

Sustainability-related disclosures¹ for fair-finance real estate sustainable fund

Published as per 29th September 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 in immovable property that meets environmental and/or social sustainability requirements.

The sustainability of real estate is assessed by using a rating system developed by the Investment Manager for new and existing properties.

This rating system is divided into four categories: (i) location, (ii) energy, (iii) building material and (iv) ethics.

Exclusion criteria are defined, which in any case also correspond to the minimum standards of the Austrian „Klima:aktiv“ certificate (in case of real estate investments in Austria) or equivalent in other jurisdictions.

The fund invests in immovable property with focus on residential properties in Austria and Germany. The preservation and refurbishment of existing buildings is preferred to new construction, with focus on residential properties and social properties such as nursing homes, schools or student and social housing. The manager of the fund strives to continuously improve the sustainability of the properties it owns.

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

The fund invests by following the ecological and ethical-social criteria set up in accordance with the investment strategy.

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.

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)

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.

The fund continuously aims at enhancing the processes and the sustainability-related results.

INVESTMENT STRATEGY

The investments of the fund will be predominantly in the following type of real estate which are exclusively situated in a Member State of the European Union or in a contracting state to the agreement of the European Economic Area:

(a) Developed land;

(b) Land under development, provided the circumstances allow to expect the conclusion of the development within a reasonable period of time and provided that the total cost of acquisition of such land under development and the value of land under development already forming part of the assets of the fund does not in the aggregate exceed forty per cent (40%) of the total Net Asset Value of the Sub-Fund;

(c) Undeveloped land earmarked and suitable for immediate development, provided that the total cost of acquisition of such undeveloped land and the value of undeveloped land forming part of the assets of the fund does not in the aggregate exceed thirty per cent (30%) of the total Net Asset Value of the fund;

(d) Building rights, properties built on third party land (should this type of real estate be located in the Republic of Austria, this shall be limited to the definition of *Superädifikate* in terms of § 435 of the Austrian Civil Code) land held in joint ownership and the ownership of the common parts of a condominium in consideration of the value limits indicated under paragraphs (b) and (c).

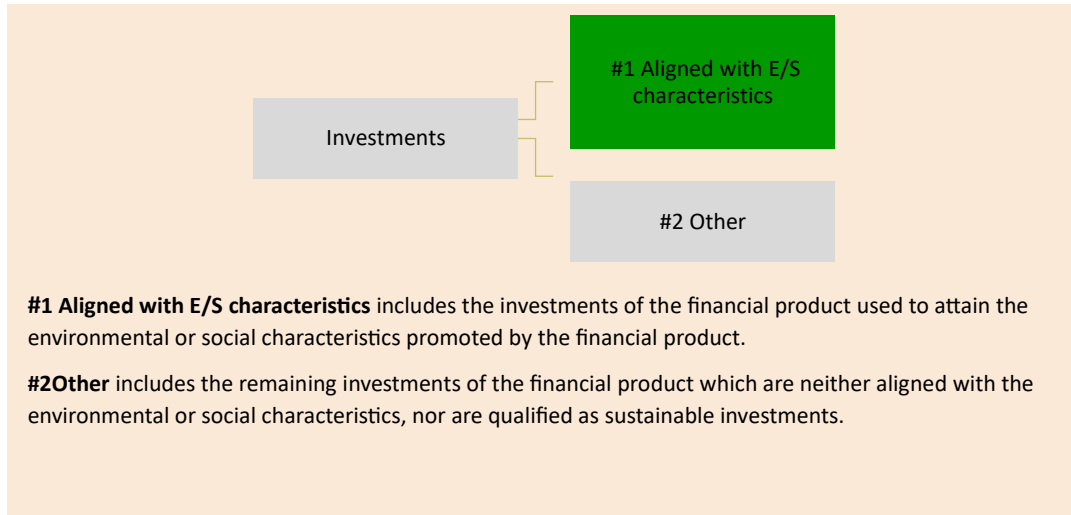
In the selection of the real estate investments, the fund shall focus on immovable property that meets strict environmental and social sustainability standards. In assessing the viability or otherwise of the prospective investment, the fund shall take into consideration both quantitative and qualitative criteria including the use and life cycle of the immovable property, the infrastructure, the ecological impact of real estate projects and the materials used.

The fund invests in immovable property with focus on residential properties in Austria and Germany. The preservation and refurbishment of existing buildings is preferred to new construction, with focus on residential properties and social properties such as nursing homes, schools or student and social housing. The manager of the fund strives to continuously improve the sustainability of the properties it owns.

With regard to the investment universe, a combination of exclusion (negative selection) and positive selection criteria is used. Those criteria are stated in the "*Sustainable Investment Guideline*" by fair-finance.

PROPORTION OF INVESTMENTS

The fund invests predominantly (i.e. at least 51%) in residential real estate as described above and may invest up to 49% in liquid assets (bank deposits, money market instruments, loans with a maximum term of 3 years, etc.). The fund shall at all times hold at least five per cent (5%) in Net Asset Value of the fund in the form of liquid assets.



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Before an investment decision is made a technical, legal, and economic due diligence is carried out by the property development company. 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.

Moreover, the criteria derived from the Austrian *klima:aktiv* Guidance (at least "Bronze") are used for measuring the attainment of the environmental or social characteristics of the fund.

DATA SOURCES AND PROCESSING

fair-finance Asset Management is in charge of gathering the necessary data in order to manage the real estate 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 involved project development company carries out the due diligence and provides the result to the Investment Committee, which decides based on it.

ENGAGEMENT POLICIES

The real estate fund does not directly invest in companies in the form of shares. Thus, 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.

Change Log:

Topic	Date of change	Department
Minor corrections and removal of Umweltzeichen certification (temporarily)	April 2026	Legal