



CREUTZ & PARTNERS

THE ART OF ASSET MANAGEMENT

SUSTAINABILITY-RELATED DISCLOSURES IN ACCORDANCE WITH REGULATION (EU) 2019/2088

As a conservative asset manager, Creutz & Partners pursues a long-term approach and generally invests for its customers only in securities of issuers that meet high qualitative standards. As part of a fundamental analysis, environmental, social or governance factors («ESG») and the sustainability risks that can be derived from them are also considered, as these can have an impact on the investment performance. However, Creutz & Partners does not explicitly promote environmental or social characteristics and does not offer any explicitly sustainability-related investment strategies. ESG factors and sustainability risks are appropriately considered in the overall context of all decision-making criteria regarding investments in the context of asset management.

Creutz & Partners integrates principal sustainability risks into its investment decision-making processes in order to achieve positive returns for the customers over the long term with the help of comprehensive risk management. In this regard, Creutz & Partners pays attention to a sustainable business model and appropriate corporate governance of the investments of the asset management, which allow the expectation of a long-term increase in the enterprise value due to entrepreneurial success. The securities of a company will only be considered as an investment for Creutz & Partners if the company generates high and secure returns in the long term and if it is not exposed to significant ESG risks.

For the evaluation of sustainability risks, company data on ESG factors and ratings derived from them can be a useful basis within the framework of the qualitative assessment of a company. Creutz & Partners uses company data on ESG indicators and/or ESG ratings from recognized and reliable data providers, as far as available, in its analysis and to identify and weight principal adverse sustainability impacts and indicators. However, ESG indicators and ESG ratings never replace the full analysis and evaluation of individual investments for their opportunities and risks through the members of the Creutz & Partners investment committees with their long-standing professional experience. The investment committees therefore do not apply ESG company data and ratings as strict exclusion criteria. Instead, ESG risk factors – like other influencing factors as well – are considered as part of a comprehensive investment and risk management process in order to achieve good risk-return characteristics and thereby generating sustainable, long-term returns for the customers of Creutz & Partners. This way, possible ESG conflicts are assessed and evaluated with regard to their influence on the security and on the level of return potential of the investments. With regard to possible effects on investment performance, sustainability risks are thus considered as part of the general valuation risk. In this manner, the investment committees decide on a case-by-case basis, based on a comprehensive analysis process, as to whether companies stand out positively or negatively when ESG factors are considered and whether this justifies an investment of Creutz & Partners. The respective decision-making basis is elaborated in the meetings of the investment committees and documented in detailed minutes. This investment approach is based on an understanding of the long-term and sustainable quality of an investment for the customers of Creutz & Partners.

»Sustainability Risks« mean environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the investment performance.

Sustainability risks may not only constitute a risk themselves, but may also have a significant impact on other risks, thus increasing market risks, operational risks, liquidity risks or counterparty risks. Sustainability risks can equally have an impact on the value of the investments in short, medium or long term.

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Assessing sustainability risks is complex and can be based on factors such as environmental, social or governance data, which can be difficult to obtain and may be incomplete, estimated, outdated or inaccurate for other reasons. Even if they are identified, uncertainty remains as to whether the data can be properly obtained and comparably assessed.

With regard to sustainability impacts and indicators, Creutz & Partners therefore does currently not follow any code of responsible corporate governance or internationally recognized standards for due diligence or reporting.

Since Creutz & Partners currently does not explicitly promote environmental or social characteristics and does also not offer investment strategies that are explicitly sustainability-related, Creutz & Partners' investment decision-making processes are currently not aligned with the objectives of the Paris Agreement.

The exercise of shareholder rights can help companies to increasingly pay attention to sustainability risks and to make their business model more sustainable and develop a corresponding corporate culture and management.

As management company of the C&P Funds, Creutz & Partners will, pursuant to its participation policy, only exercise shareholder and voting rights in a portfolio company if the share in the company held by the C&P Funds represent more than 5% of the funds' assets and Creutz & Partners can assume that the voting result can be significantly influenced by participating in the voting proceeding. Creutz & Partners assumes that this is generally the case if the C&P Funds holds a total of more than 3% of the voting shares of the respective company. Particularly with regard to the observance and pursuit of sustainability goals at the portfolio companies, participation in the voting process only takes place if Creutz & Partners can assume that the company intends to make a significant change in its strategy or if decisions are to be made that (could) have a negative impact on the sustainability of the company and/or (could) increase existing sustainability risks.

In the context of the discretionary asset management, Creutz & Partners generally does not exercise any shareholder rights in then name and for the account of its customers. The customers themselves own the assets held in custody at their depository bank (Creutz & Partners only receives an asset management mandate) and can therefore directly exercise their shareholder rights in the portfolio companies themselves or through their depository bank.