentu a Rady (EÚ) 2019/2088 o zverejňovaní informácií o udržateľnosti v sektore finančných služieb („Nariadenie o zverejňovaní“). Nakupujú sa prevažne, to znamená do minimálne 51 % majetku fondu, podiely na investičných fondoch, ktoré podľa ustanovení týchto fondov investujú hlavne do dlhopisov alebo akcií alebo do aktív, ktoré sú s nimi porovnateľné, alebo ktoré boli kategorizované minimálne jedným medzinárodným uznaným zdrojom ako dlhopisový alebo akciový fond alebo fond, ktorý je s nimi porovnateľný. Emitenti zahrnutí v príslušných investičných fondoch nepodliehajú z hľadiska svojho sídla žiadnym geografickým obmedzeniam a z hľadiska svojho predmetu podnikania žiadnym obmedzeniam bežným v danom odvetví. Na investičný fond sa vzťahujú obmedzenia pre investovanie a emitentov platné v zmysle OGAW s výnimkami upravenými v §§ 166 a nasl. zákona o investičných fondoch (InvFG).

Okrem toho správcovská spoločnosť uplatňuje na priame investície do cenných papierov funkciu aktívneho vlastníctva (Active Ownership).

Zhrnutie údajov, ktoré sa vzťahujú k udržateľnosti, a ktoré sa následne použijú pre vlastnú analýzu, sa opiera tiež o údaje od externých poskytovateľov.

Externé údaje môžu byť eventuálne k dispozícii nekompletné, nepresné alebo časovo nesprávne. Okrem toho rešpektujú poskytovatelia ratingu o udržateľnosti rôzne faktory vplyvu a rôzne špecifikácie, takže pre jeden a ten istý podnik, do ktorého sa investuje v rámci vkladov, môže existovať rôzne skóre udržateľnosti. Hrozí preto riziko, že cenný papier alebo emitent nebude správne vyhodnotený.

Na obmedzenie tohto rizika sa používa vlastný ratingový model ESGenius. V rámci tohto ratingového modelu sa orientácie udržateľnosti, ktoré dominujú na trhu (eticky orientovaný prístup verzus perspektíva rizika), kombinujú do celkového pohľadu ako súčasť analýzy. Kombináciou rôznych poskytovateľov sa znižujú medzery v údajoch a súčasne sa kontroluje vierohodnosť rôznych prístupov, a tým sa plnia presadzované environmentálne alebo sociálne záležitosti.

Index nebude používaný ako referenčná hodnota na dosiahnutie environmentálnych a/alebo sociálnych cieľov.

## b) No sustainable investment objective

In accordance with Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (Disclosure Regulation), this financial product promotes environmental or social characteristics but does not have a sustainable investment objective.

Fund applies a broad interpretation of sustainability. Both environmental and social characteristics are promoted through the application of the Management Company's proprietary sustainability approach. This is ensured by the application of the Management Company's ESG toolbox as part of the investment process.

Exclusion Criteria			ESG Analysis / Best in Class		Integration	Engagement	Voting	Thematic funds	Focused sustainability Impact	Fulfill Austrian ecolabel or FNG label criteria
Minimum criteria	Exclusion criteria	Norm-based Screening	ESG Risk Analysis	Best in Class						
✓	✓	✓	✓		✓	✓	✓	✓	Not applicable	

The sustainable investments that comprise part of this financial product do no significant harm to the environmental or social sustainable investment objectives because this Fund invests in financial products that have been categorised as sustainable by the Management Company on the basis of the applicable sustainable investment process. This categorisation sets forth that the financial products may have no significant adverse impacts on environmental or social factors, as such a violation would preclude an investment based on the binding ESG characteristics of this investment process.

Principle Adverse Impacts ("PAI") are not taken into account in this investment fund or the selection of assets contained therein.

The Fund invests at least 51% of its assets in investment funds classified in accordance with Article 8 of the Disclosure Regulation (Regulation (EU) 2019/2088) ("Sub-Funds"). Although some of these Sub-Funds may take PAI into account, the consideration of the main adverse sustainability impacts is not explicitly provided for in the investment process.

It is therefore not possible to specifically manage or calculate the PAI of the investments made.

By applying the exclusion criteria described above and taking the ESG analysis into account in selection, the sustainability approach of the Fund ensures compliance with 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 fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

In the event that third-party funds are held, the indicators for the adverse impacts on sustainability factors and the OECD Guidelines are taken into account in the manner defined by the respective manufacturers.

## c) Environmental or social characteristics of the financial product

The focus topics of the ESG analysis, selection process, and active ownership practices are adapted to the specific ESG risk profile of each issuer.

