



**CREUTZ & PARTNERS**  
THE ART OF ASSET MANAGEMENT

**PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL  
OR SOCIAL CHARACTERISTICS - ASSET MANAGEMENT OF CREUTZ & PARTNERS**

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## I. PRELIMINARY

As a financial market participant within the meaning of Article 2, point 1 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (hereinafter »SFDR«), Creutz & Partners is required under Article 10 of this Regulation to provide transparency for financial products within the meaning of Article 8 of the SFDR when promoting environmental or social characteristics.

Accordingly, the following is the information to be published pursuant to Article 10 of the SFDR for the discretionary portfolio management of Creutz & Partners.

## II. SUMMARY

### a) No sustainable investment objective

Creutz & Partners' individual discretionary asset management promotes environmental and/or social characteristics within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation (»SFDR«), but does not explicitly pursue sustainable investments.

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

Creutz & Partners ensures that only financial instruments from issuers that can demonstrate a good to very good rating in terms of the consideration of ESG factors and risks (subject to a justified exception, at least an MSCI ESG rating of »BB«) are considered for investment. For investment funds, there is a tolerance limit of up to 20% of investments in financial instruments of these issuers.

In addition, financial instruments from issuers that violate the 10 principles of the UN Global Compact are excluded as a matter of principle. The same applies to investment funds that invest a total of more than 10% of all investments in securities of these issuers.

### c) Investment strategy

The asset management of Creutz & Partners also promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR by generally excluding from investment financial instruments of issuers involved in serious violations of the 10 principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, as well as financial instruments of issuers with a poor or only mediocre MSCI ESG rating (below »BB«).

### d) Proportion of investments

The minimum proportion of investments focused on environmental or social characteristics in Creutz & Partners' discretionary asset management is 51%. Within the framework of Creutz & Partners' general ESG integration approach, investments promoting environmental or social characteristics basically cover investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

However, such investments may also include sustainable investments.

### e) Monitoring of environmental or social characteristics

Creutz & Partners has established an Investment Committee that meets regularly (generally on a monthly basis) and decides on the so-called »Investment Guidelines«, which include all financial instruments that may be acquired within the scope of the discretionary asset management. An investment in assets other than those of the Investment Guidelines is generally not permitted.

The assessment or monitoring of the various financial instruments with regard to the environmental or social characteristics promoted by the asset management is repeatedly performed on the occasion of each meeting of the Investment Committee. Furthermore, continuous and independent controls of the Compliance function are conducted.

### f) Methodologies

Creutz & Partners generally excludes investments in financial instruments of issuers that are involved in severe violations of the 10 principles of the UN Global Compact. Investment funds with a share of investments of more than 10% in financial instruments of these issuers are also excluded from investments. A violation is assumed if the indicator »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« shows the result »FAIL« for a company and the indicator »OVERALL\_FLAG« shows the result »OVERALL FLAG: RED«.

Subject to a justified exception by the Investment Committee, securities of issuers with an MSCI ESG rating of »B« or worse will also be excluded. For investment funds, there is a tolerance limit of up to 20% of investments in financial instruments of these issuers.

### g) Data sources and processing

The basis for the Investment Committee's assessment of the financial instruments with regard to the consideration of ESG or sustainability aspects is in particular data provided by MSCI ESG Research, one of the leading ESG data providers.



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## *h) Limitations to methodologies and data*

The limitations that may arise have no impact on the achievement of the environmental or social characteristics promoted by the asset management.

## *i) Due diligence*

The Investment Committee's decisions regarding the Investment Guidelines, including the rationale for these decisions, are documented in meeting minutes. The minutes are neutrally reviewed by Creutz & Partners' independent Compliance function to ensure that all due diligence requirements are met.

## *j) Engagement policies*

Creutz & Partners does not pursue an active engagement policy within the framework of the discretionary asset management.

## *k) Designated reference benchmark*

For the discretionary asset management of Creutz & Partners, no index has been designated as a benchmark for the promoted environmental or social characteristics.

