



Regular Information on 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

Product name:
Dynamic Portfolio Series ("DPS") ESG

Legal entity identifier:
529900BXKPMXQTRE1V05

Environmental and/or social characteristics

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 practices.

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 lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?

<p><input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> Yes</p> <p><input type="checkbox"/> It made sustainable investments with an environmental objective: ___%</p> <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 <p><input type="checkbox"/> It made sustainable investments with a social objective: ___%</p>	<p><input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments</p> <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 <p><input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments</p>
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To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability criteria are taken into account in the selection of financial instruments for discretionary portfolio management via in products called Dynamic Portfolio Series ("DPS") ESG. By using ESG characteristics and other criteria the potential investment universe is smaller than for strategies not taking sustainability criteria into account.

In assessing whether an investment instrument meets sustainability criteria in accordance with the investment strategy, the Bank is guided by regularly updated positive lists compiled by MSCI ESG Research (UK) Limited and MSCI ESG Research LLC (hereinafter referred to as 'MSCI'), which contain information on issuers, financial instruments or underlyings to which financial instruments may relate.

The minimum requirement for the inclusion of an issuer, a financial instrument (excluding investment funds) or an underlying asset onto such a positive list is that it has achieved a rating of 'A' or better by MSCI (on a scale from 'AAA' to 'CCC', where 'AAA' is the best and 'CCC' the worst possible rating awarded by MSCI in relation to sustainability).



For funds, MSCI calculates a 'fund ESG quality score', which represents the weighted average of the individual ESG ratings of the assets held within the fund based on the latest inventory of positions published. The minimum requirement for an investment fund to be on such a positive list is that MSCI has given it an ESG rating of 'BBB' or higher, if the investment fund is listed by MSCI in a peer group 'emerging markets' or 'high yield', or if – based on its peer group – the investment fund invests in equities from a country whose public limited companies are included in the MSCI Emerging Markets (EM) index. For any other investment fund, the minimum requirement for inclusion in a positive list is that MSCI has awarded it an ESG rating of 'A' or higher.

Irrespective of the aforementioned ESG rating, Deutsche Bank (Suisse) SA also applies exclusion criteria provided by MSCI, which have been agreed by the Bank and MSCI. At present, additional exclusion criteria are included in the positive lists for 'other issuers' only, and are applied only to the issuers themselves and in cases where an investment instrument from this issuer serves as an underlying asset for another investment instrument. This means that, in the selection process of 'other issuers' (excluding sovereigns), even issuers with an ESG rating of 'A' or better will currently not be deemed eligible by MSCI for inclusion in a positive list – and consequently for investments by the Bank – if the analysis conducted by MSCI finds that any of the following applies to 'other issuer':

- Issuers are to be excluded if the overall assessment finds that the issuer's business practices or manufactured products breach national or international norms, laws and/or universally accepted global standards in any material way. MSCI refers to such cases as ESG controversies.
- In addition, issuers must be excluded if they operate in areas of business which the Bank deems critical or if they generate significant revenues in such areas.

Principal Adverse Impact (PAI) factors are not considered within the asset allocation and selection methodology.

Within the period of 01.01.2023 – 31.12.2023, the targeted consideration of MSCI's positive lists was achieved in the selection of financial instruments. When an investment instrument no longer meets the sustainability criteria, the Bank shall seek to sell this investment instrument as a matter of priority, while safeguarding the interests of the customer.

● *How did the sustainability indicators perform?*

The dedicated reporting in relation to each discretionary portfolio management agreement discloses the extent to which the relevant portfolio was, at specific reference dates in the period from 01.01.2023 to 31.12.2023, invested in instruments that were included on the positive lists compiled by MSCI in accordance with the requirement of an MSCI ESG rating of 'A' or higher and the Bank's exclusion criteria. Liquidity in the form of account balances, including short-term deposits, was excluded from this calculation.

In the applicable reporting period for each discretionary portfolio management agreement, financial instruments for the investment strategies Dynamic Portfolio Series ('DPS') ESG were selected in accordance with sustainability criteria as described above. More detailed information can be found in the dedicated reporting in relation to each discretionary portfolio management agreement.

The average proportion of portfolio assets being invested in instruments that take account of sustainability criteria is specific to each individual portfolio. Investors who have entered into an agreement for discretionary portfolio management applying sustainability criteria in the selection of financial instruments are provided with a personalised report entitled 'Periodic 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' for their portfolio for 2023.

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



● *... and compared to previous periods ?*

The historic information about ESG compliance and PAI alignment of a discretionary portfolio management mandate are specific to each individual portfolio. Investors who have entered into an agreement for Deutsche Bank (Suisse) SA discretionary portfolio management with the application of sustainability criteria in the selection of financial instruments are provided with a personalised report entitled 'Periodic 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' for their portfolio for 2023, which specifies the portfolio's historic information.

