



Status: March 2025

## **Sustainability-related disclosures in accordance with Article 10 of Regulation (EU) 2019/2088 (Disclosure Regulation)**

The subject of this document is mandatory information about the sustainable investment objective of this fund. It is not advertising material. This information is required by law in order to transparently explain the sustainable investment objective of the fund.

Name of the product:  
**Edge Growth**

Company identifier (LEI code):  
**5299001OTALAFA800S16**

This financial product is managed by the management company IFM Independent Fund Management AG.

### **a) Summary**

This UCITS is a product pursuant to Art. 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

In managing the UCITS, the asset manager takes into account, among other things, environmental (E) and/or social (S) characteristics and invests in companies that apply good governance practices (G).

This financial product advertises ecological or social features, but does not aim to make sustainable investments.

The financial product takes into account environmental (E) and/or social (S) characteristics through the application of exclusion and positive criteria and invests in companies that apply good governance practices (G). The financial product pursues a holistic ESG approach in which the sustainable orientation of the financial product is to be ensured by taking various sustainability factors into account.

Furthermore, the financial product uses activity-based as well as norm-based conclusions, which are described in more detail in the investment strategy below.

The asset manager has an independent internal risk management system that uses suitable technical systems to monitor the specific requirements arising from the ESG investment process.

The financial product may invest directly or indirectly in equities of companies worldwide or in debt instruments (bonds) of public or private borrowers across the entire rating and maturity spectrum as well as in money market instruments and sight deposits or callable deposits with a maximum term of twelve months. The fund assets can therefore have an equity component of between 0% and 100% of the assets.

The financial product may invest up to 100% of its assets in units of other UCITS or other undertakings for collective investment comparable to a UCITS, whereby the financial product may invest a maximum of 20% of its assets in units of the same UCITS or the same undertaking for collective investment comparable to a UCITS. Investments in units of



undertakings for collective investment comparable to UCITS may not exceed a total of 30% of the sub-fund's assets.

The financial product is invested in equity and bond funds (indirect investments) that are categorised as a product in accordance with either Article 8 or Article 9 of Regulation (EU) 2019/2088. At least 70% of the direct investments (equities and bonds) must have a minimum rating of "BB" **(#1)**. Thus, the remaining share (<30%) will consist of **(#2)** "Other investments".

The Management Company uses relevant data and information from MSCI and/or WaVeritas as well as from internal and public sources to assess the achievement of the advertised environmental and/or social characteristics.

In its investment strategy, the financial product applies ESG criteria from one or more external ESG data providers, which may be incomplete, incorrect, different or unavailable. There is therefore a risk that the management company may incorrectly assess a security or an issuer so that a security is wrongly included in or excluded from the portfolio of the financial product. Due to the advertised environmental and/or social characteristics and the data required for monitoring, the management company does not currently assume that there will be any restrictions with regard to the fulfilment of these characteristics. Nevertheless, a misjudgement in individual cases cannot be ruled out.

The management company has sufficient resources and expertise with regard to sustainability risks.

The management company is convinced that the active exercise of voting rights contributes to the values and behaviour of companies.

No reference value for determining whether this financial product is aligned with the advertised environmental and/or social characteristics has been determined.

**b) No sustainable investment target**

This financial product advertises ecological or social characteristics, but does not aim for sustainable investments.

**c) Environmental or social characteristics of the financial product**

The financial product takes into account environmental (E) and/or social (S) characteristics and invests in companies that apply good governance practices (G). The financial product pursues a holistic ESG approach in which the sustainable orientation of the financial product is to be ensured by taking into account various sustainability factors:

In addition to economic factors, the asset manager also considers social and ecological (environmental) factors of the investments when making investment decisions in order to implement a sustainable investment strategy, taking into account that the companies apply good corporate governance practices. In this regard, the asset manager uses the resulting ESG ratings .

The social factor encompasses the rights, well-being and interests of individuals and communities. These include compliance with human rights, labour standards and safety, child labour and slavery, health health and access to medical care.



The environmental factor encompasses the quality and functioning of the natural environment. This includes the effects of climate change, greenhouse gas emissions, biodiversity, air, water and soil pollution and resource consumption.

The governance factor encompasses corporate management. This includes shareholder rights, transparency and disclosure of information, business ethics, independence, diversity and qualifications of the Board of Directors, remuneration policy, corruption, internal controls and risk management.