At the level of the Fund, the Management Company is pursuing the objective of achieving improvements in the following key environmental and social aspects through its proprietary sustainability approach:

- The environmental footprint of the investments held by the Fund, in particular
  - the carbon footprint and the mitigation of climate change in general, and
  - the water footprint and measures for the responsible use of the resource water.
- The avoidance of environmental risks
  - for the protection of biodiversity
  - the responsible management of waste and other emissions
- Social factors such as
  - the exclusion of any investments in companies that produce or deal in controversial weapons.
  - the promotion of human rights and exclusion of issuers complicit in human rights violations.
  - the promotion of good working conditions, for example in the areas workplace safety and training, and the exclusion of issuers that are complicit in labour law violations, in particular of the core standards of the ILO.
  - the promotion of diversity and the exclusion of issuers that practice discrimination.
  - The avoidance of corruption and fraud.
- The promotion of good corporate governance:
  - the independence of supervisory bodies
  - management remuneration
  - good accounting practices
  - the protection of shareholder rights

All invested financial products managed by third party management companies shall be officially classified as Art. 8 or 9 in accordance with REG (EU) 2019/2088 by their manufacturer and comply with SFDR good governance rules where applicable.

Based on the management company's ESG fund selection criteria and the analysis of the investment process, as disclosed by the respective third-party manufacturer, it is expected that third-party funds demonstrate similar environmental and social characteristics as funds managed by the management company. Nevertheless, differences can persist.

Therefore the environmental and/or social characteristics promoted by these financial products are those declared by their respective producer in compliance with the regulation.

## d) Investment strategy

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At least 51% of the fund assets are acquired in financial instruments that are classified as sustainable by the management company on the basis of a predefined selection process.

In order to be classified as sustainable by the management company, units must be acquired in such investment funds that have a classification pursuant to Article 8 or Article 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation").

Units are predominantly, i.e. at least 51% of the fund assets, acquired in investment funds which, according to their fund rules, invest primarily in bonds or equities or comparable assets, or which are categorized by at least one internationally recognized source as bond or equity funds or comparable funds.

The issuers included in the respective investment funds need not be subject to any geographical restrictions with regard to their registered office, nor to any sectoral restrictions with regard to their corporate purpose.

### **Direct investments in securities and investments in investment funds (indirect investments) managed by the management company**

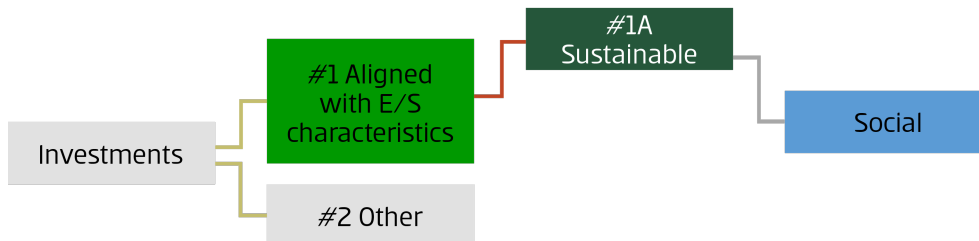
The good governance practices are assessed based on compliance with the exclusion criteria, the minimum ESGenius score, and the assessment of compliance with the principles of the UN Global Compact.

## Investments in investment funds (indirect investments) managed by third party management companies

The measures for assessing the good governance practices of the companies in which these financial products invest are specified and disclosed by the respective manufacturer in accordance with the Regulation.

### e) Proportion of investments

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Under the investment strategy described in lit. b), investments are held in direct or indirect risk positions in companies.

### f) Monitoring of environmental or social characteristics

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The ESG criteria are complied with continuously in terms of the environmental, social, and ethical exclusion criteria as well as in relation to the ESG analysis for direct investments in securities and investments in investment funds (indirect investments) that are managed by the Management Company. This is ensured by the quarterly review and updating of the eligible investment universe of the Fund.

All invested financial products managed by third party management companies shall be officially classified as Art. 8 or 9 in accordance with REG (EU) 2019/2088 by their manufacturer and comply with SFDR good governance rules where applicable.

The monitoring of the environmental or social characteristics is ensured by the applied investment process and the daily review of all transactions (ex-ante check) and holdings of the Fund by Risk Management.

