

## Sustainability-related disclosure

**Product name:** Maj Invest Global Value Equities

**LEI-code:** 549300HGE0FF0ZYJCU55

Website product disclosure on financial products promoting environmental or social characteristics.

### SUMMARY

Maj Invest Global Value Equities invests in stocks that are characterized as being undervalued relative to the companies' underlying fundamental and business value. The fund's objective is to generate returns that, over time, exceed market returns as measured by the broad global index. The fund follows a highly focused investment approach, holding 25–35 stocks, making it more volatile than traditional global equity funds.

The fund promotes environmental and social characteristics by integrating ESG risks and opportunities into the investment process. The fund aims to invest in companies that best manage ESG risks and opportunities within its investment universe. It is assessed that companies actively addressing these risks may achieve a competitive advantage in the long term. Furthermore, improved overall ESG performance within companies contributes to promoting environmental and social characteristics.

No commitment is made to sustainable investments as defined by the EU Sustainable Finance Disclosure Regulation (SFDR). No reference benchmark is used to achieve the environmental or social characteristics promoted by the fund.

The investment team employs exclusion, ESG integration, and active ownership as binding elements of the investment strategy. Exclusion eliminates companies engaged in unsustainable activities. ESG integration systematically assesses ESG factors within the investment process to identify companies' management of ESG risks and exploitation of ESG opportunities to promote environmental and social characteristics. Finally, active ownership is used to engage in dialogue with companies and exercise voting rights to ensure positive developments in various ESG aspects.

100% of the fund's investments meet the criteria outlined in the Mutual fund's investment advisor Fondsmæglerselskabet Maj Invest's (hereinafter the investment advisor, Maj Invest) ESG integration strategy, ensuring alignment with other environmental and social characteristics. This is secured through the binding elements of the strategy.

The investment team utilises ESG data from globally recognised ESG data providers, including Morningstar Sustainalytics ("Sustainalytics") and Clarity AI, which are integrated into the portfolio management system. Data quality is ensured through continuous updates and the combination of reported data, supported by validation from data providers.

To ensure compliance with the fund's investment framework and the promotion of environmental and social characteristics, investments undergo systematic and ongoing monitoring.

## **NO SUSTAINABLE INVESTMENT OBJECTIVE**

This financial product promotes environmental or social characteristics but does not have sustainable investment as its objective.

## **ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT**

The fund employs specific sustainability indicators to promote its environmental and social characteristics:

### **Aggregate ESG risk rating of the portfolio**

The fund applies Sustainalytics' ESG Risk Rating, which measures companies' exposure to and management of ESG risks. Companies with a lower rating have fewer unmanaged risks and, therefore, better integrate ESG risks and opportunities into their operations.

- Negligible (0–9.9): Minimal unmanaged ESG risks, indicating strong management of significant ESG risks.
- Low (10–19.9): Few unmanaged ESG risks, indicating a high level of ESG integration.
- Medium (20–29.9): Moderate unmanaged ESG risks, indicating a medium level of ESG integration.
- High (30–39.9): High unmanaged ESG risks, indicating a low level of ESG integration.
- Severe (40 and above): Severe unmanaged ESG risks, indicating critical deficiencies in managing significant ESG risks.

### **Aggregate ESG risk rating of MSCI World Value**

The fund uses the MSCI World Value's aggregate ESG Risk Rating to compare the performance of companies in the portfolio against the benchmark. The fund applies Sustainalytics' ESG Risk Rating, which measures companies' exposure to and management of ESG risks. Companies with a lower rating are better at integrating ESG risks and opportunities into their operations. See the rating description above.

### **The difference between the portfolio's and MSCI World Value's aggregated ESG risk rating**

The fund measures its overall ESG performance by comparing the portfolio and the benchmark's aggregate ESG Risk Ratings. The fund aims to achieve an ESG Risk Rating lower than that of the benchmark.

## **INVESTMENT STRATEGY**

Maj Invest Global Value Equities invests in stocks that are characterized as being undervalued relative to the companies' underlying fundamental and business value. The fund's objective is to generate returns that, over time, exceed market returns as measured by the broad global index.

The fund follows a highly focused investment approach, holding 25–35 stocks, making it more volatile than traditional global equity funds.

The fund's environmental and social objectives are achieved through its commitment to responsible investment, as described in the investment advisor, Maj Invest's, Responsible Investment Policy and ESG Investment Framework.

The investment advisor, Maj Invest, has defined four ESG investment strategies within its ESG Investment Framework, of which the Maj Invest Global Value Equities strategy is part of ESG integration. ESG integration follows a systematic approach, incorporating ESG factors at different stages of the investment process. Integrating ESG is not necessarily at odds with financial performance; on the contrary, companies managing ESG risks and opportunities may have the potential to perform better over the long term.

The fund employs exclusion, ESG integration, and active ownership as binding elements of the investment strategy to achieve its environmental and social characteristics.

