



Statement on Principal Adverse Impacts of Investment Advice on Sustainability Factors V1.0

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FERI AG (LEI: 391200RAQYPENJJ4QB64) (hereinafter referred to as “FERI”) is one of the leading investment firms in the German-speaking world. FERI has been offering institutional investors and family offices a wide range of investment-related services for over 30 years. These range from the development of customized investment strategies and their implementation to the regular monitoring and management of risks. The range of services includes the entire investment advisory process, which has been continuously developed since the 1990s. FERI's range of advisory services, which is characterized by extensive experience, systems developed in-house and access to almost 200 employees in all areas of the investment process, creates tangible added value for our clients.

Sustainability is a central component of this and is integrated into our advisory process if a corresponding preference is expressed. Customers can choose from various forms of sustainability preference, specifying whether certain minimum percentages should be set or which sustainability factors should be taken into account. One component of the possible sustainability preferences is the consideration of the principal adverse impacts (PAI) on sustainability factors.

PAIs within the meaning of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“Disclosure Regulation”) cover the following areas:

- Environment,
- Social affairs and employment,
- Respect for human rights and
- Combatting corruption and bribery.

The technical regulatory standards for the Disclosure Regulation, which came into force on January 1, 2023 in the form of Delegated Regulation (EU) 2022/1288 of April 6, 2022, include detailed requirements for the content, methods and presentation of PAIs.

The sustainability preference determined in the advisory meeting provides the framework for recommendations of financial instruments. As part of its investment advice, FERI AG offers both sustainable financial products and products whose underlying investments do not consider the EU criteria for environmentally sustainable economic activities. The necessary information on the PAI is provided and explained during the advisory meeting. If the investor expresses sustainability preferences, the FERI Minimum Guideline is applied, provided this corresponds to the client's preferences.

The FERI Minimum Guideline takes specific PAIs into account based on defined exclusion criteria. The PAIs taken into account are:

- PAI 3 – GHG emission intensity of the companies in which investments are made
- PAI 4 – Exposure to companies active in the fossil fuel sector
- PAI 10 – Violations of the UNGC principles and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- PAI 14 - Involvement in controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)
- PAI 16 – Countries in which investments are made that violate social regulations (only for investments in government bonds)

Financial products that meet the exclusion criteria of the FERI Minimum Guideline and therefore also consider the above-mentioned PAIs are classified by FERI as suitable for clients with a preference for sustainability. Additional or other PAIs are taken into account if requested by the client. FERI uses data from the leading sustainability data provider MSCI to measure the PAI due to the data coverage. Due to the size of the investment universe advised on, it is not possible to close data gaps through additional research. Data from financial market participants published in accordance with Regulation (EU) 2019/2088 is not used directly. However, the data from our sustainability data provider MSCI may be indirectly based on published information from financial market participants in accordance with the aforementioned regulation.