● *What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?*

The discretionary portfolio management approach does not pursue sustainable investments, nor does it take into account the EU criteria for environmentally sustainable economic activities in relation to the sustainability preferences given to us in the suitability questionnaire. Consequently, no data has been collected on whether (all or some of the) assets held in the portfolio qualify as sustainable investments or as investments that (fully or partially) align with the EU taxonomy. However, the discretionary portfolio management approach does consider the Exclusion-based criteria from the suitability questionnaire.

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 Union 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.



How did this financial product consider principal adverse impacts on sustainability factors?

Principal Adverse Impacts are currently not considered in the investment process for this product.

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.



What were the top investments of this financial product?

The top investments of a discretionary portfolio management mandate are specific to each individual portfolio. Investors who have entered into an agreement for Deutsche Bank (Suisse) SA discretionary portfolio management with the application of sustainability criteria in the selection of financial instruments are provided with a personalised report entitled 'Periodic 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' for their portfolio for 2023, which specifies the portfolio's key investments.

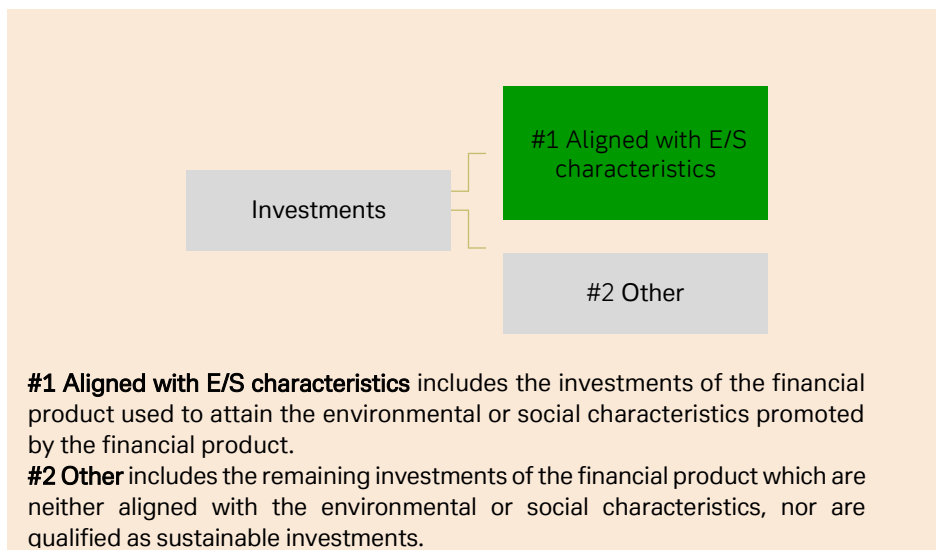
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:



What was the proportion of sustainability-related investments?

- *What was the asset allocation?*

Asset allocation describes the share of investments in specific assets.



The asset allocation is specific to each individual portfolio. Investors who have entered into an agreement for discretionary portfolio management with the application of sustainability criteria in the selection of financial instruments are provided with a personalised report entitled 'Periodic 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' for their portfolio for 2023, which specifies the relative weightings of #1 and #2 in percent.

- *In which economic sectors were the investments made?*

Relative weighting of portfolio investments by economic sector

The allocation of assets to different economic sectors under a discretionary portfolio management mandate is determined individually for each portfolio. Investors who have entered into an agreement for discretionary portfolio management with the application of sustainability criteria in the selection of financial instruments are provided with a personalised report entitled 'Periodic 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) 2020/852¹ for their portfolio for 2023, which contains more detailed information on the weighting of assets.

Relative weighting of portfolio investments by economic subsector

The allocation of assets to different economic subsectors under a discretionary portfolio management mandate is determined individually for each portfolio. Investors who have entered into an agreement for discretionary portfolio management with the application of sustainability criteria in the selection of financial instruments are provided with a personalised report entitled ‘Periodic 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) 2020/852¹ for their portfolio for 2023, which contains more detailed information on the weighting of assets.



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

The discretionary portfolio management approach does not pursue sustainable investments that specifically conform with environmental objectives of the EU taxonomy. This financial product therefore does not contribute to the objectives of ‘climate change mitigation’, ‘climate change adaptation’, ‘sustainable use and protection of water and marine resources’, ‘transition to a circular economy’, ‘prevention and control of pollution’ and ‘protection and restoration of biodiversity and ecosystems’ as defined in the EU Taxonomy.

As the discretionary portfolio management approach currently does not pursue a minimum percentage of sustainable investments that qualify as environmentally sustainable in accordance with the EU Taxonomy Regulation, no data is currently being collected on whether some investments in the portfolio do fully or partially align with the EU taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- Yes
- In fossil gas
- In nuclear energy
- No

