

**Periodic 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**

**Product name:** Vontobel Fund II - Vescore Active Beta

**Legal entity identifier:**  
2221005PIXP5MRX7VZ80

## Environmental and/or social characteristics

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Did this financial product have a sustainable investment objective?

**Yes**

**No**

It made **sustainable investments 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

It made **sustainable investments with a social 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 7.70% of sustainable investments

with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**



### To what extent were the environmental and/or social characteristics promoted by this financial product met?

The environmental and/or social characteristics promoted by the Sub-Fund were met.

The Sub-Fund promoted environmental and social characteristics and invested in issuers that the Investment Manager considers well-prepared to handle financially material environmental and social challenges. Issuers have been selected based on the Investment Manager's ESG framework.

The ESG approach was applied to the Sub-Fund's securities portfolio. For the avoidance of doubt, where the exposure to an asset class is built up via derivatives, a part or all of the securities portfolio may serve as collateral for such derivative transactions.

The Sub-Fund has not designated a reference benchmark for the purpose of attaining the environmental and social characteristics that it promotes.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

***How did the sustainability indicators perform?***

| Sustainability Indicator  | Description   | Value | Comment |
|---|---|-------|---------|
| Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund |   | 0%    |         |
| Percentage of investments in securities of sovereign issuers, that are considered “non-democratic”  | Such issuers were identified based on Freedom House research. | 0%    |         |
| Percentage of investments in securities of corporate and sovereign issuers with substantial UN or international sanctions.  |   | 0%    |         |
| Percentage of investments in securities of sovereign issuers that are not a party to conventions on chemical and biological weapons.                                      |   | 0%    |         |
| Percentage of investments in securities of corporate issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund.                                   | The minimum MSCI ESG rating was set at BBB.                   | 100%  |         |
| Percentage of investments in securities of sovereign issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund.                                   | The minimum MSCI ESG rating was set at BBB.                   | 100%  |         |

| Sustainability Indicator  | Description  | Value | Comment |
|---|--|-------|---------|
| Percentage of securities that have an MSCI ESG rating better than BBB   |  | 91.1% |         |
| Percentage of investments in securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). | Such controversies may be related to environmental, social or governance issues.           | 0%    |         |
| Percentage of investments in green, social or sustainability bonds in the securities portfolio  | The minimum was set at 5% of the Sub-Fund's net assets.                                    | 7.7%  |         |
| Sub-Fund's securities portfolio weighted average ESG rating   | The minimum Sub-Fund's securities portfolio weighted average MSCI ESG rating was set at A. | A     |         |

**... and compared to previous periods ?**

| Sustainability Indicator  | year ending on March 31, 2022 |
|---|-------------------------------|
| Percentage of investments in securities of corporate issuers that derive a non-negligible part of their revenues from products and/or activities excluded by the Sub-Fund | N/A                           |
| Percentage of investments in securities of sovereign issuers, that are considered "non-democratic"  | N/A                           |
| Percentage of investments in securities of corporate and sovereign issuers with substantial UN or international sanctions.  | N/A                           |

| Sustainability Indicator  | year ending on March 31, 2022 |
|---|-------------------------------|
| Percentage of investments in securities of sovereign issuers that are not a party to conventions on chemical and biological weapons.  | N/A                           |
| Percentage of investments in securities of corporate issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund.   | N/A                           |
| Percentage of investments in securities of sovereign issuers that pass the minimum MSCI ESG rating that has been set for this Sub-Fund.   | N/A                           |
| Percentage of securities that have an MSCI ESG rating better than BBB   | N/A                           |
| Percentage of investments in securities of issuers that are in violation with certain international norms and standards promoted by the Sub-Fund or that are exposed to severe controversies (unless a positive outlook has been identified). | N/A                           |
| Percentage of investments in green, social or sustainability bonds in the securities portfolio  | N/A                           |
| Sub-Fund's securities portfolio weighted average ESG rating   | N/A                           |

***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The Sub-Fund committed to invest at least 5% in sustainable investments that are green, social or sustainability bonds which comply with internationally recognized standards such as ICMA. During the reference period, the Sub-Fund invested 7.7% in green bonds..

