Pre-contractual disclosure for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852

Product name:

Deutsche Bank Persönliches Strategie Portfolio
discretionary portfolio management with a limited investment universe and application of sustainability criteria in the selection of financial instruments

Legal entity identifier (LEI-Code):

7LTWFZYICNSX8D621K86

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.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?	
☐ **Yes**	☒ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___ % ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ 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 ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective:** ___ %	☒ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

As part of the discretionary portfolio management activities, the Bank aims to purchase investment instruments that meet certain sustainability criteria. To this end, the Bank uses ESG ratings from data providers MSCI ESG Research (UK) Limited and MSCI ESG Research LLC (jointly ‘MSCI’) as well as other data supplied by MSCI.

Moreover, issuers (other than states and investment funds) are to be excluded if MSCI’s assessment finds that the issuer’s business practices or manufactured products breach important national or international norms, laws and/or universally accepted global standards. In addition, issuers must be excluded if they operate or generate a significant proportion of their revenue in any area of business that the Bank deems to be problematic.

The Bank makes best efforts to ensure that at least 51 per cent of the portfolio (not considering liquidity in the form of account balances, including short-term deposits) is invested in instruments that, in the Bank’s opinion, take account of principal adverse impacts on sustainability factors by virtue of the fact that they fulfil the requirements of at least one individual factor from the categories ‘greenhouse gas emissions’ and/or ‘social and employee matters’.

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

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

Sustainability criteria are taken into account in the selection of financial instruments for 'Deutsche Bank Persönliches Strategie Portfolio discretionary portfolio management with a limited investment universe and application of sustainability criteria in the selection of financial instruments' products with an Continuity Classic ESG, Income Classic ESG, Balance Classic ESG, Growth Classic ESG, Dynamic Classic ESG, Balance Flex Select ESG or Dynamic Flex Select ESG investment strategy.

For the purposes of determining whether an investment instrument meets the sustainability criteria that apply to the investment strategy, the Bank relies on the positive lists that are prepared and regularly updated by MSCI ESG Research (UK) Limited and MSCI ESG Research LLC ('MSCI'), which may include information on issuers, financial instruments and underlying assets on which financial instruments may be based.

The minimum requirement for the inclusion of an issuer, a financial instrument (excluding investment funds) or an underlying asset on a positive list is that it has been given an ESG 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). The minimum requirement for the inclusion of an investment fund in 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 with a name containing the term '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. For funds, MSCI calculates its rating based on a 'fund ESG quality score', which represents the weighted average of the individual ESG ratings of the assets held in the fund as stated in the latest inventory of positions published by the fund. MSCI prepares ESG ratings of countries, federal, region- al and local authorities and other state-linked issuers based on ESG risk factors in the value creation process of the state in question. The process focuses on the state's handling of resources, its provision of essential services to citizens and its creditworthiness. For all other issuers, MSCI uses a scoring model that is designed to identify and assess material ESG opportunities and risks. A risk is deemed material under the scoring model if it can be expected, according to MSCI, that issuers in a particular industry will be facing a significant burden of costs in connection with this risk in the future. An opportunity is deemed material under the scoring model if it is likely, according to MSCI, that this opportunity will benefit the profit generation of companies in the future.

In addition, the Bank applies exclusion criteria using data made available to the Bank by MSCI. At present, supplementary exclusion criteria are included for issuers (other than states and investment funds), 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 issuers (other than states and investment funds), 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 the 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.

— In addition, issuers must be excluded if they operate or generate a significant proportion of their revenue in any area of business that the Bank deems to be problematic.

A detailed description of the criteria used to compile MSCI positive lists, including the underlying exclusion criteria and revenue thresholds, is provided by the Bank on the information sheet 'Information on sustainability criteria applied in the selection of financial instruments for Deutsche Bank Persönliches Strategie Portfolio ESG investment strategies' (as amended). This information sheet is provided to customers upon conclusion of the discretionary portfolio management agreement and again whenever the terms of the agreement are updated.

The Bank's investment process for the aforementioned strategies takes account of certain principal adverse impacts on sustainability factors with regard to the selection of investment funds (except for funds that predominantly invest in government bonds or other investment instruments issued by states) and investment instruments from non-state issuers.

The principal adverse impacts of investment decisions on sustainability factors, as defined in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation – SFDR), are the main negative effects that investment decisions have on sustainability factors in relation to the environment, social and employee matters, respect for human rights and anti-corruption and bribery matters.

The Bank makes best efforts to ensure that at least 51 per cent of the portfolio (not considering liquidity in the form of account balances, including short-term deposits) is invested in instruments that take account of principal adverse impacts on sustainability factors in accordance with the following criteria.

