



Discretionary Portfolio Management



Sustainability Pre-Contractual Disclosures

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852 (Annex II)

Product name: MeManaged – Discretionary Portfolio Management
Legal entity identifier: 529900SYUCFQHI3JZQ05

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes
 No

<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy 	<input type="checkbox"/> It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



What environmental and/or social characteristics are promoted by this financial product?

MeManaged – Discretionary Portfolio Management promotes environmental and social characteristics while taking ESG criteria into account. It does not use a specific reference index to achieve these objectives.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

MeManaged – Discretionary Portfolio Management product commits to investing at least 80% of its portfolio in financial instruments that qualify as Article 8 and/or Article 9 funds under SFDR. Compliance with this threshold is monitored on an ongoing basis as part of the portfolio oversight and governance process. No additional direct sustainability indicators (such as principal adverse impact indicators or taxonomy-alignment metrics) are applied at the level of this financial product.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

MeManaged – Discretionary Portfolio Management does not aim to hold sustainable investments. However, such investments may be present within its portfolio.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically target sustainable investments. However, such investments may be present within its portfolio.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically pursue sustainable investments. However, such investments may nevertheless be present within its portfolio.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically pursue sustainable investments. However, such investments may nevertheless be present within its portfolio.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes
- No



What investment strategy does this financial product follow?

The strategies invest exclusively in funds or ETFs compliant with the UCITS directive, as well as in cash. No direct investments in individual securities are made.

When selecting funds or ETFs, special attention is given to ensuring that at least 80% of the assets invested in MeManaged – Discretionary Portfolio Management are classified as Article 8 or Article 9 according to the SFDR directive.

The only constraint imposed on all strategies is as follows:

- Defensive strategy: maximum equity exposure 30%
- Conservative strategy: maximum equity exposure 50%
- Moderate strategy: maximum equity exposure 70%
- Growth strategy: maximum equity exposure 90%

For more information regarding MeDirect's sustainability policy, please consult <https://www.medirect.com.mt/about-us/sustainability/>.

The investment strategy guides investment decisions based on factors such as investment objectives and risk

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

Ensure that MeManaged – Discretionary Portfolio Management holds at least 80% of its assets in collective investment undertakings classified at least as Article 8.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no obligation to reduce the scope of investments to certain proportions.

- ***What is the policy to assess good governance practices of the investee companies?***

The assessment of good governance practices is carried out by the managers of the underlying funds, notably through external ESG data providers.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product?

MeManaged – Discretionary Portfolio Management provides for a minimum allocation of 80% of its assets to investments aligned with the promoted environmental and/or social characteristics (#1 Aligned with E/S characteristics).

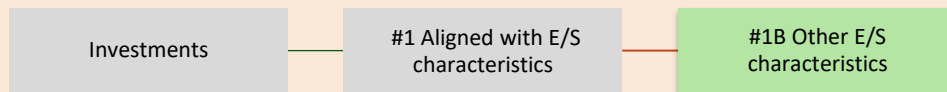
MeManaged – Discretionary Portfolio Management may allocate up to 20% of its assets to other investments that do not meet these criteria (#2 Other investments).

Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

MeManaged – Discretionary Portfolio Management does not take direct positions in derivative instruments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best

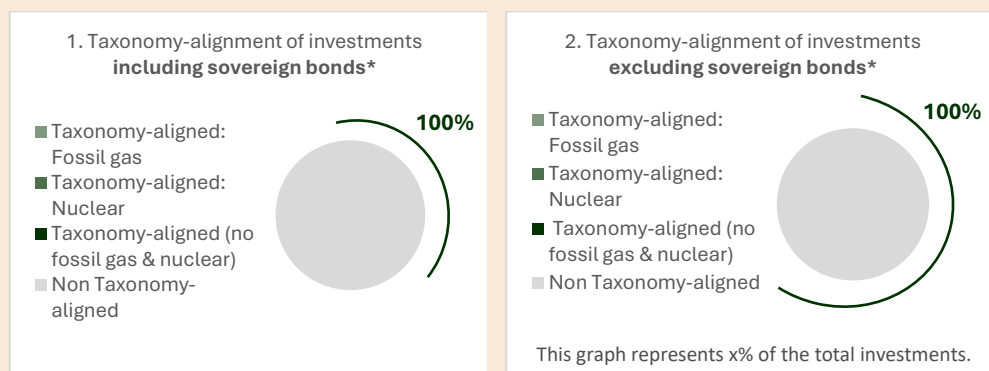
are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

MeManaged – Discretionary Portfolio Management does not actively pursue an investment objective aligned with the EU taxonomy. Therefore, the minimum share of sustainable investments targeting an environmental objective aligned with this taxonomy is set at 0%. However, some investments in the portfolio may nevertheless meet these criteria, although this is not a deliberate orientation of the investment strategy.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

What is the minimum share of investments in transitional and enabling activities?

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically target these activities, but they may nevertheless be present within its portfolio.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically target these activities, but they may.



What is the minimum share of socially sustainable investments?

Not applicable, as MeManaged – Discretionary Portfolio Management does not specifically target these activities, but they may.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments classified in the “#2 Other” category may represent up to 20% of the portfolio. They include, among others, cash, investment funds, and bonds issued by governments or agencies. They may be used to achieve the investment objective (without ESG criteria). No minimum environmental or social requirements apply to these investments.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable

- ***How does the designated index differ from a relevant broad market index?***

Not applicable

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.medirect.com.mt/invest/discretionary-portfolio-management/>