

## Sustainability-related disclosures

Enforced as of 30<sup>th</sup> of December 2022

### (a) Summary

Our product is impact-driven discretionary portfolio service that promotes environmental and/or social characteristics. We exclusively select investment funds and assets for our client portfolios, making sure they comply with the Sustainable Finance Disclosure Regulation (SFDR Article 8 and/or Article 9). Yet, our product is categorized as Article 8, due to lack of availability of Article 9 funds offered at the moment. We have implemented an adequate investment and due diligence process, process for monitoring and reporting on suitable investments in client portfolios.

### (b) No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment. The product considers principal adverse impacts on sustainability factors via due diligence process. We prefer Article 9 funds over Article 8 if scoring similarly in our fund selection process, however considering availability and current market conditions we are not able to provide only Article 9 funds in the product portfolio, thus we will be constantly seeking opportunities. More information is available at [Grünfin - Sustainability at Grünfin \(grunfin.com\)](https://www.grunfin.com/en/sustainability)

### (c) Environmental or social characteristics of the financial product

The product invests only in investment funds with E/S promoting characteristics (Article 8) or a sustainable investment objective (Article 9). Funds selected for the product are subject to a due diligence process in which the funds are assessed among other criteria on the basis of their E/S promoting characteristics including screening against sustainability characteristics for example excluded are controversial weapons, tobacco or very severe controversies and weighted screening for example against % women on board, % board independence, reduced of CO2 emission. The product has the following sustainability indicators:

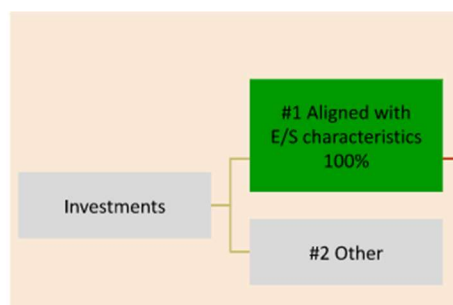
1. The funds selected are Article 8 or 9 under SFDR
2. Third party high ESG ratings

### (d) Investment strategy

Grünfin managed portfolio is a discretionary portfolio product that invests in exchange-traded ETFs and index funds that are traded on European stock exchanges. Customers can choose sustainability preference by selecting between „Climate Change“, „Gender Equality“ and „Health“ themes as their investment focus. Some or all themes can be chosen, whereas portfolios will be composed based on preference selection. In the fund selection process we use due diligence, sustainability and characteristics screening on a continuous basis in order to evaluate good governance and E/S goals. This includes for example severe controversy exclusions, asset managers PRI and Climate action 100 signatories etc.

### (e) Proportion of investments

Below is the asset allocation table. \*From time to time the product may contain assets grouped as '#2 other' investments. The reason could be that at the time of purchase the investment fulfilled the criteria of being article 8 or article 9, however later was downgraded by its Fund Manager. Such investments may remain passively in the portfolio, however are not or will not be actively acquired by us.



### (f) Monitoring of environmental or social characteristics

Portfolio manager is monitoring and reporting to the Investment Committee on a regular basis the funds' categorization to Article 8 or 9 and third party ESG ratings among other indicators mentioned in (c).

### (g) Methodologies

For social and environmental characteristics monitoring, Grünfin relies on externally sourced content. Third parties providing data have their own methodologies and internal processes, over which Grünfin has very limited influence.

### (h) Data sources and processing

Data processing takes place in different forms, the preference is always to have data acquisition directly from funds asset managers. It is currently complex to report sufficiently accurate yet broad numbers on the proportion of data that is estimated. Evaluating the proportion of sourced data that is estimated remains a challenge due to insufficient metadata.

### (i) Limitations to methodologies and data

The primary limitation is the lack of corporate disclosure. Grünfin, while providing portfolio management services, uses index funds provided by some of the well-known asset managers. Like asset managers, Grünfin has difficulties to find adequate information on the principal adverse indicators. We have noticed that different data providers have their own methodologies and processes, respective strengths and weaknesses, especially concerning modeled data. There are strong indications that corporate reporting might not improve until 2025. However, we are keeping contact with our funds' asset managers.

## **(j) Due diligence**

Grünfin has incorporated the sustainability aspects of the investment strategies into adequate investment due diligence processes and procedures for the selection and monitoring of investments. More about investment process can be found here: [Grünfin - Sustainability at Grünfin \(grunfin.com\)](https://www.grunfin.com/en/sustainability)

## **(k) Engagement policies**

The investments in Grünfin portfolio are index funds, this means that no direct voting rights are given to Grünfin or its customers. However, indirectly, via cooperation with ShareAction or similar organizations engaging in Investor Activism in the future, Grünfin has participated and will continue to participate (when and where relevant and possible) in meetings and have dialogues with the top management of companies included in our investments in order to promote environmental and social aspects in conduct of such companies. Indirectly we also promote sustainability by exclusively selecting sustainable funds of asset managers that are signatories of the UN Principles for Responsible Investment and Climate Action +100.

## **(l) Designated reference benchmark**

There is no reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted by the product.

## **Document version**

version number	amendments	date of publishing
1.0	consolidated based on previous web disclosures, considering SFDR RTS	30th of January 2022