

Template 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

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

Product name: IAD INVESTMENTS FUND - IAD INVESTMENT REAL ESTATE FUND (IAD IRF) SUB-FUND (The Fund)

Legal entity identifier: 222100I3N6XODRU1KA05

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 will make a minimum of sustainable investments with a social objective: ___%	<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 checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments
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What environmental and/or social characteristics are promoted by this financial product?

The financial product, IAD INVESTMENT REAL ESTATE FUND (IAD IRF) actively promotes environmental and social characteristics through a range of focused initiatives. It emphasises energy efficiency to contribute to the reduction of greenhouse gas (GHG) emissions and therefore supports climate change mitigation objectives. In its real estate projects, the Fund prioritises adherence to sustainability standards such as BREEAM, LEED, or similar certifications.

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

The Fund's investment strategy excludes involvement in sectors such as fossil fuels, controversial weapons, tobacco, gambling, coal, pesticide manufacturing, and single-use plastic production. It also excludes companies known to be involved in human rights abuses, illegal business or environmental degradation.

The Fund encourages a strong sense of community, focusing on tenants, building occupants, and the broader public affected by its real estate projects.

The Fund is committed to maintaining fair and ethical relationships with stakeholders and ensuring good working conditions for employees, business partners, suppliers, and service providers.

A particular focus of the Fund lies in improving energy efficiency to reduce greenhouse gas (GHG) emissions. The Fund's strategy to achieve this includes:

- Enhanced data collection, monitoring, and evaluation practices.
- Implementation of clear and enforceable policies & roadmaps.
- Providing education and support for tenants to adopt energy-saving measures.
- Integrating efficient systems during modernization and refurbishment efforts.
- Prioritizing an energy mix that incorporates renewable energy sources.
- Employing technology optimization in building operations.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the the Fund.

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

The sustainability indicators to measure the attainment of E/S characteristics promoted by the financial product are the following:

Main indicators for environmental characteristics:

- Energy Consumption (kWh)
- Water Consumption (m3)
- GHG emissions attributable to metered Consumed Energy for the buildings (tCO₂e)
- Energy Intensity (kWh/m²/yr)
- Water Intensity (kWh/m²/yr)
- Carbon Footprint per €M of the investment (tCO₂e/€M of investment)
- GHG Intensity of investee companies (tCO₂e/€M of revenue)

Indicators for social characteristics:

- Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprise (%)

● ***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?***

The Fund does not have a sustainable investment objective.



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.

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

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 since the Fund does not have a sustainable investment objective.

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

Not applicable since the Fund does not have a sustainable investment objective.

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

Not applicable, since the Fund does not have a sustainable investment objective.

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?

IAD Investments Fund, through its sub-fund IAD Investment Real Estate (IAD IRF), focuses on real estate projects located in the European Union, Switzerland, and United Kingdom with a primary

focus on Central European countries such as Czech Republic, Slovakia, Poland and Hungary. Investments in the office segment are limited to A-class commercial properties located in the central business districts of the capital and regional cities. The retail segment targets properties in both capital and regional cities. Logistic property investments are confined to strategically attractive locations.

The Fund seeks to maximize the value via investing in properties which in the past proved to bear characteristics of a prime-commercial real estate property, which as such implies having a top-tier tenants portfolio being located in prime or strategic locations and soundly built from both technical and architectural point of view. The Fund seeks to enhance the value of properties by contracting an excellent lease management in order to maximize property income.

In addition, the Fund aims to promote sustainable aspects in line with Article 8 of the SFDR Regulation and pursue a climate change mitigation objective, within the meaning of the Taxonomy Regulation. For this purpose, the investment objective of the Fund is also to invest in real estate assets that promote the environmental and sustainable standards on respective real estate markets. It is part of the long-term investment objective of the Fund to hold at least 75 % of properties in its investments in real estate portfolio with sustainability certification - BREEAM, LEED or similar or higher standards. 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.

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

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.

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

- ***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?***

It is part of the long-term investment objective of the Fund to hold at least 75 % of properties in its investments in real estate portfolio with sustainability certification - BREEAM, LEED or similar or higher standards.

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

Not applicable.

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

With respect to the good governance practices, the Fund has implemented audit and due diligence procedures to any new investments. The Fund follows the 10 principles of the UN Global Compact with respect to the investee companies. The Fund intends to implement sustainable procurement practices in the short-term period and sustainable supply chain principles (where applicable) in the mid-to-long-term period.

The exercise of determining whether an investee company maintains good governance practices is covered by the Investment Manager’s pre-investment due diligence and while exercising appropriate discretion.