### III. NO SUSTAINABLE INVESTMENT OBJECTIVE

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

Accordingly, there is in general no minimum proportion of sustainable investments.

However, it is possible that sustainable investments are also pursued as part of the discretionary asset management, especially if the client explicitly pursues sustainability goals with his investment strategy and wishes to make a positive contribution in terms of sustainable investment.

When analysing and selecting sustainable stocks (within the meaning of the SFDR), Creutz & Partners is guided not only by the general MSCI ESG rating, which in this case may not be lower than »AAA«, but also by the result of the »EU SUSTAINABLE INVESTMENT SCREEN« from MSCI ESG Research, which includes a »GOOD GOVERNANCE TEST«, a »DO NO SIGNIFICANT HARM (DNSH) TEST« and an »ECONOMIC ACTIVITIES TEST«. The prerequisite for an investment is the result »PASS«. In addition, the »OVERALL\_FLAG« indicator from MSCI ESG Research is applied. The prerequisite here is the result »OVERALL\_FLAG: GREEN«. The application of these ESG criteria enables Creutz & Partners to take into account all 14 indicators for principal adverse impacts of investment decisions on sustainability factors according to Annex I, Table 1 of the Commission Delegated Regulation (EU) 2022/1288.

For sustainable bonds (as defined in the SFDR), consideration of indicators of adverse impacts on sustainability factors also takes place through the application of MSCI ESG Research's DO NO SIGNIFICANT HARM (DNSH) TEST, which can ensure that, in principle, no environmental or social objectives are significantly harmed by the investment. This approach allows to take into account the relevant indicators 4 and 14 for adverse impacts on sustainability factors as set out in Annex I, Table 1 of Delegated Regulation (EU) 2022/1288.

The exclusion of financial instruments from issuers involved in serious violations of the principles of the UN Global Compact ensures also that investments are not made in companies that are in conflict with the United Nations Guiding Principles on Business and Human Rights. Indeed, the United Nations Guiding Principles on Business and Human Rights are closely linked to the first two principles of the UN Global Compact.

Finally, by applying MSCI ESG Research's »DO NO SIGNIFICANT HARM (DNSH) TEST«, Creutz & Partners ensures that sustainable investments are also in line with the OECD Guidelines for Multinational Enterprises. The result »PASS« required for an investment implies that companies with a »RED FLAG« or an »ORANGE FLAG« rating are excluded according to the »MSCI ESG CONTROVERSIES METHODOLOGY«. The »MSCI ESG CONTROVERSIES METHODOLOGY« can be used to identify a company's involvement in ESG controversies, which may include violations of internationally recognised conventions and standards such as the OECD Guidelines for Multinational Enterprises.

For the selection of sustainable stocks, the »OVERALL\_FLAG« indicator from MSCI ESG Research is also applied, which also serves to identify companies that are involved in significant ESG controversies. The prerequisite here is the result »OVERALL\_FLAG: GREEN«, which indicates that a company may be involved in minor incidents or practices with potential adverse impacts, but not directly in major controversies.



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### IV. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

Creutz & Partners ensures that only financial instruments from issuers that can demonstrate a good to very good rating in terms of the consideration of ESG factors and risks (subject to a justified exception, at least an MSCI ESG rating of »BB«) are considered for investment. For investment funds, there is a tolerance limit of up to 20% of investments in financial instruments of these issuers.

In addition, financial instruments from issuers that violate the 10 principles of the UN Global Compact are excluded as a matter of principle. This ensures that no investments are made in financial instruments from issuers that are involved in severe violations of internationally recognised standards for companies in the areas of human rights, labour, environment and anti-corruption. Investment funds that invest more than 10% in total in securities of issuers involved in severe violations of the principles of the UN Global Compact are also excluded from the investment.

Especially if the client explicitly pursues sustainability goals with his investment strategy and wishes to make a positive contribution in terms of sustainable investment, a minimum proportion of the managed assets is also invested in sustainable investments in accordance with the EU Taxonomy Regulation that contribute to the achievement of an environmental objective and/or in sustainable investments in accordance with the Sustainable Finance Disclosure Regulation (»SFDR«) with an environmental and/or social objective.