### *Exclusion*

The fund excludes companies engaged in unsustainable activities, including:

- Companies deriving more than 10% of their revenue from oil sands exploration and extraction.
- Companies deriving more than 10% of their revenue from thermal coal exploration and extraction.
- Companies deriving more than 10% of their revenue from the production and cultivation of tobacco products.
- Companies deriving more than 10% of their revenue from the production of adult entertainment.
- Companies deriving more than 10% of their revenue from the ownership or operation of gambling establishments.
- Companies involved in controversial weapons activities (as defined by international treaties and conventions).
- Companies that have violated international standards such as the UN Global Compact and OECD Guidelines, demonstrating no willingness to change their behaviour despite repeated engagement efforts, and are therefore placed on the Sustainalytics disengagement list.

### *ESG Integration*

Companies are assessed on their exposure to ESG risks and the effectiveness of their risk management across 22 key topics and over 40 indicators. Additionally, adverse impacts on sustainability factors are evaluated based on PAI indicators covering environmental and social aspects.

## Active Ownership

The fund promotes environmental and social characteristics through active ownership. This is achieved by engaging with companies that have very high ESG risks or identified breaches of international norms, including the UN Global Compact and OECD Guidelines for Multinational Enterprises. The fund also actively exercises voting rights, including in votes related to ESG issues that support respect for human rights and labour rights in line with international standards.

## Policy for assessing good governance practices

Assessing good governance practices is ensured through the investments advisor, Maj Invest's, Responsible Investment Policy and involves norm-based screening in collaboration with Sustainalytics. The screening evaluates whether companies comply with internationally recognised norms and standards concerning environmental, social, and governance issues, including the UN Global Compact and OECD Guidelines for Multinational Enterprises. It identifies companies that violate or risk violating these norms.

The investment advisor, Maj Invest's Responsible Investment Policy, can be accessed here:

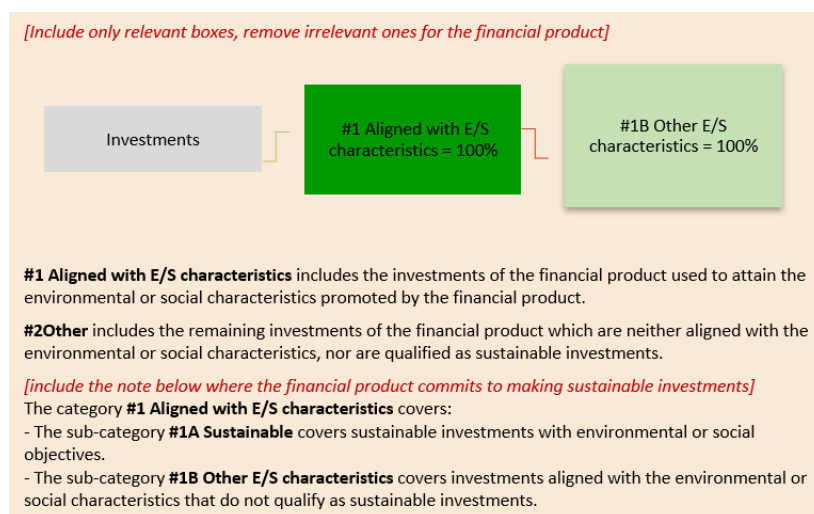
[Responsible Investment Policy](#).

For more information on the fund's overall investment strategy, please refer to the relevant section of the prospectus.

## PROPORTION OF INVESTMENTS

100% of the fund's investments meet the criteria in the investment advisor, Maj Invest's ESG integration strategy and are aligned with other environmental and social characteristics. This is ensured through the binding elements of the investment process, including exclusions, ESG integration, and active ownership, as described above.

The table below presents the minimum share of investments in the fund contributing to the achievement of the environmental and social characteristics promoted by the fund.



**MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS**

The investment advisor, Maj Invest, ensures that the fund's investments comply with the responsible investment requirements, as adopted in the Responsible Investment Policy.

Monitoring of the fund's social and environmental characteristics is conducted through the binding elements of the investment strategy, including sustainability indicators and PAI indicators, covering various parts of the investment process. This is described in detail in the Investment Strategy section.

The fund assesses its overall ESG performance by comparing the aggregated ESG Risk Rating for the portfolio against that of the benchmark. This comparison is continuously monitored and reviewed at least quarterly. The fund aims to achieve an ESG Risk Rating lower than that of the benchmark.

**METHODOLOGIES**

The fund employs the following methods to achieve the environmental and social characteristics it has committed to promoting:

*Exclusion*

The fund excludes companies involved in unsustainable activities, as outlined in the *Investment Strategy section*. These exclusions are fully integrated into Maj Invest's portfolio management system, Dimensions, which automatically blocks investments in companies that do not comply with the defined exclusion criteria.

*ESG Integration*

The fund applies Sustainalytics' ESG Risk Rating, which measures companies' exposure to and management of ESG risks. Companies with a lower rating have fewer unmanaged risks and are therefore better at integrating ESG risks and opportunities into their operations.

