

Sustainability-related disclosures (extract)

pursuant to Art. 10 of Regulation (EU) 2019/2088

MEAG ReturnSelect

ISIN (unit class A): DE000A0RFJ25
ISIN (unit class I): DE000A0RFJW6

Summary

The MEAG ReturnSelect (hereinafter „the Fund“) is an actively managed balanced investment fund with a sustainability concept. The Fund’s focus is on bonds from issuers based in Europe. It can invest in equities up to a ratio of 49% of the fund assets (generally between 10 and 25%). The fund was launched on June 24, 2009 under the name MEAG FairReturn.

The Fund promotes environmental and social characteristics, but does not have as its objective sustainable investments. It is, however, committed to always holding a minimum of 5% of sustainable investments, as defined in Article 2 No. 17 of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector (hereinafter „SFDR“).

The Fund promotes the following environmental and social characteristics:

1. Exclusion of companies and countries pursuant to the Fund’s exclusion policy

Exclusion criteria have been determined pertaining to the Fund that do not allow it to invest in companies and countries that exhibit controversial behaviour or are active in controversial business fields. Issuers that do not meet these standards (e.g. company generating more revenue from controversial business fields than tolerated pursuant to the threshold) are excluded from the Fund’s investment universe. This characteristic does not include securities, for which no corresponding data is available, as well as target funds, derivatives and bank deposits.

2. Focus on companies with a good or very good ESG rating („best-in-class concept“)

In accordance with the best-in-class concept, the Fund considers the following issuers:

Companies and countries that have an ESG rating of „B“ or lower according to MSCI ESG Research (hereinafter „MSCI“) are excluded from the investment universe (so-called „ESG laggards“). The ESG rating of the issuer must therefore be at least „BB“. In addition, the proportion of securities issuers in the fund that are classified as „ESG Leaders“ according to MSCI (MSCI ESG rating „AAA“ and „AA“) must amount to at least 35%. The letters E, S and G stand for Environmental, Social and Governance.

This characteristic does not include securities, for which no corresponding data is available, as well as target funds, derivatives and bank deposits.

3. Consideration of Principal Adverse Impacts of investment decisions on sustainability factors

When considering the Principal Adverse Impacts of investment decisions on sustainability factors (hereinafter „PAI“), the Fund applies for each investment decision the indicators for companies and countries provided in Annex I Table 1 of Delegated Regulation (EU) 2022/1288 supplementing SFDR (hereinafter „DelReg SFDR“). It does so by conducting an ESG controversy check using data from MSCI. For countries, exclusion criteria apply. This characteristic does not include securities, for which no corresponding data is available, as well as target funds, derivatives and bank deposits.

4. Minimum share of sustainable investments pursuant to SFDR

The Fund commits to keep at least 5% of its fund assets invested in sustainable investments pursuant to Article 2 No. 17 SFDR. This minimum share is calculated from two components. Firstly, a company's economic activity shall be deemed a sustainable investment if its product range and/or services make a positive contribution verifiable to at least one of the 17 United Nations Sustainable Development Goals („SDGs“), provided that its other activities do not significantly harm any other environmental or social objective (hereinafter „DNSH assessment“, where DNSH stands for „Do Not Significantly Harm“), and that it follows good governance practices. Secondly, the minimum share of sustainable investments in the fund is fulfilled by the purchase of use-of-proceeds bonds (green bonds, social bonds and sustainability bonds). These bonds must have been issued on the basis of a framework that implements the principles and guidelines for such bonds published by the International Capital Market Association („ICMA“). In addition it must be secured, that the issuers of the use-of-proceeds bonds do not significantly harm any environmental or social objective with their activities, and corporate issuers follow good governance practices. This characteristic does not include securities, for which no corresponding data is available, as well as target funds, derivatives and bank deposits.

No benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

The environmental and social characteristics are a binding element of the Fund's investment strategy and part of the security selection process. In line with its investment strategy, the Fund continuously invests more than 80% of the fund assets in assets that are used for attaining the environmental and social characteristics it promotes. The Fund also undertakes to invest at least 5% of its fund assets in sustainable investments pursuant to Article 2 No. 17 SFDR. These investments contribute positively to one of the 17 SDGs but are not compliant with the EU Taxonomy. The Fund does not have the objective to make environmentally sustainable investments within the meaning of the EU Taxonomy.

When evaluating an issuer's sustainability, MEAG (hereinafter “the Company”) relies in particular on the ESG analyses from the external providers MSCI, ISS ESG Research (hereinafter „ISS“) and Bloomberg. The Company uses this data extensively and continuously to derive investment measures, pre-check planned investments and monitor existing ones.

The assessment of an issuer's good governance practices is part of the individual security analysis based on data from MSCI. The assessment covers topics such as sound management structures, employee relations, remuneration of staff and tax compliance.

The Company bases its analysis of an issuer's sustainability on a monthly supply of data from the data providers. By updating ESG data on a monthly basis, changes in individual instruments can be identified more quickly and actions taken accordingly. The Company processes the data in various ways, with the aim of achieving fully automated data collection to reduce operational risks and manual interventions. The Company performs quality checks on a situational basis, to check for inconsistencies in a data provider's data, or between the data received from different data providers.

Due diligence with regard to the Fund's assets is ensured by contractual provisions, permanent, standardised processes and binding internal guidelines, which also apply to the binding sustainability aspects of the investment strategy. The Fund is subject to ongoing risk and compliance processes that check its adherence to the investment limits. The portfolio composition is continuously monitored and once a year the auditor reviews whether the promoted environmental and social characteristics have been attained and whether the implemented processes have been upheld.

An engagement policy is part of the investment strategy, enacted when considering PAI. In addition, the Company or its parent company Munich Re, leverages its influence on companies in collaborative engagement dialogues through the Climate Action 100+ initiative and the exercising of voting rights.

Version	Document status	Changes made
Version 4	01.04.2025	Renaming of the fund, update of the ESG concept (non-binding excerpt from the overall document)
Version 3	01.12.2024	Update of the ESG concept
Version 2	01.01.2024	Update
Version 1	01.01.2023	Compliance with the requirements of the DelReg SFDR