### V. INVESTMENT STRATEGY

The asset management of Creutz & Partners promotes environmental and/or social characteristics within the meaning of Article 8 of the SFDR by generally excluding from investment financial instruments of issuers involved in serious violations of the 10 principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, as well as financial instruments of issuers with a poor or only mediocre MSCI ESG rating (below »BB«).

The following binding elements are therefore taken into account by Creutz & Partners as part of the investment strategy:

- Creutz & Partners exclusion list regarding manufacturers/distributors of cluster munitions;
- Exclusion of securities of issuers that have an MSCI rating of »B« or worse derived from company data on ESG factors (subject to a justified exception by the Investment Committee);
- Exclusion of investment funds which in aggregate invest more than 20% of all investments in securities of issuers with an MSCI ESG rating of »B« or worse;
- Exclusion of securities of issuers that violate the 10 principles of the UN Global Compact. A violation is assumed if the indicator »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« shows the result »FAIL« for a company and the indicator »OVERALL\_FLAG« shows the result »OVERALL FLAG: RED«;
- Exclusion of investment funds that invest more than 10% in total in securities of issuers that are involved in serious violations of the 10 principles of the UN Global Compact as shown by the indicators used (»MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« and »OVERALL\_FLAG«).

Good corporate governance practices are also considered through this investment strategy. The 10 principles of the UN Global Compact establish internationally recognised standards for companies in the areas of human rights, labour, environment and anti-corruption and are therefore also suitable for drawing conclusions about good corporate governance. For issuers with an MSCI ESG rating of »BB« or better, it can be expected, that they are able to manage resources, mitigate key ESG risks, take advantage of ESG opportunities and meet baseline corporate governance expectations.

For sustainable stocks, an additional »GOOD GOVERNANCE TEST« is carried out as part of the »EU SUSTAINABLE INVESTMENT SCREEN«.

### VI. PROPORTION OF INVESTMENTS

The presentation of the breakdown of the investments refers exclusively to invested assets (not account balances).

The minimum proportion of investments focused on environmental or social characteristics in Creutz & Partners' discretionary asset management is 51%. The minimum proportion of other investments is 0%. Other investments include the remaining investments which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments. They include any financial instruments transferred from a previous custody account.

Within the framework of Creutz & Partners' general ESG integration approach, investments promoting environmental or social characteristics basically cover investments aligned with the environmental or social characteristics that do not qualify as sustainable investments (sub-category »Other E/S characteristics«). However, such investments may also include sustainable investments (sub-category »Sustainable«).

Should the client wish to pursue further sustainability goals with his investment strategy and make a positive contribution, the investments of the discretionary asset management promoting environmental or social characteristics may include a minimum share of up to 10% sustainable investments with environmental or social objectives. The remaining proportion in this case principally covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



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## VII. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Creutz & Partners has established an Investment Committee that meets regularly (generally on a monthly basis) and decides on the so-called »Investment Guidelines«, which include all financial instruments that may be acquired within the scope of the discretionary asset management. An investment in assets other than those of the Investment Guidelines is generally not permitted.

Accordingly, a prerequisite for inclusion in the Investment Guidelines is a thorough review of the financial instrument or its issuer by the Investment Committee.

The assessment or monitoring of the various financial instruments with regard to the environmental or social characteristics promoted by the asset management is repeatedly performed on the occasion of each meeting of the Investment Committee. Furthermore, continuous and independent controls of the Compliance function are conducted.

MSCI ESG ratings derived from company data form the basis for the assessment of an issuer with regard to the consideration of ESG factors and risks. Subject to a justified exception by the investment committee of Creutz & Partners, investments in securities of issuers with an MSCI ESG rating of »B« or worse are generally excluded. The same applies to investment funds with a total investment share of more than 20% of all investments in securities of these issuers.

