



Sustainability is important to us!

Information acc. Regulation (EU) 2019/2088

1. PREAMBLE

Regulation (EU) 2019/2088 forms the basis for providing the following information. This regulation defines harmonized rules for so-called "financial market participants" and "financial advisors" on transparency in the inclusion of sustainability risks and the consideration of negative sustainability effects in their processes and in the provision of information on the sustainability of financial products. Due to our work as a *portfolio manager* on the one hand and as an investment advisor on the other hand, we act both as a financial market participant (for portfolio management) and as a financial advisor (for investment advice) in accordance with the aforementioned regulation. Please note that the following statements - depending on the type of service provided - include our disclosures in accordance with the aforementioned regulation for both the capacity as a financial market participant and as a financial advisor.

We endeavour to provide you with the information to be disclosed in accordance with the aforementioned regulation in a clear and understandable manner on the basis of this document. If you still have any questions or if anything is unclear, please do not hesitate to contact us:

Phone.: +43 1 513 25 51
 Fax: +43 1 513 79 41
 Email: office@smn.at

SMN has been a signatory to the United Nations Principles for Responsible Investment since 2019 (UNPRI; www.unpri.org).

For more details on how SMN deals with the issue of sustainability, we refer to our "ESG Whitepaper", which is available for download on the SMN website in the "The Company" section under "Corporate Governance".

2. HOW WE DEAL WITH SUSTAINABILITY RISKS

Sustainability risks are events or conditions in the environmental, social or corporate governance areas with actual or potentially material negative effects on the value of investments and thus ultimately on the value of financial products (*including portfolios*).

As a professional provider of financial services, we are of course aware of the relevance of these risks and the importance of having a clear strategy with regard to such risks.

As a **financial market participant**, we cannot include sustainability risks in our **investment decision-making processes**, as we do not make any direct investments in companies, e.g. by investing in stocks, bonds, private equity, etc., but only participate in the financial market by investing in the futures markets.

Our investment process is based on quantitative techniques, with integrated risk management systems applied to a wide range of futures markets. Trading opportunities are identified on the basis of historical price data in order to then enter into market risks, from which returns can be achieved in the event of success (= taking risk premiums). As a responsible market participant, we

strive to leave only a small footprint in the markets and therefore apply the highest standards of market ethics when calibrating our trading systems. We do not use *high-frequency* trading systems (these are often accused of causing negative market movements) and we are convinced that our role as a market participant is beneficial for the market as a whole, as we continuously provide liquidity to other market participants and hence making the markets less prone to market failure. By using such trading systems based on quantitative decisions, our trading opinion often differs from that of other market participants, which in turn ensures diversity among market participants and is another important factor for market stability.

As a **financial advisor**, we can also offer products from Union Bancaire Privée (UBP) and the Scandinavian SEB Group, which implement special ESG criteria in their investment universe, as part of our investment advisory activities.

Since our activities as a financial service provider and as part of society can have significant consequences for the financial system and thus our society and our environment, we strive to act with the greatest care and without adverse effects.

3. SUSTAINABILITY COMPLIANT REMUNERATION POLICY

Our company has a remuneration policy that aims, among other things, to prevent conflicts of interest in connection with the remuneration of our employees as best as possible.

However, our remuneration policy also complies with the concept of sustainability: It does not contain any regulations that are not in line with our approach to sustainability and, in particular, with our strategy for including sustainability risks. The following is the relevant excerpt from our remuneration policy:

„We have currently not explicitly stipulated the effects of sustainability risks as part of our remuneration policy. The remuneration of employees is only partially variable, with qualitative criteria being the focus of the assessment. However, the sustainability risks of the investment do not have a positive or negative impact on the remuneration. The remuneration policy does not create any incentives to use, place or keep investment products that do not correspond to the client's investment strategy. As a result, our remuneration structure does not encourage an excessive willingness to take risks with regard to the brokerage of investment products with high sustainability risks.“

4. ADVERSE SUSTAINABILITY IMPACT

In accordance with Art. 4 of Regulation (EU) 2019/2088, we have decided not to consider negative effects of investment decisions on sustainability factors, both in the context of our portfolio management and in the context of our investment advice (with the exception of certain products from our international product partners).



Regardless of this, the topic of sustainability is very important to us and sustainability factors such as environmental, social and employee issues, respect for human rights and the fight against corruption and bribery are important to us.

Due to the fact mentioned under point 2 above, that investments in futures markets do not represent a company participation, SMN, as a **financial market participant**, cannot check for ESG risks (climate risks, environmental, social, etc.). Nor can the impact of sustainability risks on these markets be assessed.

This applies to our work as **financial advisor** as well as to the products we manage and sell as financial market participants.

5. LEGAL NOTICE

Although we endeavour to use this document to inform you to the best of our knowledge and belief, in accordance with Regulation (EU) 2019/2088, we must nevertheless point out that we do not accept any liability or guarantee for the information contained in this document can.

SMN Investment Services GmbH
Rotenturmstraße 16-18
A-1010 Vienna
www.smn.at