

DJE Kapital AG (hereinafter referred to as DJE) has been active in the capital market as an independent wealth manager for over 45 years. DJE currently manages around 17.2 billion euros (as of 31 March 2022) with approximately 170 employees in the segments of individual wealth management, institutional asset management and retail funds. The core of the investment process is the FMM method (fundamental, monetary, market), which is based on the in-house, independent research. DJE takes sustainability criteria into account when selecting financial instruments and is a signatory to the UN Principles for Responsible Investment. UN Principles for Responsible Investments.

DJE is an asset manager within the meaning of § 134 a Paragraph 1 No. 2a of the German Stock Corporation Act (AktG). With regard to the resulting responsibility it describes the participation in portfolio companies pursuant to § 134 b of the German Stock Corporation Act (AktG) as follows. Portfolio companies within the meaning of this participation policy are companies in which DJE invests.

This participation policy describes

- the execution of shareholder rights by DJE
- the monitoring of important issues of portfolio companies
- the exchange of opinions with the corporate bodies and stakeholders
- the cooperation with other shareholders
- the handling of conflicts of interest and
- the reporting obligations of DJE

1. Execution of shareholder rights by DJE

DJE is instructed within the scope of asset management or fund management to subscribe to, buy, sell or exchange financial instruments within the scope of the agreed investment strategy, to exercise subscription rights or otherwise dispose of them or to exercise rights arising from these financial instruments or to carry out all other measures which appear reasonable with regard to the management. The exercise of voting rights at general meetings is not executed out by DJE but as a rule by DJE's clients.

DJE does not monitor how its clients exercise voting rights at general meetings. Although DJE itself does not execute voting rights at general meetings, in the case of group-affiliated funds, voting rights are executed by the wholly-owned subsidiary DJE Investment S.A. within the framework of its policy on the exercise of voting rights.

As a matter of principle DJE will not make any statement to its clients concerning the execution of voting rights within regard to wealth or portfolio management. The only exception is the requirement of a statement to resolve a potential conflict of interest.

2. Monitoring of important issues of the portfolio companies

As an active investment manager DJE engages in the capital market in particular through profound investment decisions. Important matters of the portfolio companies are continuously monitored by the team of analysts.

Through sound analyses DJE is able to assess concrete market opportunities as well as potential risks. As a rule the investment process of DJE, which is based on both qualitative and quantitative factors, screens portfolio companies that have strong balance sheets, are solid and retain their value. Using the FMM method developed by DJE, the three perspectives on what is happening on the stock exchange and the markets – fundamental, monetary and market – are taken into account. Further details on the FMM method can be found in the brochure “FMM Method”, which is available on the website www.dje.de. After the portfolio companies have been qualified by selection criteria, concrete investment decisions are made about individual portfolio companies.

Consistent risk management is implemented in all phases of the investment process. In order to meet due diligence requirements investment and risk processes of DJE are directed towards investing with an appropriate risk/reward profile. DJE's top priority is to avoid losses before maximizing profits. This means that DJE tries to anticipate risks before assessing potential opportunities.

Within the framework of the FMM method a scoring model is used taking into account aspects such as liquidity & security, strategy, valuation, momentum, company discussion, individual analyst assessment and sustainability criteria of the portfolio company.

DJE is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is thus committed to integrating factors such as environmental, social and good corporate governance, so-called ESG factors into its investment analysis and decision-making processes. Further information can be obtained in sustainability policy of DJE Kapital AG at www.dje.de.

In order to systematically ensure compliance with sustainability criteria DJE works together with MSCI-ESG-Research the leading international provider of analyses and ratings in the field of environmental, social and responsible corporate governance. All portfolio companies are therefore evaluated using the MSCI-ESG filter.

This allows DJE to exclude companies that violate the 10 universal principles of the UN Global Compact. The UN Global Compact is the world's largest and most important initiative for responsible corporate governance. The vision of the UN Global Compact is an inclusive and sustainable

global economy based on its 10 universal principles. More information on the UN Global Compact is available at www.unglobalcompact.org/.