Green bonds' objective is to enable capital-raising and investment for new and existing sound and sustainable projects with environmental benefits, that foster a net-zero emissions economy and protect the environment (example: renewable energy, pollution prevention and control, environmentally sustainable management of living natural resources and land use)

An example of a Green Bond the Sub-Fund invested in was a bond issued by Kreditanstalt für Wiederaufbau, the German development bank. KfW's Green Bond Framework includes three project categories, namely:

- "Renewable Energies": financing for the construction, expansion and acquisition of plants generating power or heat from renewable energy sources
- "Energy Efficiency": financing for the construction of new energy-efficient buildings, as well as the renovation of and individual measures for existing residential, commercial and municipal buildings, which improve energy efficiency
- "Clean Transportation": financing for local public transport and infrastructure in Germany that promotes sustainable mobility.

The framework is aligned with the ICMA Green Bond Principles.

***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Please refer to the information provided on the following two questions.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*

For the sustainable investments that the Sub-Fund partially made, the Investment Manager took into account the adverse impacts on sustainability factors by applying the following process: The Investment Manager identified the investments' exposure to principal adverse impacts on sustainability factors based on in-house research; data sources include ESG data providers, news alerts, and the issuers themselves. Where no reliable third-party data was available, the Investment Manager made reasonable estimates or assumptions.

No investment was identified as having a critical and poorly managed impact in one of the considered principal adverse impacts areas.

- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

During the reference period, the Sub-Fund had a controversy monitoring process in place, that among others ensured alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



## How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considered a set of principal adverse impacts on sustainability factors in the following areas:

- for corporates: **greenhouse gas emissions** (Table 1 - PAI indicator 2 carbon footprint scope 1, 2 & 3), **controversial weapons** (Table 1 - PAI 14 exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)), **social matters and human rights** (Table 1 - PAI indicator 10 share of companies involved in violation of UN Global Compact Principles and OECD Guidelines For Multinational Enterprises);
- for sovereigns and supranationals: **environmental aspects** (Table 1 - PAI indicator 15 GHG intensity) and **social matters** (Table 1 - PAI 16 investee countries subject to social violations).

The Investment Manager followed a process to identify issuers that are exposed to principal adverse impacts on sustainability factors based on in-house research and/or external data sources including ESG data providers, news alerts, and the issuers themselves.

No investment in the portfolio was identified as having a critical and poorly managed impact in one of the considered principal adverse impacts areas.



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: March 31, 2023

| Largest investments                   | Sector  | % Assets | Country    |
|---------------------------------------|---|----------|------------|
| European Financial Stability Facility | Supranational organisations                       | 7.42     | Luxembourg |
| Kreditanstalt für Wiederaufbau        | Banks & other credit institutions                 | 3.80     | Germany    |
| Deutsche Bank                         | Banks & other credit institutions                 | 3.80     | Germany    |
| Land Niedersachsen                    | Cantons, federal states, counties, provinces etc. | 3.65     | Germany    |
| Schleswig-Holstein                    | Cantons, federal states, counties, provinces etc. | 3.56     | Germany    |
| Land Rheinland-Pfalz                  | Cantons, federal states, counties, provinces etc. | 3.28     | Germany    |
| Land Baden-Württemberg                | Cantons, federal states, counties, provinces etc. | 3.06     | Germany    |
| Land Hamburg                          | Cantons, federal states, counties, provinces etc. | 3.06     | Germany    |
| Land Brandenburg                      | Cantons, federal states, counties, provinces etc. | 3.06     | Germany    |
| Nordrhein-Westfalen Land              | Cantons, federal states, counties, provinces etc. | 2.89     | Germany    |
| Commerzbank                           | Banks & other credit institutions                 | 2.83     | Germany    |
| Land Sachsen-Anhalt                   | Cantons, federal states, counties, provinces etc. | 2.54     | Germany    |
| LFA Foerderbank Bayern                | Banks & other credit institutions                 | 2.53     | Germany    |
| Land Rheinland-Pfalz                  | Cantons, federal states, counties, provinces etc. | 2.53     | Germany    |
| Nordrhein-Westfalen Land              | Cantons, federal states, counties, provinces etc. | 2.47     | Germany    |

