

Sustainability-related disclosures¹ for WPB real estate sustainable debt fund

Published as per 4th December 2023

SUMMARY

The fund is a “financial product” as defined by Art 2 SFDR and promotes environmental or social characteristics according to Art 8 SFDR but does not have sustainable investments as its objectives.

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 the fair-finance group.

Sustainability-related data is collected, evaluated, and processed by the fund managing company itself.

Any risks associated with insufficient sustainability-related data are managed by internal functions conducting their audit duties.

No reference benchmark has been designated for the fund.

Further information concerning the attainment of the environmental or social objectives of the fund can be found in the periodic reporting.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

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.

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 issues, as well as respect for human rights and the combat against corruption and bribery, in its specific investment process.

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.

No reference benchmark has been designated for the product for the purpose of attaining the environmental or social characteristics.

INVESTMENT STRATEGY

¹ According to Art 10 paragraph 1 of SFDR (Sustainable Finance Disclosure Regulation (EU) 2019/2088) in conjunction with Articles 24 to 36 of Delegated Regulation (EU) 2022/1288 (Regulatory Technical Standards supplementing SFDR)

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

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

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

1. Subordinated Loans/Qualified Subordinated Loans/Subordinated Bonds
2. Atypical silent participation

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.

The investment objective of the Fund is to produce positive returns by investing in the real estate industry through mezzanine capital.

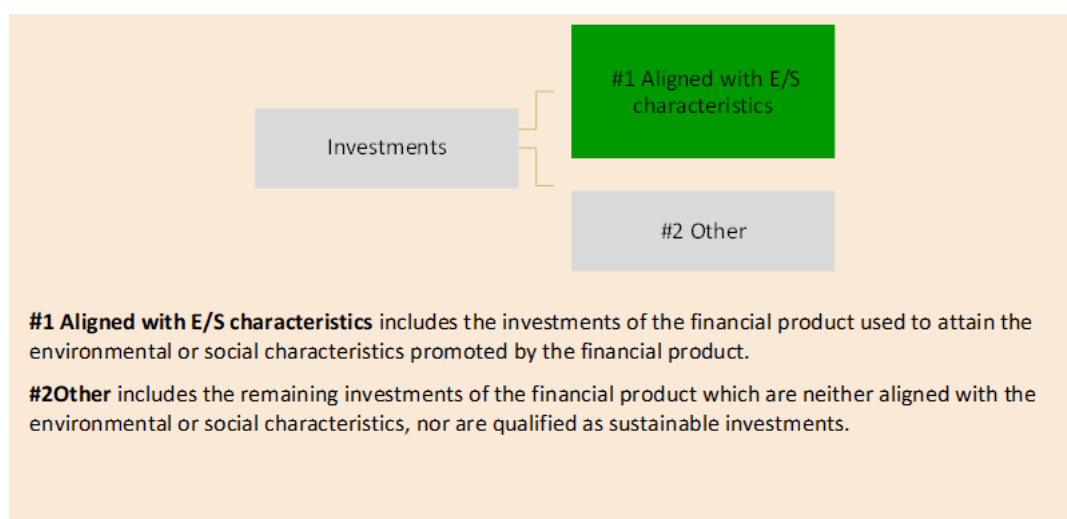
PROPORTION OF INVESTMENTS

The Fund shall at all times be invested at minimum in five (5) assets/instruments permitted under the rules contained in the 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” (as described in the Annex to the Offering Supplement) must also comply with the minimum safeguards set up by the “*Sustainable Investment Guideline*” by fair-finance.



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Before an investment decision is made a technical, legal, and economic due diligence is carried out by the fund manager, mainly supported by the advisor. The due diligence report is presented to the Investment Committee which is held on a quarterly basis. The Investment Committee decides if the project meets the investment as well as sustainability criteria.

METHODOLOGIES

There are several tools to measure the attainment of the environmental or social characteristics of the product.

One of those tools is the decision process applied before an investment in a real estate object is made. The provisions set out in the internal process description must be met.

With regard to the suitability of specific real estate investments, there is also a process for reviewing the criteria set out in the fund's internal investment strategy.

fair-finance sustainability rating for real estate is applied in all of the above processes and is also a tool for regularly assessing compliance with the criteria.

DATA SOURCES AND PROCESSING

fair-finance Asset Management is in charge of gathering the necessary data in order to manage the fund.

The data is collected, evaluated, and processed by the fund management company itself. This also applies for any investments in securities.

For the investments in real estate no estimations are required.

LIMITATIONS TO METHODOLOGIES AND DATA

By the time of the publication of this information there are no known limitations to methodologies and data sources that could influence the attainment of the environmental or social objectives of the fund.

Any data can be incomplete, inaccurate, or temporarily unavailable. The risk of insufficient data is being managed by applying the internal processes and the analysis carried out on the basis of it.

DUE DILIGENCE

The advisor carries out the due diligence and provides the result to the Investment Committee, which decides based on it.

ENGAGEMENT POLICIES

The fund does not directly invest in companies in the form of shares. Currently, there is no need for the creation of an engagement policy.

INDEX DESIGNATED AS A REFERENCE BENCHMARK

No index has been designated as a reference benchmark for the fund.