



**MAINFIRST
RESPONSIBLE
INVESTING
POLICY**



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1. Background and investment belief

MainFirst¹ actively and consciously selects individual investments, combining its long-standing experience and deep-rooted understanding of capital markets with a dedicated investment style.

On May 12, 2015, MainFirst Holding AG became a signatory to the United Nations backed Principles for Responsible Investments (UNPRI). By signing up to the UNPRI, MainFirst went a step forward by committing to incorporating Environmental, Social and Governance (ESG) issues into its investment analysis, and decision-making process.

This document sets out our Responsible Investing policy and exclusion criteria.

2. Our exclusion approach

Our Responsible Investing policy is based on a list of exclusions stating which firms MainFirst will not finance or invest in.

2.1 Investment process

The ESG research at MainFirst is carried out by the external rating agency Sustainalytics² which conducts its “Controversial Weapon Radar” research on more than 40,000 issuers, to identify issuers of equities and bonds which do not meet our investment criteria.

The research results in a list of non-investable securities (exclusion list) which is uploaded into our central asset management IT system. This way portfolio managers are prevented from investing in securities featured in the exclusion list. Deviations from this procedure may exceptionally be granted by the Responsible Investing Committee and must be properly documented.

2.2 Our definition of controversial weapons

MainFirst considers controversial weapons to be:

- cluster munitions;
- anti-personnel mines;
- chemical, biological weapons and;
- nuclear weapons;
- depleted uranium ammunition;
- white phosphorus weapons.

MainFirst uses the definitions of Controversial Weapons found in the following UN conventions:

- The Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster munitions.
- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines.
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons.

¹ MainFirst Affiliated Fund Managers S.A. Luxembourg as the Management Company of the MainFirst SICAV; MainFirst Affiliated Fund Managers (Switzerland) AG and MainFirst Bank AG as the Investment Managers; together referred to in this document as (“MainFirst”).

² www.sustainalytics.com



- Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons.
- The Treaty on the Non-Proliferation of Nuclear Weapons (1968) which prohibits the spread of nuclear weapons and permits only five countries, the so-called Nuclear-Weapon States (USA, Russia, UK, France and China), to maintain nuclear arsenals.

On the basis of these treaties MainFirst has established, with the support of external research service providers, a list of excluded companies as follows:

- Companies involved in the development, production, use, maintenance, finance and/or sale of controversial weapons or components that are considered key and / or dedicated to controversial weapons;
- The ultimate holding company owns more than 10% of voting rights of an involved company;
- More than 10% of voting rights of a company is owned by an involved company.

2.3 Divestment process

In the event that existing investments interfere with the exclusion list provided by Sustainalytics, MainFirst will liquidate them within 2 months of the policy going into effect. Possible exceptions may be granted by the Responsible Investing Committee. In that case, the Committee must document an explanation for the exception.

3. Scope of the policy

The scope of the policy encompasses all funds under MainFirst management.

4. Review of the policy

MainFirst has implemented a Responsible Investing Committee which reviews and updates the Responsible Investing policy on an annual basis.

5. Transparency

MainFirst is transparent with regard to its Responsible Investing policy (available on its website) and about its exclusion criteria and will publish its first UNPRI Transparency Report in 2017.