## What was the proportion of sustainability-related investments?

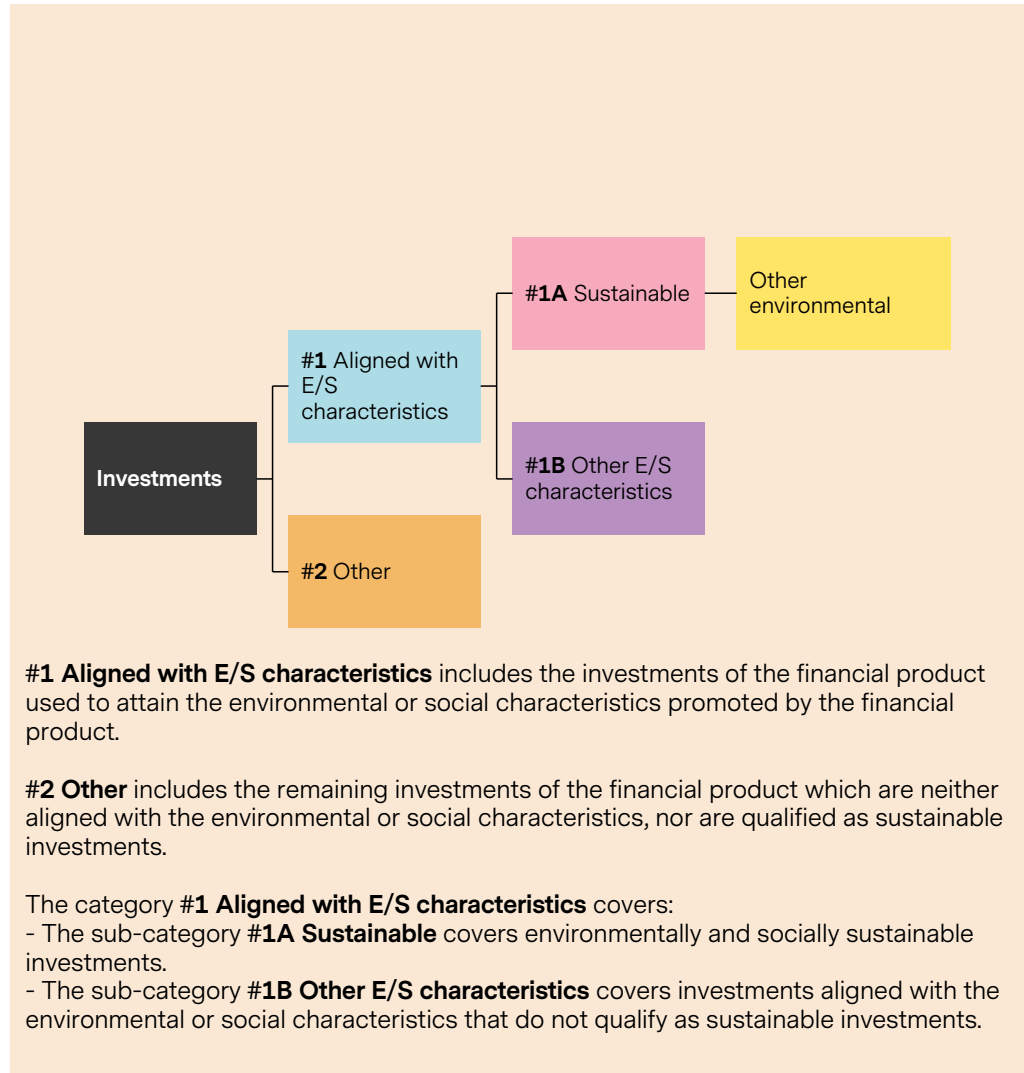
The proportion of sustainability-related investments was 91.10% (assets aligned with environmental and social characteristics).



### Asset allocation

describes the share of investments in specific assets.