3. Exchange of opinions with the corporate bodies and stakeholders

Another very important source of information for the analyses and the related investment decisions as well as an opportunity to influence portfolio companies are meetings with company representatives and boards of directors. The analyst team of DJE has about several hundred company meetings per year, the majority of which are at board level. In addition to the discussion of the current market environment and the current challenges and opportunities, publicly known future investment plans and in some cases possible expansions into other markets are sometimes on the agenda. The analysts can therefore discuss the strategic direction of the company and express both agreement and disagreement with the management of the portfolio companies. In the context of these meetings DJE analysts are also increasingly encouraged to address and discuss ESG-relevant topics and risks. Critical topics or topics that can be addressed from the EGS perspective are consciously and consistently addressed. Furthermore, the implementation of measures announced by companies is closely monitored and discussed in personal meetings.

4. Cooperation with other shareholders

As a rule, there is no cooperation with other shareholders. However, there may be discussions with other investors insofar as it concerns the exchange of opinions on publicly known information. In the context of these discussions on the part of DJE with other investors, agreements with regard to the execution of voting rights are not made and the transaction behavior of DJE is not explained.

DJE supports the public discussion on strengthening sustainability criteria. DJE therefore publicly expresses its support for strengthening ESG criteria through company visits, interviews, press releases and in the context of interest groups and industry associations.

5. Dealing with conflicts of interest

The handling of conflicts of interest is governed by the Conflict of Interest Policy of DJE Kapital AG, which is published on the website www.dje.de.

6. Reporting obligations

The implementation of the participation policy is annually reported by DJE. The participation policy and the participation report are published at www.dje.de and updated at least annually.

The following report for the year 2021 explains how DJE Kapital AG (hereinafter referred to as DJE) has implemented its participation policy, cf. section 134 b (2) AktG.

1. Execution of shareholder rights by DJE

DJE did not execute any voting rights in 2021 and therefore cannot provide any general explanations with regard to the voting behavior, key votes and the use of proxy advisors.

DJE has not made any statement to its clients on the execution of voting behavior in the context of wealth management or portfolio management.

For group-affiliated funds voting rights were executed by our wholly-owned subsidiary, DJE Investment S.A., within the scope of its policy on the execution of voting rights. The report on the execution of voting rights by DJE Investment S.A. is published on the website www.dje.lu.

2. Monitoring of important issues of the portfolio companies

Also in 2021 DJE proved to be an active investment manager in the capital market through sound investment decisions.

In order to be able to evaluate the portfolio companies even better quantitative parameters – mainly in the areas of valuation, momentum and security & liquidity – were expanded and further optimized within the framework of the in-house bottom-up analysis approach. In 2021 during the pandemic the investment management of DJE was excellent. DJE had early recognized how infectious the virus is and therefore sold portfolio companies that were disproportionately affected early. DJE's investment management in 2021 was designed to meet the ongoing challenges posed by the Corona pandemic, as well as the increased influence of disrupted supply and logistics chains and overall emerging inflationary trends in 2021. DJE recognized early on that inflationary pressures in many sectors will not disappear quickly and therefore focused on portfolio companies that are likely to be able to pass on well or fully the increased costs resulting from very strong pricing power.

3. Exchange of opinions with the corporate bodies and stakeholders

In 2021, despite the pandemic, DJE had a constant exchange of opinions with the corporate bodies of companies in which potential investments should be made or are being made. This exchange took mainly place through virtual channels.

Sustainability criteria are a central component of the DJE investment process. In the sustainability/ESG category the evaluation is carried out with the help of the qualitative results of MSCI ESG Research. Any existing controversies at the portfolio companies are generally addressed in discussions with the company concerned. ESG-relevant topics are now an integral part of every company meeting.

4. Cooperation with other shareholders

No cooperation with other shareholders took place in 2021. As far as DJE had discussions with other investors agreements were not made with regard to the execution of voting rights, no explanations were given on transaction behavior of DJE and coordination with other investors did not take place.

5. Handling conflicts of interest

In 2021 conflicts of interest have not been reported to DJE. DJE organizes processes preventively in such a way that conflicts of interest will not occur, if possible.