### g) Methodologies

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#### Direct investments in securities and investments in investment funds (indirect investments) managed by the management company

All issuers in which the Fund invests are analysed and selected before acquisition on the basis of a predefined sustainability process. The proprietary ESGenius process provides a comprehensive ESG analysis of each issuer based on its specific ESG risk profile and the measures taken to mitigate these risks. Based on the results of this analysis, the ESGenius rating, only those issuers that achieve a score of at least 30 of 100 possible points are eligible for investment based on an ESG-risk-analysis approach. This minimum score can be higher depending on the sector of the economy in which the issuer is active. All issuers are also evaluated for violations of the Fund's exclusion criteria. This excludes at least half of the analysed issuers from the eligible universe of the Fund. The investment universe is assessed for compliance with these criteria at least once per quarter and updated as needed. Compliance with the eligible investment universe is verified daily. Securities from issuers that no longer meet the sustainability criteria of the Fund are sold while protecting Unit-holder interests.

Investments in sovereign bonds are subject to similar, specific analysis. The minimum ESGenius Score for investment in sovereign bonds is 30 out of 100 points.

Moreover, social, and environmental characteristics are promoted by applying exclusion criteria.

The Management Company also exercises an active ownership function. Through engagement with issuers in the analysed investment universe, contributions are made to the improvement of the environmental and social performance of these companies.

Investments in sovereign bonds are not covered by the fund management company's active ownership programmes.

### **Investments in investment funds (indirect investments) managed by third party management companies**

All invested financial products managed by third party management companies shall be officially classified as Art. 8 or 9 in accordance with REG (EU) 2019/2088 by their manufacturer and comply with SFDR good governance rules where applicable.

Therefore the objectives of the sustainable investments that these financial products partially intends to make and the ways the sustainable investment contribute to such objectives are those defined by their respective producers.

## **h) Data sources and processing**

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Data from external providers are also used when gathering sustainabilityrelated data for the sustainability analysis.

The following data sources and providers are used, among others:

- MSCI ESG
- ISS ESG
- FactSet TrueValueLabs
- Sustainalytics (engagement)

The strict selection of the data providers and the aggregation of their data in a model ensures maximum data quality. For the investment funds that are managed by the Management Company, the data are aggregated and analysed using the Management Company's proprietary sustainability approach (ESGenius). The ESG data supplied by the specified providers may contain a limited degree of estimates.

## **i) Limitations to methodologies and data**

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The external data may be incomplete, imprecise, or unavailable at times. The providers of sustainability ratings also take different influences into account and apply different weightings, meaning that a company that is the target of an investment can have different sustainability scores. There is therefore the risk of a security or issuer being assessed incorrectly.

A proprietary rating model called ESGenius is used to limit this risk. In this rating model, the predominant sustainability approaches in the market (ethically oriented approach versus a risk view) are combined into an overall view during the analysis. Combining the different providers reduces any data gaps and also verifies the plausibility of the different approaches, and thus attains the promoted environmental or social characteristics.

## **j) Due diligence**

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The Management Company has drawn up procedures for taking the principal adverse impacts into account and has developed policies for fulfilling its due diligence obligations relating to the adverse impacts of investment decisions on sustainability factors.

The due diligence procedure consists primarily of

- the regular review of quantitative requirements and limits in risk management using
  - o positive lists and/or
  - o negative lists
- additional supporting (quantitative) evaluations in risk management for verifying the plausibility of assumptions

and further (relevant) information for management

- the review of the processes and documentation as part of the regular OP risk, ICS, and compliance audits

Procedures for taking the relevant financial and sustainability risks into account have been integrated into the Management Company's processes.

## k) Engagement policies

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We understand active ownership to mean our responsibility to not only take sustainability criteria into account when selecting securities, but to also be an active investor that engages with the companies to promote measures that serve social responsibility, environmental protection, and enhanced transparency.

We differentiate here between engagement, in other words formal and informal dialogue with companies, and the exercise of voting rights at annual general meetings.

### **Engagement**

As a committed investor, EAM seeks active dialogue with the management of relevant companies as part of its sustainability process where it holds direct investments. This puts the spotlight on weaknesses in the management of environment, social, and governance aspects and is intended to serve as a way to find a joint solution for improvement. Engagement is not only a question of responsibility, but also contributes to minimising risks and can thus improve long-term investment success. EAM can exclude companies that consistently refuse to enter into dialogue from the investment universe.

