Product name:

Conservative ESG, Balanced ESG, Dynamic ESG and Thematic portfolios ("ESG portfolios")

Legal entity identifier: Partners Investments, o.c.p., a.s. , LEI- 097900BJFP0000196858

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective ?

☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% 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 will make a minimum of **sustainable investments with a social objective:** ___%	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

ESG portfolios support the environmental and social characteristics under Article 8 of the SFDR by assessing the significance of environmental, social and governance (ESG) risks and opportunities for the underlying assets. The sustainability indicators defined below assess whether an investment instrument meets the environmental and social characteristics those products supposedly support. ESG portfolios also perform a comparison with an ESG investment benchmark to assess the suitability of the chosen investment objectives.

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

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

Like other portfolios, standard criteria are taken into account when selecting suitable investment instruments. These include the underlying tracked index, the issuer’s

reputation, total expense ratio (TER), the amount of money under management (AUM), market liquidity, spreads and the way the index is replicated.
Besides them, sustainability indicators or 'ESG criteria' are also considered in ESG portfolios, which are based on each investment instrument's sustainability data either their issuers or the MSCI company provide. Investment instruments whose investment policy aims to avoid or reduce sustainability risks are selected.
In particular, the following indicators are considered for sustainability purposes when selecting appropriate instruments:

- **Product Classification under the SFDR**
- **ESG rating**
- **Carbon intensity**
- **Absence of controversial sectors.**

SFDR Classification
Data on how the SFDR classifies investment instruments under the SFDR are taken from their issuers or MSCI, Bloomberg. ESG portfolios include investment instruments classified under either Article 8 ("light green" funds) or Article 9 ("dark green" funds).

ESG rating
Each company and country is assigned an ESG rating to by MSCI, a reputable company that indexes stock, bonds and real estate in addition to other services. MSCI rates companies' ESG using a valuation model that identifies and evaluates significant environmental, social and governance opportunities and risks in light of the company's future financial performance. Funds are assigned so-called ESG Fund Rating by MSCI according to the weighted average of the ESG ratings from all the companies whose securities are held in a particular fund.
MSCI's ESG ratings vary from AAA, the best, to CCC, the worst. Based on them, MSCI categorizes companies as Leaders (AAA, AA), Average (A, BBB, BB) or Laggards (B, CCC).
ETF funds in ESG portfolios must be rated either BBB or higher. To be considered sustainable, investment instruments are required to have an ESG fund rating equal to AAA.

Carbon intensity
Another sustainability indicator taken into account is carbon intensity. It is expressed in tons of carbon dioxide emissions per million dollars of sales of a company and then translated to a scale where the lower the value, the better the rating. Like the ESG ratings, this data is sourced either from the issuers themselves or MSCI, Bloomberg. The latter uses the weighted average carbon footprint of issuers of the securities included in the fund. Investment instruments whose carbon footprint is significantly lower than found in standard instruments are selected for ESG portfolios.

Absence of controversial sectors
In creating ESG portfolios, the emphasis is on eliminating sectors directly at odds with sustainability principles:

<u>Environmental:</u>

- Companies whose main source of income lies in any of the following areas are excluded from the portfolios:
  - Defense (conventional and nuclear)
  - Unconventional oil and gas extraction
  - Coal mining
- The following sectors are likewise excluded as much as possible:

- Genetically modified organisms
- Nuclear energy
- Tar sand extraction
- Conventional oil and gas extraction
- Heat energy
- Coal and tar sand storage
- Companies with high greenhouse gas emissions.

