

onemarkets

VP Global Flexible Bond Fund

Website disclosure

1. NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investments.

2. ENVIRONMENTAL AND / OR SOCIAL CHARACTERISTICS PROMOTED BY THE FUND

The Sub-Fund promotes environmental as well as social characteristics, invests only in companies that are characterised by good corporate practices and thus fulfills the criteria of Art. 8 of the EU Disclosure Regulation (2019/2088). The environmental and/or social characteristics aim, in particular, to reduce or entirely prevent the main adverse impacts on sustainability factors. On the basis of sustainability strategies and by taking into account exclusion criteria and minimum ESG rating requirements for companies and sovereigns, it is ensured that the investment universe includes financial instruments that comply with defined environmental and/or social standards

3. INVESTMENT STRATEGY

Investment strategy

The Sub-Fund will implement a flexible strategy, without referring to any benchmark, while adopting a defensive orientation in the sense that the Sub-Fund will mainly invest in high quality investment grade rated fixed income assets, with an overall medium-term maturity and diversified across sectors and countries. The focus is on mid to long term investments and the instrument selection and the corresponding strategic asset allocation is supported by an active risk management.

By implementing a strategic asset allocation that invests primarily in fixed income securities, the benchmark-free concept allows the Sub-Fund to follow its investment objective, engage in a broad universe both on the macro as well as on the single name investment side to identify superior risk-return opportunities, and to exploit market inefficiencies. The Sub-Fund is not bound by country/sector restrictions although the exposure to emerging countries will be limited as further specified below.

Within the diverse investment approach, the Sub-Fund actively manages a broader range of investment strategies, such as single title selection, duration control, macro strategies, cross-sector strategies, capital structure/collateralization, emerging markets, participation in DCM ("debt capital markets") activities, derivative instruments and currencies.

The Sub-Fund will target a portfolio with an average rating in the range A to BBB-, where the average portfolio rating is defined as the market-weighted sum of the respective single securities ratings (cash will be excluded). For each individual security, the highest rating from the respective published rating agency's rating will be applied.

Complementary, under certain market phases and circumstances, e.g. an expected unfavorable market evolution or for short term portfolio optimization purposes, the Sub-Fund may be exposed to asset classes and financial instruments outside of the above mentioned investment strategies, such as equities, derivative instruments, hedging strategies and/or relative value trades via long and short risk positions. This will further foster the achievement of the Sub-Fund's investment objective.

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In addition to long-term capital appreciation, irrespective of general market conditions within the framework of a fixed income strategy with a balanced risk-reward ratio and taking into account a best-in-class approach with regard to environmental and social characteristics.

Good governance

Companies that engage in controversial business practices are excluded. This includes companies that clearly violate one or more of the ten principles of the "United Nations Global Compact" without any prospect of positive change.

These consist of requirements regarding human and labor rights, environmental protection and corruption. In line with the approach, companies whose violations of the principles are rated as "severe" or "very severe" are excluded. The assessment is based on information from the data provider ISS.

The selected procedure allows, in addition to the exclusion of relevant issuers, a management of adverse impact (PAI) number 10 (violations of UN Global Compact Principles or OECD Guidelines for Multinational Enterprises) and 11 (lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Principles or OECD Guidelines for Multinational Enterprises) from Table 1, Annex 1 of Delegated Regulation (EU) 2022/1288.

In addition, ISS' ESG Corporate Rating integrates issuers' compliance with recognised international standards and guidelines, as a stress test of ESG performance, while high-lighting sustainability risks, which are also considered.

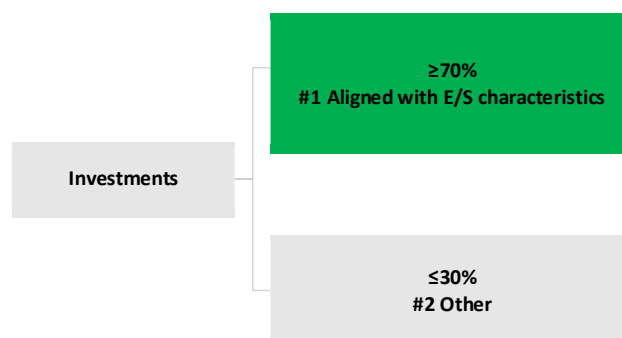
An assessment of good corporate governance is not made for investments in government bonds.

4. PROPORTION OF INVESTMENTS

The Sub-Fund invests a minimum of 70% of its net assets in investments that are aligned with the promoted environmental and social characteristics.

The Sub-Fund does not intend to make any sustainable investments.

The Sub-Fund may not invest in units of other UCITS or other UCIs eligible under article 41(1)e) of the 2010 Law for more than 10% of its net assets.



5. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Structured Invest (SI) monitors the handling and monitoring of sustainability risks. Among the different risks deriving from ESG matters the risks for a company which arise climate change poses a significant risk to the long-term financial sustainability of a company. Therefore, a better understanding of the potential impacts of sustainability risks is in the best interest of the investors.