In investment analysis, the investment team uses the ESG Risk Rating and its underlying data to gain a deeper understanding of a company's ESG exposure and risk management. If a company is assessed as having high ESG risks according to Sustainalytics' ESG Risk Rating, and the investment team still wishes to invest in the company, a further evaluation must be conducted in collaboration with the sustainability team. This assessment must include a justification for why it is considered appropriate to invest in the company.

*Active Ownership*

The fund engages in dialogue with companies that have high ESG risks or are involved in controversies. Engagement can take place directly, via Sustainalytics, or in collaboration with other investors to increase focus on ESG risks and promote risk-reducing measures. Progress in the engagement process is continuously measured to assess how the dialogue contributes to fulfilling the environmental and social characteristics the fund has committed to promoting.

Furthermore, voting rights at general meetings are used as an instrument to influence company decisions and ensure that ESG-related matters are addressed at the management level. To measure the promotion of environmental and social characteristics, voting outcomes are continuously monitored.

#### **DATA SOURCES AND PROCESSING**

To obtain ESG data, the investment advisor, Maj Invest, utilises data from Sustainalytics and Clarity AI. These data providers support the analysis of companies' ESG factors, including their exposure to ESG risks and opportunities, as well as their contribution to the fund's social and environmental characteristics. Data quality is ensured through a combination of companies' self-reported data and estimated data from Sustainalytics and Clarity AI's analyses.

Data is continuously updated and directly integrated into the portfolio management system as part of the investment process.

A significant portion of the data received from Sustainalytics and Clarity AI is still based on estimates, as many companies have not yet reported on the relevant data points. In such cases, Sustainalytics and Clarity AI may estimate data. Both Clarity AI and Sustainalytics indicate which data are estimated. However, since this varies across data points and companies, compiling an overall report on estimated data is complex. Therefore, a comprehensive report on estimated data cannot be provided at this time. However, we always strive to use the most accurate data available.

#### **LIMITATIONS TO METHODOLOGIES AND DATA**

The methods and data sources used to promote environmental and social characteristics may be subject to certain limitations. These include inconsistent reporting from companies, limited data availability in specific sectors and geographies, and reliance on estimated data when reported data is unavailable.

To mitigate these challenges, Sustainalytics combines reported data with its own analysis to establish a reliable basis for assessment.

Although limitations in data quality may lead to inaccuracies in some analysis of companies' ESG risk management, it is assessed that these limitations do not impact the achievement of the fund's environmental and social characteristics. This assessment is based on the fund's concentrated portfolio, the investment team's in-depth knowledge of the individual companies, and the continuous monitoring and validation of data quality by the recognised data providers.

## **DUE DILIGENCE**

The fund is actively managed and undergoes a thorough due diligence process to assess its underlying assets. The portfolio managers analyse both financial and sustainability-related information from multiple data sources, including annual reports, third-party analyses, and other market information.

Sustainability aspects are integrated into the investment process and can influence decisions on whether to buy, hold, or sell investments. Engagement processes and monitoring of company governance, including board composition and voting rights, support this assessment.

Internally, the due diligence process is controlled through continuous portfolio monitoring and systematic screening and exclusion processes. Externally, these processes are validated using data from providers such as Sustainalytics and Clarity AI.

Based on this process, the investment advisor, Maj Invest, may decide to divest or reduce investments in companies that do not align with the fund's environmental and social characteristics.

## **ENGAGEMENT POLICIES**

The investment advisor, Maj Invest, applies an active ownership policy as a central part of the fund's strategy to promote environmental and social characteristics. This policy includes norm-based screening conducted in collaboration with Sustainalytics to identify violations of international norms and guidelines related to human rights, environmental protection, anti-corruption, and labour rights.

When violations are identified, dialogue with the company is initiated to influence behaviour and resolve problematic issues. If engagement does not lead to improvements, the company may be excluded and divested. The investment advisor, Maj Invest, also utilises voting rights as part of active ownership, where deemed appropriate, to address sustainability-related risks and promote positive developments. Through systematic engagement, monitoring, and voting, Maj Invest works to ensure that companies progress in a positive direction regarding the environmental and social characteristics promoted by the fund.

Read our Active Ownership Policy here: [Maj Invest – Active Ownership Policy](#).

## **REFERENCE BENCHMARK**

The fund does not use a reference benchmark to achieve the environmental and social characteristics.

**CHANGE LOG**

<b>DATE</b>	<b>VERSION NUMBER</b>	<b>CHANGES/COMMENTS</b>
27 January 2025	2.0	<p>A summary section has been added to provide an overview of the sustainability-related disclosure contained in this document.</p> <p>Additionally, revisions and further clarifications have been made to the following sections: “The financial product’s environmental or social characteristics”, “Investment strategy”, “Proportion of investments”, “Monitoring of environmental or social characteristics”, and “Methodologies”.</p>
22 January 2022	1.0	Publication of sustainability-related disclosure.