

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** WPB real estate sustainable debt fund

**Legal entity identifier:** 13800SJH1PY3ZJS8M81

**ISIN: Class D1, D2:** LU2470983995, LU2470984027

**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?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*



**Yes**



**No**



It will make a minimum of **sustainable investments 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



It will make a minimum of **sustainable investments with a social 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



with an environmental objective in economic activities that 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 promotes E/S characteristics, but **will not make any sustainable investments**



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

The Fund invests its assets in mezzanine financing for selected real estate projects that meet strict environmental and social sustainability standards in accordance with sustainability principles of fair-finance.

In assessing the viability or otherwise of the prospective investment, the fund shall take into consideration both quantitative and qualitative criteria including the use and life cycle of the immovable property, the infrastructure, the ecological impact of real estate projects and the materials used.



- ***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?***

The fund does not intend to make sustainable investments.

- ***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?***

The fund does not intend to make sustainable investments.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The fund does not intend to make sustainable investments.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The fund itself takes into account the OECD Guidelines for Multinational Enterprises as well as the UN Guiding Principles on Business and Human Rights including the Guiding Principles and Rights according to the eight fundamental conventions within the declaration on Fundamental Principles and Rights at Work established by the International Labour Organization (ILO) and the International Bill of Human Rights.

The fund also expects its business partners to recognise the bespoke international Guidelines and Principles.

The fund does not and also will not aim for holding any direct stakes in companies.



**Does this financial product consider principal adverse impacts on sustainability factors?**

☐ Yes.

☒ No

*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.*

## **What investment strategy does this financial product follow?**

In order to achieve the investment objective, the Fund invests its assets in mezzanine financing for selected real estate projects.

According to the investment process, sustainability is comprehensively defined in terms of responsible investment with high ethical (affordability, corporate governance, avoidance of negative environmental influences), social (infrastructure in the vicinity, noise pollution, barrier-free access to apartments) and environmental (energy efficiency, problematic substances, use of renewable energies, building ecology, thermal comfort, construction work) standards.

Based on the investment decisions, the financing options for longterm sustainable investments can be steered.

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

### **● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to achieve the investment objective, the Fund invests its assets in mezzanine financing for selected real estate projects.

As part of the Fund's sustainability process, a methodically comprehensive approach is depicted and sustainable evaluations are undertaken in accordance with the applicable "Sustainable Investment Guideline" by fair-finance.

The "Sustainable Investment Guideline" integrates sustainability factors such as environmental, social and employee matters, as well as respect for human rights, anti-corruption and anti-bribery matters, in its specific investment process.

### **● *What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The fund does not apply a minimum rate to reduce the scope of the investments considered prior to the application of its investment strategy.

### **● *What is the policy to assess good governance practices of the investee companies?***

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

If a use case of investments in companies arose, the fund would assess good governance practices of those companies as an integrative part of its processes by applying a standardised internal procedure (also in accordance with the provisions of the Austrian Ecolabel for financial products).



## What is the asset allocation planned for this financial product?

For mezzanine capital financing, the Fund will use the following instruments in particular:

### 1. Subordinated Loans/Qualified Subordinated Loans/Subordinated Bonds

A subordinated loan is a loan in which the lender accepts that he ranks behind the other creditors. The lender accepts that in the event of the borrower's insolvency, he will only get his money back if all other unsubordinated creditors have received their money beforehand ("subordinate clause"). There is a particularly high risk that the subordinate creditors will then run out of money. Subordinated loans therefore often promise higher interest rates than classic loans, as there is also a higher risk of default. A financial investment in the form of a subordinated loan is characterized by a high risk and can also lead to the total loss of the investment. In the case of qualified subordinated loans, the borrower does not have to pay despite the due date if the payment could result in a serious financial crisis. The lender cannot demand repayment of the loan as long as it could trigger insolvency for the borrower. However, it is also possible that the loans are structured as bonds and the loans or bonds could be secured. It is possible that the Fund is not the only Investor who is subscribing to the bond.

### 2. Atypical silent participation

The silent partner makes a cash contribution and participates as a percentage of the reported net profit and loss of the corresponding company in the amount of his participation quota, but only up to the amount of his contribution to the loss. In addition, he participates in the hidden reserves and in the business value.

#### Geographic focus

The real estate projects may only be implemented in countries in which the Euro is the official national currency or whose national currency is linked to the Euro by law or on the basis of binding international agreements or the project companies implementing these projects be stipulated in such states.

With regard to the investment universe, a combination of exclusion (negative selection) and positive selection criteria is used.

## ● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

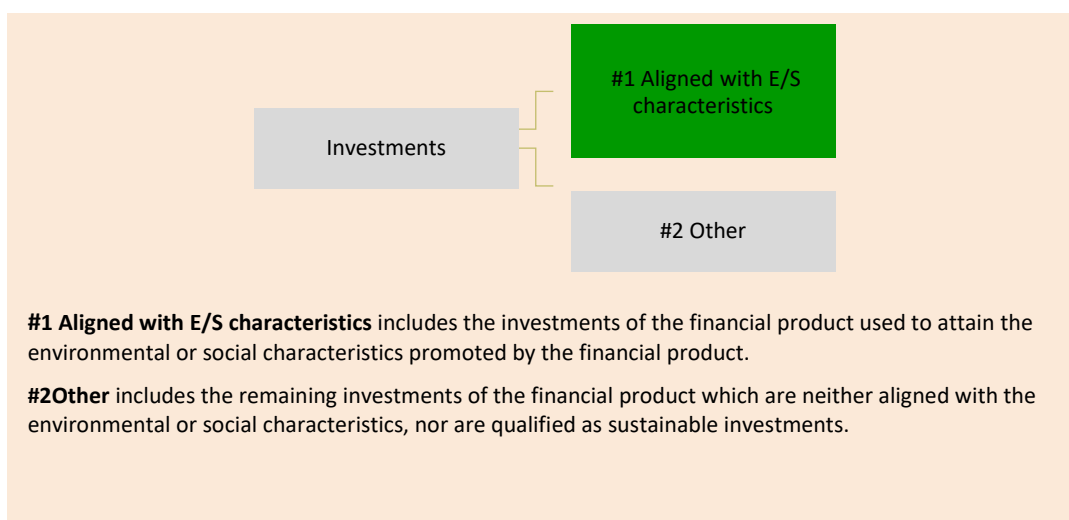
In order to meet its investment objective, the Fund may take positions, both long and short. There is no obligation for the fund manager to attain the environmental or social characteristics promoted by the fund by using derivatives.

**Asset allocation** describes the share of investments in specific assets.



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

The fund promotes environmental and/or social objectives, but does not intend to make sustainable investments with an environmental objective.



- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?

☐

Yes:

☐

In fossil gas

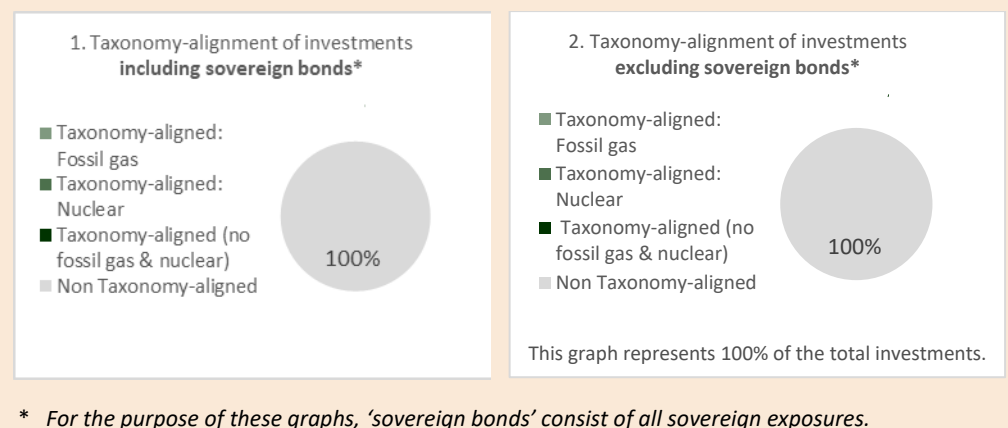
☐

In nuclear energy

☒

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



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

N.a.



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

N.a.

<sup>1</sup> 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.



**What is the minimum share of socially sustainable investments?**

N.a.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The Fund shall at all times be invested at minimum in five (5) assets/instruments permitted under the rules contained in its Offering Supplement.

Provided that such limitation on the number of investments shall be enforced after the expiry of the fourth (4th) year from the Launch Date.

Provided further that after the expiry of the fourth (4th) year from the Launch Date no one of the five assets/instruments held by the Fund shall at the time of its acquisition, exceed forty per cent (40%) of the Net Asset Value of the Fund.

All investments included under “other” must also comply with the minimum safeguards set up by the “*Sustainable Investment Guideline*” by fair-finance.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

[Website Disclosure according to Art. 10 SFDR](#)

[fair-finance Asset Management - fair-finance Asset Management \(fair-finance-am.com\)](https://fair-finance.com/Asset-Management/)