

DJE –Mittelstand & Innovation LEI: 529900IZP4FDWUKCLF41

Summary

1. No sustainable investment target

This financial product advertises environmental or social features but does not seek sustainable investments. However, it may be that some of the investments constitute sustainable investments within the meaning of Art. 2 No. 17 of the Disclosure Regulation, although these are not targeted.

The fund manager follows a best-in-class approach taking into account exclusions of companies that violate certain principles in order to reduce potential negative environmental and social impacts.

Are the principal adverse impacts ("PAI's") of investment decisions on sustainability factors considered for this sub-fund? **Yes**
 No

2. Environmental or social characteristics of the financial product

Exclusion criteria ESG-integration
 Sustainable investments [others]

3. Investment strategy

The composition of the portfolio is, except as provided below, active and independent of any benchmark, sector, country, maturity, market capitalisation and rating requirements taking into account ESG factors and adverse sustainability impacts on sustainability factors.

In order to achieve the investment objectives at least 51% of the sub-fund's assets are invested in small- and mid-caps shares listed on the stock exchange or traded on another regulated market that operates regularly, is recognized and is open to the public and issued by companies domiciled in Germany, Austria and Switzerland.

The selection of good quality stocks with above-average growth prospects (growth at a reasonable price) is based on fundamental analysis. Among other things, the quality of the company's management, the quality of its financing structure, future earnings development, growth prospects and market aspects (momentum) are evaluated. Regular discussions with the company's management should help to correctly assess the company's strategy, industry environment and competitive advantages.

The sub-fund's assets are invested free of benchmark requirements. Depending on the market situation, the portfolio may be broadly diversified (high number of individual stocks, each with a low weighting) or concentrated (low number of individual stocks, each with a possibly high weighting).

In addition the sub-fund may also invest in fixed and floating-rate securities listed on a stock exchange or traded on another regulated market that operates regularly, is recognized and open to the public or in liquid assets.

Detailed information on the sub-fund's investment policy can be found in the prospectus of the sub-fund.

4. Breakdown of investments

The applied exclusion criteria are used for all direct investments.

5. Monitoring of environmental or social characteristics

Compliance with the exclusions listed under "Investment Strategy" and "Description of Environmental or Social Characteristics" is checked in the pre-trade process by means of negative lists, which are stored in the order management system and updated at least quarterly. In the post-trade process MSCI ESG Research LLC updates the data on a weekly basis. The sustainability indicators integrated in the investment process are listed below:

Exclusion criteria ESG-integration
 Sustainable investment [andere]

6. Methods for environmental or social characteristics

The following methods are used for the sub-fund to check the described best-in-class approach and the listed exclusions. For the exclusions, negative lists are created using data from MSCI ESG Research LLC:

<input checked="" type="checkbox"/> Exclusion criteria	Defined exclusion criteria are checked using external data fields for all investments in the portfolio (negative list).
<input checked="" type="checkbox"/> ESG-integration	The fund manager follows a best-in-class approach taking into account exclusions of companies that violate certain principles for reducing potential negative environmental and social impacts.
<input type="checkbox"/> Sustainable investment	The sub-fund does not aim for a minimum quota in sustainable investments within the meaning of Art. 2 No. 17 of the Disclosure Regulation.

7. Data sources and processing

As part of the best-in-class approach, potential companies are rated using an in-house rating methodology based on external ESG data (MSCI ESG Research LLC.) as well as proprietary research results. In case of doubt, the fund manager may subject the available data to a review by a committee.

8. Limitations regarding methods and data

The methods and data are limited insofar as data are not available or cannot be supplied for all securities. In addition data for an individual issuer may not be available to a sufficient extent. Furthermore these data may be based on estimates. Securities without data are classified as "other investments", which may exceed 50% of the fund's assets. This also includes bank deposits and derivatives.

9. Investment verification (due diligence)

The sub-fund is subject to the investment process of the Fund Manager:

1/ Stock selection: The stock selection process includes analyst assessment, company interview, sustainability/ESG criteria, valuation, momentum and safety & liquidity categories. In each category a score is assigned in the range of -10 to +10, with -10 being the worst ranking and +10 being the best. All six categories are equally weighted in the standard process.

2/ Exclusions: The exclusion criteria applied reduces the potential investment universe.

10. Participation Policy

The participation policy of DJE Investment S.A. is available to investors free of charge on the website www.dje.lu under the header "Legal Notice".

11. Determined reference value

A reference value has not been determined for the sub-fund to determine whether this financial product is aligned with the advertised environmental and/or social characteristics.

Detailed information can be found in the overall document "Sustainability-related disclosures Transparency in the application of environmental or social features", which is published at <https://www.dje.de/transparenz-bei-dje-mittelstand-und-innovation>.