Social

- Companies whose main source of income lies in any of the following areas are excluded from the portfolios:
  - Tobacco
  - Domestic firearms
  - Conventional weapons
  - Nuclear weapons

In addition, other sustainability criteria are taken into account when deciding on the inclusion of an investment instrument in ESG portfolios:

- Percentage of income generated from fossil fuels
- Percentage of income generated from green sources (e.g. alternative energy sources)
- Supervisory board independence
- Representation of women in company management
- MSCI's most serious controversial factors
- Factoring in of the UN Global Compact initiative

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives? *Not applicable. ESG portfolios do not have an explicit commitment to realize sustainable investments that are in compliance with the SFDR.*

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective? *Not applicable. ESG portfolios do not have an explicit commitment to realize sustainable investments that are in compliance with the SFDR.*

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 have the indicators for adverse impacts on sustainability factors been taken into account? *ESG portfolios do not have a direct, explicit commitment to sustainable investments that comply with the SFDR; however, they track the "Carbon Intensity" indicator, which corresponds to the PAI indicator "Greenhouse Gas Intensity." ESG portfolios indirectly consider adverse impacts on sustainability factors by considering the effects by the issuers of ETFs included in the portfolios.*

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: *Not applicable. ESG portfolios do not have an explicit commitment to realize sustainable investments that are in compliance with the SFDR.*

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 EU criteria.

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

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

Does this financial product consider principal adverse impacts on sustainability factors? ESG portfolios do not have a direct, explicit commitment to sustainable investments that comply with the SFDR; however, they track the "Carbon Intensity" indicator, which corresponds to the PAI indicator "Greenhouse Gas Intensity." ESG portfolios indirectly consider adverse impacts on sustainability factors by considering the effects by the issuers of ETFs included in the portfolios.

	Conservative ESG	**Balanced ESG**	**Dynamic ESG**	**Thematic**
Greenhouse gas emissions	Yes	Yes	Yes	Yes
Biodiversity	Yes	Yes	Yes	Yes
Water protection	Yes	Yes	Yes	Yes
Hazardous waste	Yes	Yes	Yes	Yes
Social and employment factors	Yes	Yes	Yes	Yes

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

From a strategic allocation perspective, it was decided that for ESG portfolios, dynamic and thematic strategies would be purely equity portfolios, while conservative ESG and balanced ESG strategies would consist of equity-bond portfolios. The goal of these portfolios was to align their structure—and therefore their performance—as closely as possible with the global market portfolio, taking into account the representation and distribution of responsible companies around the world and their market capitalization.

Portfolio composition and instrument selection

The aim was to create globally diversified equity-bond portfolios that take ESG principles into account and to gain exposure to the key global markets in terms of global market capitalization. The portfolios aimed to gain exposure to all major regions that set the trend for global equity markets, particularly the United States, Europe, and Japan. Moreover, for a truly globally diversified investment strategy, it is desirable to include emerging market equities, which, as research shows, provide significant diversification effects and help reduce the volatility of a global portfolio. When constructing the strategic allocation of portfolios across these four regions, both the importance and size (in terms of market capitalization) of each region, as well as the distribution and size of responsible and sustainable companies worldwide, were taken into account. These companies are most commonly found in developed countries and are typically large-cap companies.

To achieve the target exposure, ETFs from ESG leaders BlackRock (iShares), Amundi, UBS, and Xtrackers were selected, primarily based on exposure, liquidity, and sustainability criteria.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What is the policy to assess good governance practices of the investee companies?*** The assessment of corporate governance practices takes place already at the ETF fund level. This area falls under the G - governance pillar and is included within the requirements for the ESG rating of companies. Under the Governance pillar, factors such as risk management, transparency in tax practices, the occurrence of corruption, shareholder rights, and others are evaluated. The requirements for the ESG rating of companies in ESG portfolios and the ESG rating requirements for ETFs themselves have already been described above. Within ETF funds, factors such as the independence of supervisory boards, representation of women in company leadership, major controversies according to MSCI, adherence to the UN Global Compact initiative, and compliance with high workplace health and safety standards are also considered.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

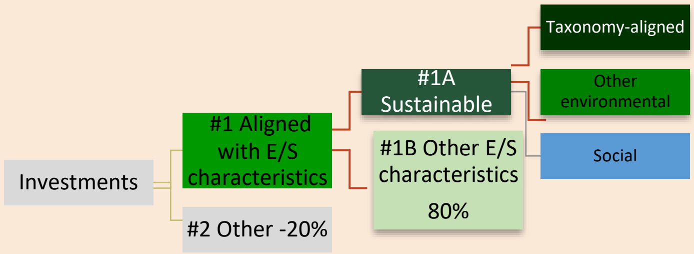
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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

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.