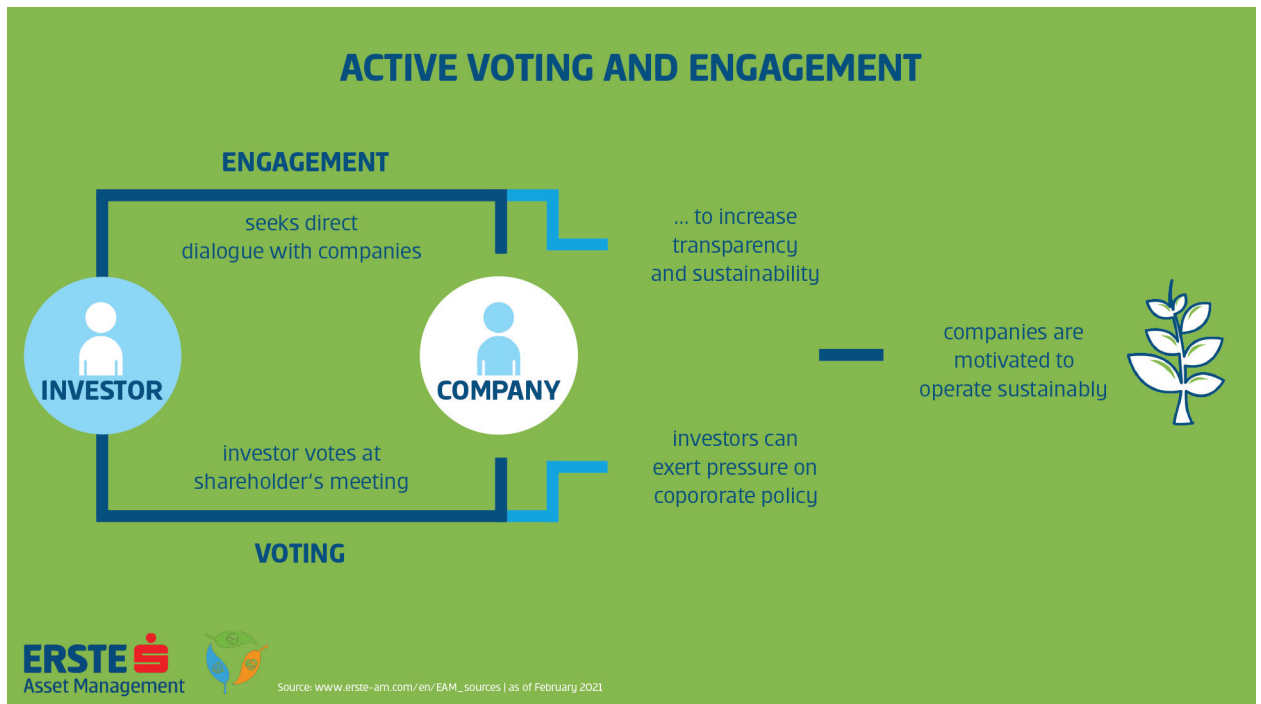
EAM employs four engagement strategies:

*Austrian engagement:* Promoting the integration of ESG criteria in management decisions of Austrian companies through investor meetings/personal discussions.

*Collaborative engagement:* Combination of ESG interests with other investors to have a more powerful voice, especially with international corporate groups. International sustainability networks such as PRI and CRIC and the engagement service of a research services provider are used for this.

*Theme-specific engagement:* ESG research on topics of particular social relevance. The results are made available to the fund management and may result in divestment. Investor pressure can also be increased by addressing the issue in the ESG letter and/or in a press release.

*ESG dialogues:* Promotion of the integration of ESG risks in management decisions of international companies via dialogues at the executive management level.



### Voting

Voting is a central pillar of the active ownership approach. EAM has already exercised the voting rights conferred by the shares held by its RESPONSIBLE funds in accordance with the EAM Voting Policy since 2012. And EAM expanded its voting to the conventionally managed equity funds in 2016. This actively makes the voices of the investors who hold units in EAM funds heard as indirect shareholders of the target companies.

More detailed information about the voting policy can also be found on EAM's website at <https://www.erste-am.at/de/private-anleger/nachhaltigkeit/publikationen-und-richtlinien>

To ensure transparency and consistency in voting behaviour, the voting behaviour is reported regularly on the EAM voting portal. <https://www.erste-am.at/de/private-anleger/nachhaltigkeit/publikationen-und-richtlinien#/active-ownership>

## l) Fixed reference value

No index has been designated as a reference benchmark for the attainment of the environmental and/or social objectives.

## m) Information referred to in Article 8 of the Disclosure Regulation

Information on how the environmental or social characteristics of the Fund are promoted can be found in the annex to the prospectus or the Information for Investors pursuant to § 21 AIFMG.

## n) Information referred to in Article 11 of the Disclosure Regulation

Information on how the environmental or social characteristics were met and information on the overall sustainability-related impact of the Fund can be found in the annual reports of the Fund published on or after 1 January 2023.