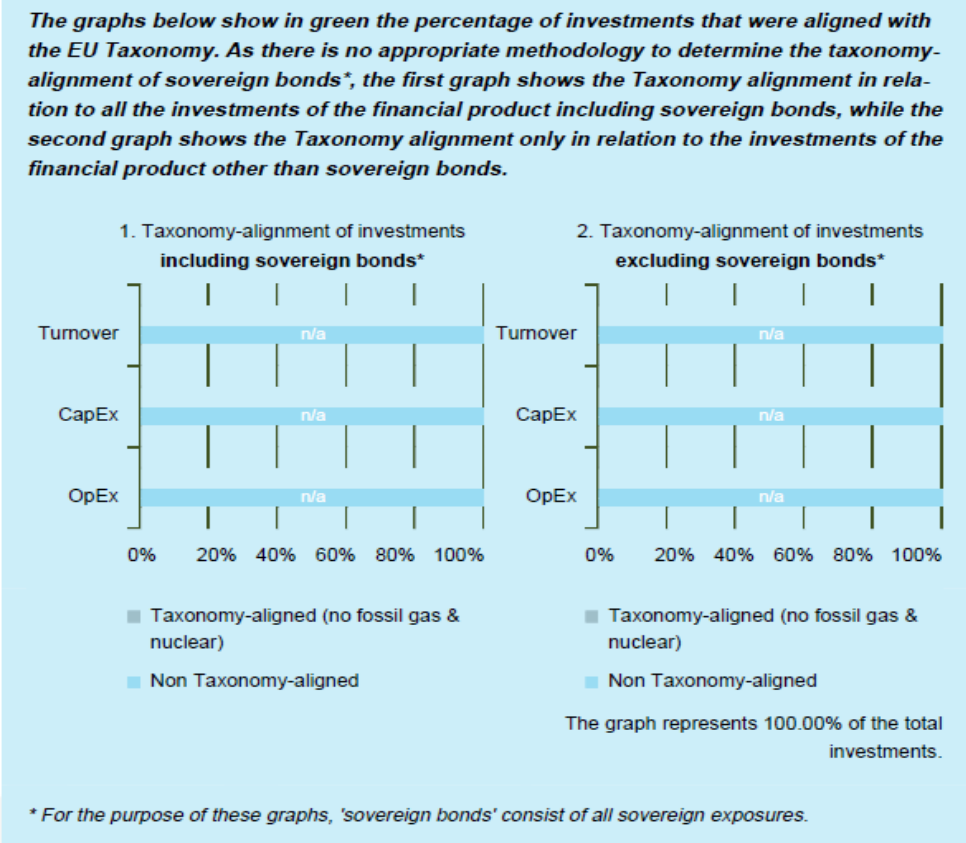
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm an EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



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.



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 performance.

As the discretionary portfolio management approach currently does not pursue a minimum percentage of sustainable investments that qualify as environmentally sustainable in accordance with the EU Taxonomy Regulation and no data is currently being collected on whether some investments in the portfolio do fully or partially align with the EU taxonomy, the percentage of assets conforming with the EU taxonomy is stated as n/a in the below graph.

● **What was the share of investments made in transitional and enabling activities?**

No data is being collected on whether some investments in the portfolio do fully or partially qualify as transitional or enabling activities because the discretionary portfolio management approach does not pursue a minimum percentage of sustainable investments that qualify as environmentally sustainable in accordance with the EU Taxonomy Regulation.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

No data is being collected on the percentage of investments that were aligned with the EU Taxonomy on an historical basis because the discretionary portfolio management approach does not pursue a minimum percentage of sustainable investments that qualify as environmentally sustainable in accordance with the EU Taxonomy Regulation.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Account balances as well as short-term deposits are permitted as non ESG compliant investments. They are used as a liquidity buffer in the active portfolio management process. The share of account balances (including short-term deposits) can vary greatly depending on the market situation and should average around 5%. Derivatives, which do not have an ESG index or securities considering the minimum criteria as an underlying, are allowed for hedging purposes only. Sustainability criteria are not applied to account balances (incl. short-term deposits). No measures are taken to ensure environmental or social objectives.

The share of account balances (incl. short-term deposits) is held for the purpose of short-term liquidity management.

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

The Bank does not strive for participation in sustainable investments within the meaning of Article 2 (17) of the EU Disclosure Regulation EU (2019/2088).

The ‘Periodic 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’ prepared for each individual discretionary portfolio management agreement for 2023 describes the extent to which the relevant portfolio actually took account of the MSCI positive lists in the selection of financial instruments from issuers in the period from 01.01.2023 to 31.12.2023. In the event that an investment instrument ceases to comply with these sustainability criteria, the Bank will make best efforts to dispose of this investment instrument from the portfolio while at the same time upholding the interests of the client.

This means that no minimum environmental or social safeguards apply to investments in the category ‘Other’.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

When selecting investment instruments, the Bank is guided by regularly updated positive lists compiled by MSCI, taking into account that MSCI has assigned an ESG rating of at least ‘A’, and the exclusion criteria specified by the Bank. The Bank has provided a more detailed description of the criteria MSCI uses to create positive lists as mentioned in the annex to the strategy appendix.

MSCI provides the bank with regularly updated positive lists, which the Bank uses to analyze and evaluate the portfolio on an ongoing basis.

In the event that an investment instrument ceases to comply with the sustainability criteria, the Bank will make best efforts to prioritise the disposal of this investment instrument from the portfolio while at the same time upholding the interests of the client.