Asset allocation describes the share of investments in specific assets.

What is the asset allocation planned for this financial product? ESG portfolios aim to invest at least 80% of the funds in securities that meet the sustainability criteria specified in this document above.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?** ESG portfolios aim to invest at least 80% of funds in securities that meet sustainability criteria, with no direct use of derivatives planned. These may be present to a small extent in ETFs.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

ESG portfolios do not have an explicit commitment to realize sustainable investments that are aligned with the taxonomy.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

  No

- ***What is the minimum share of investments in transitional and enabling activities?***

0 %

---

[1] 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 objective - 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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentaly sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

ESG portfolios do not have an explicit commitment to realize sustainable investments that are aligned with the taxonomy.

What is the minimum share of socially sustainable investments?

ESG portfolios do not have an explicit commitment to realize socially sustainable investments.

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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

It is essential to choose widely and globally focused benchmarks for performance comparison given the required broad global focus of investment strategies, and approach to their composition,selection of individual instruments,. The benchmarks for ESG portfo

lios are the synthetically created indices listed in the table below.

The Conservative ESG portfolio benchmark is a synthetic index consisting of the following indices

Index	Weight
Bl. Barcl. MSCI Global Agg Sust. TR Index Value Unh. USD	80%
MSCI ACWI SRI Net Total Return USD Index	20%

The Balanced ESG portfolio benchmark is a synthetic index consisting of the following indices

Index	Weight
Bl. Barcl. MSCI Global Agg Sust. TR Index Value Unh. USD	40%
MSCI ACWI SRI Net Total Return USD Index	60%

The Dynamic ESG portfolio benchmark is a synthetic index consisting of the following indices

Index	Weight
MSCI WORLD SRI NET TR EUR	85%
MSCI EM SRI Select Reduced Fossil Fuel Index	15%

The Thematic portfolio benchmark is a synthetic index consisting of the following indices

Index	Weight
MSCI WORLD SRI 5% ISSUER CAPPED USD Net Total Return	50%
MSCI EM (EMERGING MARKETS) SRI Net Total Return USD Index	10%
MSCI World Select Sustainable Mega Trends Net Return USD Index	40%

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

For ESG portfolios, two reference values are established in the form of ESG scores and carbon intensity. These values compare ESG portfolios with the benchmark.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

By comparing sustainability indicators in the form of ESG scores and carbon intensity.

- ***How does the designated index differ from a relevant broad market index?***

Given the broad focus of ESG portfolios on global equity markets, the chosen benchmarks can be considered very close to a broad market index. The reference value is subsequently determined by this benchmark and does not deviate significantly from the broad market index.

- ***Where can the methodology used for the calculation of the designated index be found?***

https://www.msci.com/index-methodology

Where can I find more product specific information online?

Specific information on ESG characteristics, sustainable investment objectives and methodologies, and how individual investment instruments are assessed for sustainability was provided either by the issuers or obtained from MSCI, Bloomberg. The websites are listed below:
https://www.blackrock.com/corporate/about-us/investment-stewardship#guidelines
https://about.amundi.com/esg-documentation
https://www.ubs.com/global/en/assetmanagement/capabilities/sustainable-investing.html
https://etf.dws.com/en-gb/IE00BG36TC12-msci-japan-esg-ucits-etf-1c/
https://www.msci.com/our-solutions/esg-investing/esg-fund-ratings-climate-search-tool