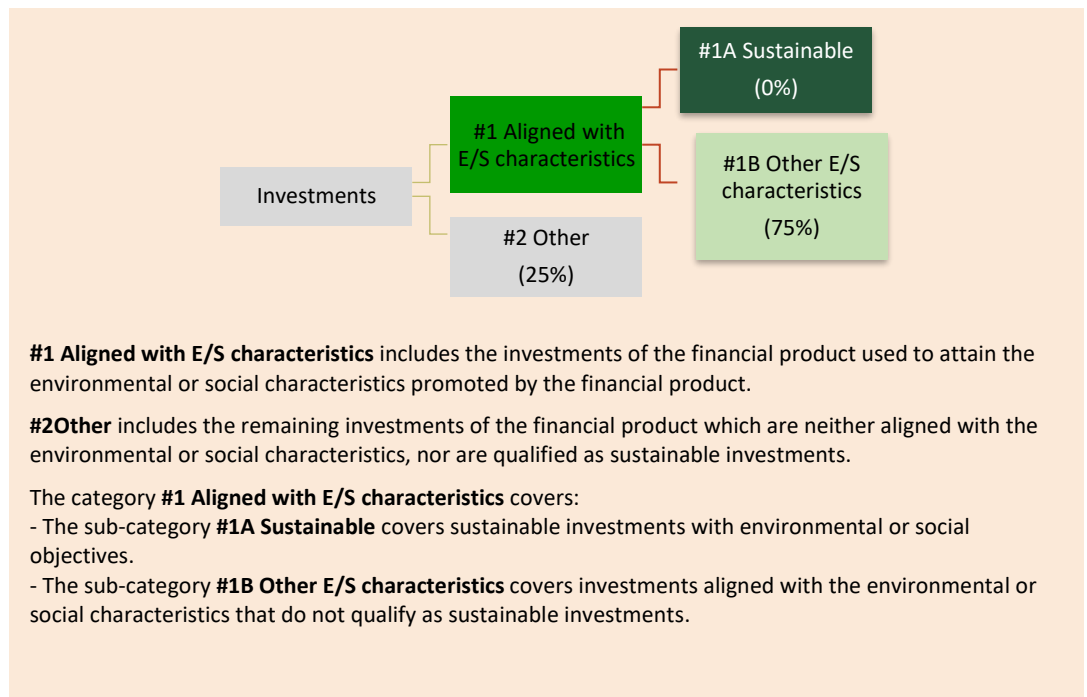


What is the asset allocation planned for this financial product?

The financial product invests predominantly in real estate assets held directly or indirectly via an SPV. The financial product can invest also in the following assets:

- other collective investment undertakings, provided that the aggregate value of the investment in the shares or other similar equity securities issued by such collective investment undertakings may not exceed more than 20% of the assets of the financial product ;
- listed bonds, provided that the value of the investment in such bonds shall not exceed more than 25% of the financial product's assets and that the bonds issued by one issuer or issuers belonging to the same consolidated group may not exceed more than 25% of the assets of the financial product;
- shares or other similar equity securities of SPVs and/or joint-venture structures; and
- assets under development, provided that the aggregate value of the assets under development may not exceed more than 25% of the assets of the financial product.

It is part of the long-term investment objective of the Fund to hold at least 75 % of properties in its investments in real estate portfolio with sustainability certification - BREEAM, LEED or similar or higher standards.



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

The financial product may invest in derivatives for hedging or risk management purposes. The use of derivatives by the financial product does not attain environmental or social characteristics promoted by the financial product.

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.



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

The methodology and boundaries for assessing the proportion of investments with an environmental objective aligned with the EU Taxonomy is being established and is therefore currently not applicable.

● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?



Yes:



In fossil gas

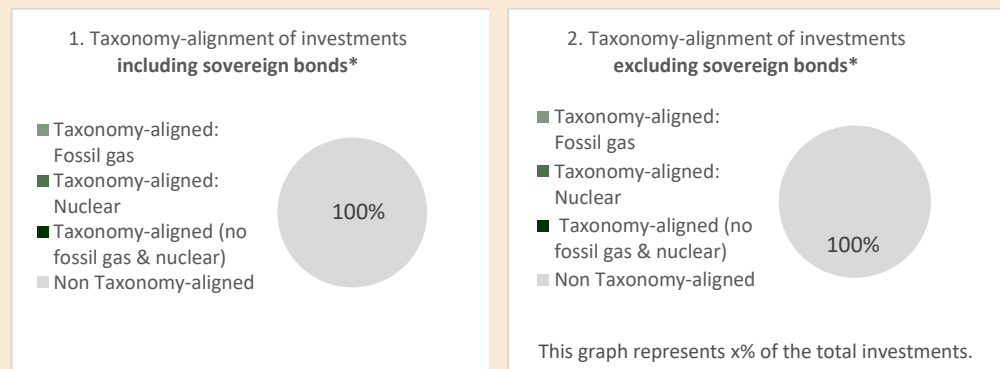


In nuclear energy



No

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?

The Fund has no minimum proportion of investment in transitional or enabling activities.



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

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 any 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.



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

Not applicable.



What is the minimum share of socially sustainable investments?

Not applicable.



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

The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities due to:

- (i) their nature - derivatives, bank deposits at sight, including cash held in current accounts with a bank accessible at any time or
- (ii) the nature of the investment strategy and objective of the financial product.



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 reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by this financial product.

- ***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.



Where can I find more product specific information online?

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

<https://iadim.fund/>

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