6. METHODOLOGIES

In addition to the classic financial analysis, the active investment selection process takes into account environmental and social characteristics as well as good corporate governance practices ('ESG characteristics').

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For this purpose, the portfolio management measures potential issuers according to the ISS ESG Corporate Rating. This rating methodology analyses companies based on a variety of universal as well as industry-specific ESG characteristics on a best-in-class basis. From a total pool of more than 700 indicators, ISS ESG applies around 100 ESG indicators per rating, covering topics such as employee affairs, supply chain management, business ethics, corporate governance, environmental management or eco-efficiency. Differentiated weightings of the indicators per sector ensure that the topics that are essential for a particular business model are taken into account appropriately in each case.

Issuers in industries with high ESG risks, such as the oil and gas sector, must perform better to obtain industry-specific Prime status than issuers in low-risk industries, such as the real estate sector.

The ESG Corporate Rating integrates a detailed evaluation of the sustainability-related impacts of business activities based on risk exposure as well as an assessment of management approaches regarding material sustainability risks along the entire value chain. At the same time, negative sustainability impacts of the product portfolio are taken into account and included in the rating based on the share of sales of products and services that contribute to or hinder the achievement of global sustainability goals. In addition, the ESG Corporate Rating integrates issuers' compliance with recognised international standards and guidelines as a stress test of ESG performance, while also identifying sustainability risks.

The ISS ESG Corporate Rating uses a twelve-point rating system ranging from A+/4.00 (excellent performance) to D/1.00 (poor performance). From the individual ratings and the weightings of the indicators, the results are aggregated into an overall rating. A so-called 'Prime Status' is awarded to industry leaders that meet demanding absolute performance expectations and are thus well positioned to manage critical ESG risks as well as seize opportunities arising from the transformation towards sustainable development. This is a threshold set by ISS ESG, which is determined in relation to the most material sustainability issues of the respective industry and therefore differs depending on the industry affiliation of the issuer.

The portfolio management will invest at least 70% of the fund's assets in securities of issuers that meet the defined best-in-class requirements in terms of ESG characteristics and are classified no more than one grade below the industry-specific prime status according to the ISS ESG Corporate Rating presented in advance.

In addition to the factors of the active selection process, the Investment Manager has defined extensive exclusion criteria which are detailed in the Sub-Fund's prospectus.

7. DATA SOURCES AND PROCESSING

Data sources

The Investment Manager relies on data provided by Institutional Shareholder Services Inc. ("ISS"). The provided data is used within the active asset selection process as well as to adhere to the defined exclusions.

Measures taken to ensure data quality

The Investment Manager may challenge the data received internally. This may result in the finding that the data received does not properly reflect current situation and may be adjusted to better reflect the situation.

Processing

Data used within the asset selection process and during the ongoing monitoring of assets is provided by ISS and processed internally

Proportion of data that are estimated

At this point in time the Investment Manager does not estimate any data used. However, ISS may provide estimated data.

8. LIMITATIONS TO METHODOLOGIES AND DATA

The use of data may be limited in cases where data is not available or cannot be provided for all issuers. Additionally, data may not be sufficiently available for single issuers.

Issuers for which no data is available are treated as "other investments".

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9. DUE DILIGENCE

The Investment manager establishes various internal and external controls as part of the due diligence process.

Investment selection

As part of the investment selection process, the portfolio management assesses potential issuers according to the ISS ESG Corporate Rating.

From the individual ratings and the weightings of the indicators, the results are aggregated into an overall rating. "Prime" status is awarded to industry leaders that meet the respective prime threshold. This is a threshold set by ISS ESG that is determined in relation to the most material sustainability issues of the respective industry and therefore differs depending on the industry affiliation of the issuer.

In addition to the factors of the active selection process, the Investment Manager has defined extensive exclusion criteria.

Ongoing monitoring

Compliance with the defined exclusion criteria is monitored on a daily basis. If there is a suspicion that an issuer has violated the exclusion criteria, the issuer is reviewed. If there is a violation, it is up to the fund manager to decide whether to dispose of the investment in a manner that protects the interests of the investor.

10. ENGAGEMENT POLICIES

The Investment Manager exercises the investor and creditor rights associated with the assets managed by UCITS and AIFs (hereinafter "funds") independently of the instructions and interests of third parties and exclusively in the interest of the funds' investors and the integrity of the market. As a result, the Investment Manager has developed appropriate and effective strategies to regulate when and how potential voting rights associated with instruments held in the Funds are exercised.

In addition, SI complies with the relevant provisions of the Law of May 24, 2011 on the exercise of investors' rights at general meetings in listed companies ("Law on Shareholders' Rights"), as amended by the Law of August 1, 2019 implementing the requirements of Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 amending Directive 2007/36/EC as regards the promotion of long-term investor engagement ("SRD II").

Further information is available on the Investment Manager's website.

11. DESIGNATED REFERENCE BENCHMARK

The Sub-Fund does not use a designated reference benchmark to meet the environmental or social characteristics promoted.