For consideration of the 10 principles of the UN Global Compact, Creutz & Partner refers to the indicators »OVERALL\_FLAG« and »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« from MSCI ESG Research. If the indicator »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« shows the result »FAIL« and the indicator »OVERALL\_FLAG« shows the result »OVERALL FLAG: RED«, a serious violation of the principles of the UN Global Compact is to be assumed and the securities of this company are excluded from an investment. Investment funds with a total investment share of more than 10% of all investments in securities of these issuers are also not eligible for investment.

When analysing and selecting sustainable stocks (within the meaning of the SFDR), Creutz & Partners is guided not only by the general MSCI ESG rating, which in this case may not be lower than »AAA«, but also by the result of the »EU SUSTAINABLE INVESTMENT SCREEN« from MSCI ESG Research. A stock can only be considered a sustainable investment if the result is »PASS«. The »EU SUSTAINABLE INVESTMENT SCREEN« is divided into a »GOOD GOVERNANCE TEST«, a »DO NO SIGNIFICANT HARM (DNSH) TEST« and an »ECONOMIC ACTIVITIES TEST« and provides information on whether a financial instrument meets all criteria to be considered a sustainable investment within the meaning of the SFDR, based on the three pillars: good governance practices, do no significant harm and positive contribution to an environmental or social objective. Finally, the »OVERALL\_FLAG« indicator from MSCI ESG Research is used to select sustainable stocks. The prerequisite here is the result »OVERALL FLAG: GREEN«, which indicates that a company may be involved in minor incidents or practices with potential adverse impact, but not directly in major controversies.

With regard to the assessment of sustainable bonds, Creutz & Partners refers to the result of the »DO NO SIGNIFICANT HARM (DNSH) TEST« by MSCI ESG Research. The prerequisite for an investment is the result »PASS«. This score indicates that a company has no connection to controversial weapons, less than 1% of revenue is derived from thermal coal, less than 5% of revenue is derived from tobacco related activities, is not a tobacco producer and has neither a »RED FLAG« nor an »ORANGE FLAG« score according to the »MSCI ESG CONTROVERSIES METHODOLOGY« which determines a company's involvement in ESG controversies. In addition, the Investment Committee will consider the »GREEN BOND LOAN INDICATOR« or the »SUSTAINABLE DEBT INSTRUMENT INDICATOR« depending on whether the bond in question has as its object the use of funds to promote environmental objectives within the meaning of the EU Taxonomy Regulation or the use of funds to promote general sustainability objectives (environmental and/or social) within the meaning of the SFDR. The prerequisite for an investment is a rating of »Y« in each case.

The Investment Committee's decisions regarding the Investment Guidelines, including the rationale for these decisions, are documented in meeting minutes. The minutes are neutrally reviewed by Creutz & Partners' independent Compliance function to ensure that all due diligence requirements are met.

## VIII. METHODOLOGIES

For consideration of the 10 principles of the UN Global Compact, Creutz & Partner refers to the indicators »OVERALL\_FLAG« and »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« from MSCI ESG Research. Creutz & Partners generally excludes investments in financial instruments of issuers that are involved in severe violations of the 10 principles of the UN Global Compact. Investment funds with a share of investments of more than 10% in financial instruments of these issuers are also excluded from investments. A violation is assumed if the indicator »MSCI CONTROVERSY UN GLOBAL COMPACT COMPLIANCE« shows the result »FAIL« for a company and the indicator »OVERALL\_FLAG« shows the result »OVERALL FLAG: RED«.

Subject to a justified exception by the Investment Committee, securities of issuers with an MSCI ESG rating of »B« or worse will also be excluded. For investment funds, there is a tolerance limit of up to 20% of investments in financial instruments of these issuers.

When analysing and selecting sustainable stocks (within the meaning of the SFDR), Creutz & Partners is guided not only by the general MSCI ESG rating, which in this case may not be lower than »AAA«, but also by the result of the »EU SUSTAINABLE INVESTMENT SCREEN« from MSCI ESG Research. A stock can only be considered a sustainable investment if the result is »PASS«. Finally, the »OVERALL\_FLAG« indicator from MSCI ESG Research is used to select sustainable stocks. The prerequisite here is the result »OVERALL FLAG: GREEN«.