#### **d) Investment strategy**

As part of the implementation of its sustainability policy, the asset manager works with data providers who can provide individual and aggregated ratings and the underlying raw data. The data providers have broad coverage of the companies, countries and sectors analysed and also of the individual factors of the sustainability analysis.

ESG ratings are generally based on a method in which individual companies are analysed on the basis of quantitative and qualitative measures in the areas of E (Environment), S (Social) and G (Governance). Data from one or more ESG rating agencies (e.g. MSCI) can be used to assess which companies are leading the way in addressing ESG issues and which are lagging behind.

The companies are assessed using an ESG methodology according to their exposure to sector-specific ESG risks. The result of the company-specific assessment is expressed using an ESG score and thus makes it possible to identify the companies with the sector-specific lowest ESG risks or highest ESG risks.

The ESG score is based on comprehensive data analyses including macro economic data and statistical surveys for specific market segments and/or countries/regions and company-specific data such as company annual reports. Based on this data, a company specific analysis and assessment is carried out with regard to the extent to which a company is exposed to ESG risks and the extent to which strategies to limit risks and/or utilise relevant opportunities are implemented.

Each company is assessed on the basis of sector and subsector-specific key criteria and their weighting.

For the area of environmental risks and opportunities ("Environment"), these are risks in connection with the

- Climate change (e.g. CO<sub>2</sub> emissions/carbon footprint),
- the use of resources ("natural capital", e.g. "water stress", "biodiversity")
- Risks in connection with environmental pollution (e.g. toxic waste) and
- Opportunities in connection with new technologies ("Environmental Opportunities", e.g. "Clean Tech").

In the social area, the key criteria include

- Human Resources Management ("Human Capital", e.g. "Labour Management"),
- the area of product liability,
- dealing with interest groups ("stakeholder opposition") and the opportunities available in this area ("social opportunities"),

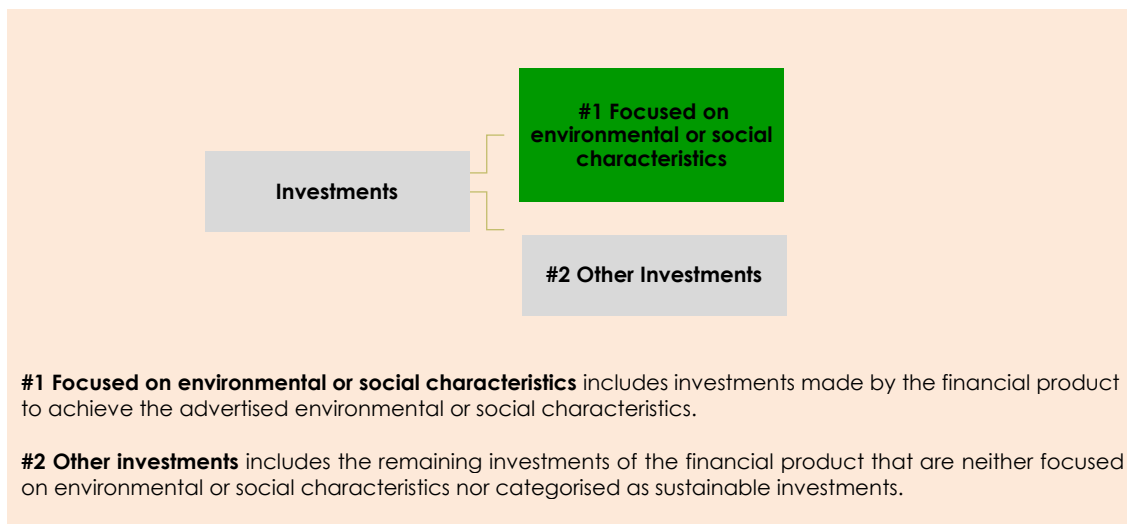
In the area of corporate governance, this includes

- operational management ("corporate governance") and
- the area of ethical corporate management ("Corporate Behaviour").



A company-specific ESG rating is then determined on the basis of a company-specific weighting of the key criteria in comparison with other companies in the same company segment.

## e) Breakdown of investments



The financial product is invested in equity and bond funds (indirect investments) that are categorised as a product in accordance with either Article 8 or Article 9 of Regulation (EU) 2019/2088. **At least 70% of the direct investments** (equities and bonds) must have a minimum rating of "BB" (**#1**).