## What was the asset allocation?



91.10% of the investments of the financial product were used to attain the environmental and social characteristics (#1 Aligned with E/S characteristics). 7.70% of investments were sustainable investments (#1A Sustainable) with an environmental objective (not Taxonomy-aligned, i.e. Environmental/Other). 83.40% of investments were not Sustainable but aligned with other E/S characteristics (#1B). 8.9% were #2 Other investments consisting of cash and derivatives.

## In which economic sectors were the investments made?

### Economic sector

|   |       |
|---|-------|
| Cantons, federal states, counties, provinces etc. | 49.8% |
| Banks & other credit institutions                 | 27.9% |
| Supranational organisations                       | 13.4% |





## To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

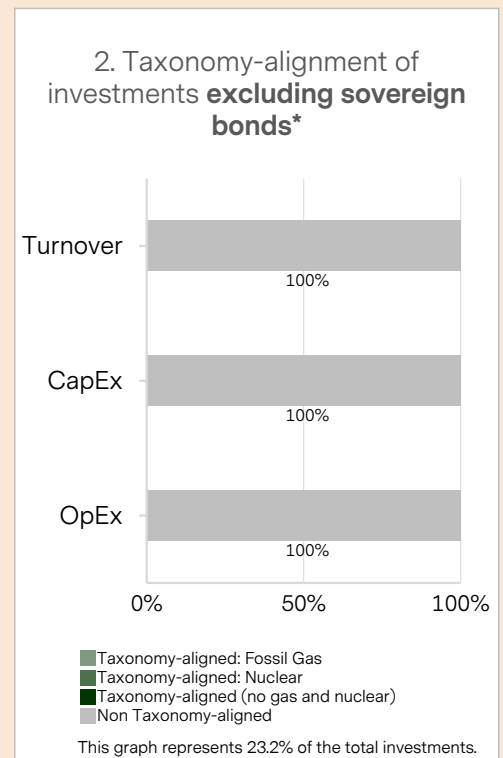
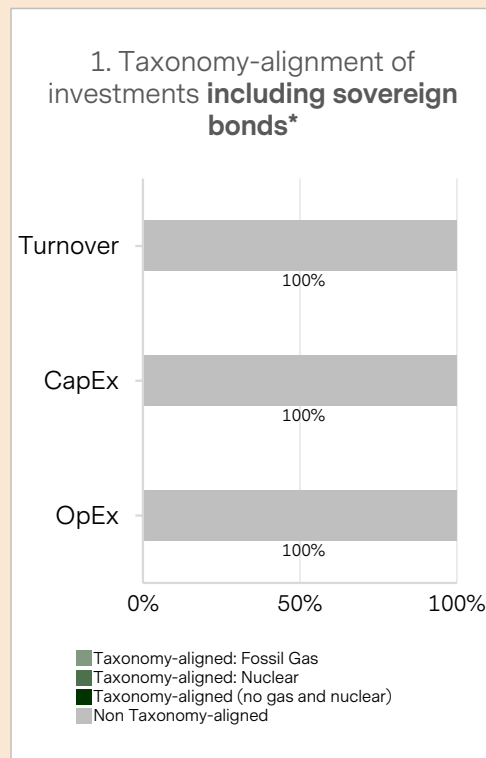
Did the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

- Yes:
- In fossil gas       In nuclear energy
- No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

| Activities   | Investment share |
|--------------|------------------|
| transitional | 0.00%            |
| enabling     | 0.00%            |

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

| Period | Investment share |
|--------|------------------|
|        | 0.00%            |

**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

| Investment share |
|------------------|
| 7.70%            |



**What was the share of socially sustainable investments?**

| Investment share |
|------------------|
| 0.00%            |



**What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

| Investments        | Purpose                 | Minimum of environmental or social safeguards |
|--------------------|-------------------------|---|
| Cash (2%)          | Liquidity               | None  |
| Derivatives (6.9%) | Strategy implementation | None  |



**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The binding elements of the investment strategy used for the selection of the investments to attain the environmental and/or social characteristics promoted by this Sub-Fund have been monitored throughout the reporting period.



## How did this financial product perform compared to the reference benchmark?

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The financial product has not designated a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.