With regard to the assessment of sustainable bonds, Creutz & Partners refers to the result of the »DO NO SIGNIFICANT HARM (DNSH) TEST« by MSCI ESG Research. The prerequisite for an investment is the result »PASS«. In addition, the Investment Committee will consider the »GREEN BOND LOAN INDICATOR« or the »SUSTAINABLE DEBT INSTRUMENT INDICATOR« depending on whether the bond in question has as its object the use of funds to promote environmental objectives within the meaning of the EU Taxonomy Regulation or the use of funds to promote general sustainability objectives (environmental and/or social) within the meaning of the SFDR. The prerequisite for an investment is a rating of »Y« in each case.



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### IX. DATA SOURCES AND PROCESSING

The basis for the Investment Committee's assessment of the financial instruments with regard to the consideration of ESG or sustainability aspects is in particular data provided by MSCI ESG Research, one of the leading ESG data providers.

The Investment Committee, however, also relies on other data sources, such as published company reports or ESG data from third parties (in particular the data provider Bloomberg).

Creutz & Partners does not currently take any specific measures on its own to ensure the quality of the ESG data used from external data providers, as these are already subject to strict quality assurance processes by the data providers themselves.

With regard to external ESG data, it should be noted that data providers such as MSCI can draw on analysts' estimates to complete missing data points where necessary, but without detailing the proportion of estimates.

No further (electronic) processing of the data provided by the data providers is carried out by Creutz & Partners. The use of this data is limited to consideration within the framework of the analysis process for the selection of financial instruments by the Investment Committee.

### X. LIMITATIONS TO METHODOLOGIES AND DATA

Due to the varying availability of data for individual financial instruments or certain classes of assets, it may happen that financial instruments can only be valued to a limited extent using the methods and data described here.

Although the number of companies covered by data providers has increased significantly over time and will continue to increase, it may well be the case that a particular company cannot be or has not been rated by a data provider. In addition, companies may not publish, or only partially publish, the data that would be required for a correct assessment by the data provider, and the data provider may thus have to draw on analyst estimates for missing data points to complete its information.

The Investment Committee of Creutz & Partners, though, only includes financial instruments in the Investment Guidelines if, in its opinion and after completing its analysis, the data availability and quality is sufficient to correctly assess and evaluate the financial instrument with regard to the promoted environmental or social characteristics. In this respect, the limitations that may arise have no impact on the achievement of the environmental or social characteristics promoted by the asset management.

### XI. DUE DILIGENCE

The Investment Committee's decisions regarding the Investment Guidelines, including the rationale for these decisions, are documented in meeting minutes. The minutes are neutrally reviewed by Creutz & Partners' independent Compliance function to ensure that all due diligence requirements are met.

The ongoing checks and control measures related to Creutz & Partners' ESG integration approach are furthermore described in internal policies and procedures and implemented by all Creutz & Partners employees. The independent Compliance function also conducts regular audits and controls to ensure compliance with due diligence requirements.

### XII. ENGAGEMENT POLICIES

Creutz & Partners does not pursue an active engagement policy within the framework of the discretionary asset management. In particular, Creutz & Partners does not, in principle, exercise any shareholder rights in the name and for the account of its clients, as the clients themselves are the owners of the assets held in custody at the custodian bank and can therefore exercise their shareholder rights in the portfolio companies directly themselves or via their custodian bank. Furthermore, as Creutz & Partners is not the owner of the securities under management, there is no direct exchange of views with the corporate bodies and stakeholders of the portfolio companies and no cooperation with other shareholders. For these reasons, Creutz & Partners' engagement policy is not part of the promoted environmental or social characteristics of the investment strategy.

### XIII. DESIGNATED REFERENCE BENCHMARK

For the discretionary asset management of Creutz & Partners, no index has been designated as a benchmark for the promoted environmental or social characteristics.