The remaining share of direct investments (<30%) therefore consists of **#2 Other investments**:

1. Cash and cash equivalents for liquidity purposes
2. Derivative financial instruments used for hedging purposes
3. Investments for diversification purposes or investments for which data is missing and do not follow minimum E&S protection requirements

Due to the nature of the installations under points 1 and 2, no minimum environmental or social protection requirements are specified.

## f) Monitoring of environmental or social characteristics

The sustainability indicators used to measure the achievement of the environmental or social investment objectives of the financial product include

- In the case of investments in equity and bond funds (indirect investments), these must be categorised either as a product in accordance with Article 8 or Article 9 of Regulation (EU) 2019/2088
- At least 70% of direct investments (equities and bonds) must have a minimum rating of "BB".

The asset manager has an independent internal risk management system that uses suitable technical systems to monitor the specific requirements arising from the ESG investment process (ex-ante review).



The investment universe is regularly reviewed for compliance with these criteria and updated accordingly. Compliance with the applicable investment universe is checked daily.

The monitoring of compliance with the sustainable objectives and the sustainable investment processes used to achieve them is ensured by the daily review of all transactions (ex-post review) and fund holdings by Investment Compliance.

#### **g) Methods**

The material sustainability risks are analysed by the asset manager and thus expand the traditional fundamental analysis to include financially relevant sustainability risks. Sustainability risks are analysed on the basis of publicly available information from issuers (e.g. annual and sustainability reports) or internal research and using data and ESG ratings from research and rating agencies.

Further information on how the ESG and sustainability methodology works, how it is integrated into the investment process, the selection criteria and the ESG and sustainability guidelines can be found on the [IFM Independent Fund Management AG sustainability-related disclosure](#) website.

#### **h) Data sources and processing**

The Management Company uses relevant data and information from MSCI and/or WaVeritas as well as from internal and public sources to assess the achievement of the advertised environmental and/or social characteristics.

The data quality is checked at the time of onboarding the respective data provider (e.g. checking the methodology). Furthermore, additional data sources are used for plausibility checks if necessary. This may be the case, for example, if the data situation is uncertain or if different information is available.

The data provided by the rating agencies is incorporated into the management company's internal monitoring system and is updated on an ongoing basis. This enables independent monitoring of the ESG investment process.

Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed as part of the ESG and sustainability methodology. No estimates are made by the management company or the asset manager.

#### **i) Limitations with regard to methods and data**

In its investment strategy, the UCITS applies ESG criteria from one or more external ESG data providers, which may be incomplete, incorrect, different or unavailable. There is therefore a risk that the Management Company may incorrectly assess a security or an issuer so that a security is wrongly included in or excluded from the portfolio of the UCITS. This may be the case due to the following problems, among others:

- Geographical coverage (less comprehensive coverage may be available for emerging markets;
- Sectoral coverage (data coverage can vary greatly depending on the sector);
- Company size (less ESG data may be available for smaller companies);



- Data availability in general (If data is not readily available and accessible, this can lead to gaps in the ESG assessment;
- Data quality (different non-harmonised reporting standards, different measurement methods).

Due to the advertised environmental and/or social characteristics and the data required for monitoring, the management company does not currently assume that there will be any restrictions with regard to the fulfilment of these characteristics. Before an investment is made, the securities are checked for fulfilment of the advertised environmental and/or social characteristics. If the data basis is uncertain, a plausibility check as described above is carried out where necessary in order to counteract the problem in the best possible way. Nevertheless, a misjudgement in individual cases cannot be ruled out.

**j) Duty of care**

The management company has sufficient resources and expertise with regard to sustainability risks. Suitable monitoring and control structures are in place in our Investment Compliance department, which is independent of the asset manager of the financial product. The management company also has an independent internal audit department.

**k) Participation policy**

The management company is convinced that by actively exercising its voting rights it is making a contribution to the values and behaviour of companies. Through its commitments, the management company encourages companies to adopt best-practice corporate governance standards. When exercising voting rights, the management company takes into account the internal directive on voting rights policy. In structuring its engagement with companies, the management company works closely with a proxy voting provider and combines its analysis with the investment policy of the financial product.

The voting rights policy is available at:

<https://www.ifm.li/files/attachments/Stimmrechtspolitik.pdf?t=061221181423>

**l) Determined reference value**

No reference value for determining whether this financial product is aligned with the advertised environmental and/or social characteristics has been determined.