When selecting investment instruments, the principal adverse impacts on sustainability factors are currently being taken into account in the following ways:

— For **non-state issuers**, principal adverse impacts on sustainability factors in the category ‘greenhouse gas emissions’ are currently being taken into account only via exclusions of companies that generate more than 5 per cent of their revenue from thermal coal production and/or unconventional oil or gas extraction methods. Principal adverse impacts on sustainability factors in the category ‘social and employee matters’ are currently being taken into account only via exclusions of companies that violate the principles of the United Nations Global Compact or are actively involved in the production or trade of controversial weapons such as weapon systems, nuclear weapons, anti-personnel mines, incendiary weapons and cluster munitions. PAIs are currently being taken into account only in relation to the issuers themselves and in cases where an investment instrument from this issuer serves as an underlying asset for another investment instrument. To this end, the Bank applies the exclusions provided by MSCI that were agreed between MSCI and the Bank. Suppliers and subsidiaries of issuers are not included in the associated analysis.

— For **investment funds that do not predominantly invest in states**, principal adverse impacts on sustainability factors are being taken into account via exclusions that are applied on the basis of the information made available by the investment management companies or fund management companies or by MSCI. Investment funds that do not take account of at least one individual sustainability factor in the categories

  — ‘greenhouse gas emissions’ and/or

  — ‘social and employee matters’

  are excluded.

No benchmark has been specified for measuring the attainment of the environmental or social characteristics promoted by the financial product.

- **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 discretionary portfolio management approach does not pursue sustainable investments nor does it take into account the EU criteria for environmentally sustainable economic activities.

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.

Does this financial product consider the principal adverse impacts on sustainability factors?

The **principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environment, social and employee matters, respect for human rights and anti-corruption and bribery matters.

☒ **Yes,** the Bank's investment process for the aforementioned strategies takes account of certain principal adverse impacts on sustainability factors with regard to the selection of investment funds (except for funds that predominantly invest in government bonds or other investment instruments issued by states) and investment instruments from non-state issuers.

The Bank makes best efforts to ensure that at least 51 per cent of the portfolio (not considering liquidity in the form of account balances, including short-term deposits) is invested in instruments that take account of principal adverse impacts on sustainability factors in accordance with the following criteria.

When selecting investment instruments, the principal adverse impacts on sustainability factors are currently being taken into account in the following ways:

— For **non-state issuers**, principal adverse impacts on sustainability factors in the category 'green- house gas emissions' are currently being taken into account only via exclusions of companies that generate more than 5 per cent of their revenue from thermal coal production and/or un- conventional oil or gas extraction methods. Principal adverse impacts on sustainability factors in the category 'social and employee matters' are currently being taken into account only via exclusions of companies that violate the principles of the United Nations Global Compact or are actively involved in the production or trade of controversial weapons such as weapon systems, nuclear weapons, anti-personnel mines, incendiary weapons and cluster munitions. PAIs are currently being taken into account only in relation to the issuers themselves and in cases where an investment instrument from this issuer serves as an underlying asset for another investment instrument. To this end, the Bank applies the exclusions provided by MSCI that were agreed between MSCI and the Bank. Suppliers and subsidiaries of issuers are not included in the associated analysis.

— For **investment funds that do not predominantly invest in states**, principal adverse impacts on sustainability factors are being taken into account via exclusions that are applied on the basis of the information made available by the investment management companies or fund management companies or by MSCI. Investment funds that do not take account of at least one individual sustainability factor in the categories

  — 'greenhouse gas emissions' and/or

  — 'social and employee matters'

  are excluded.

Information concerning the consideration of principal adverse impacts on sustainability factors can be found in the 'Periodic disclosures for the financial products referred to in Article 8 (1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6 (1) of Regulation (EU) 2020/852' that are published as part of the year-end reporting and are available online at https://www.deutsche-bank.de/pk/lp/rechtliche-hinweise.html#sustainability-disclosures.

The methods generally used by Deutsche Bank AG to take account of the principal adverse impacts of investment decisions on sustainability factors are disclosed online in the 'Statement on principal adverse impacts of investment decisions on sustainability factors', which can be accessed from the 'Sustainability disclosures' section at https://www.deutsche-bank.de/pk/lp/rechtliche-hinweise.html.

☐ **No**

What investment strategy does this financial product follow?

The investment focus is on the implementation of a specific risk/reward profile.

The aim is to generate a return for the portfolio that is in line with the performance of the capital markets subject to the strategy agreed with the client and the eligible universe of investment instruments. As part of its discretionary portfolio management activities, the Bank will take account of sustainability criteria. To this end, it will preferably invest in financial instruments that meet the sustainability criteria specified under "What sustainability indicators are used to measure the attainment of each of the environmental and social characteristics promoted by this financial product?" and will take account of the principal adverse impacts on sustainability factors in the categories 'greenhouse gas emissions' and 'social and employee matters' as described above.

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

- **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?**

When selecting investment instruments, the Bank refers to the most up-to-date version of the positive lists provided by MSCI for guidance. The requirements for inclusion in these positive lists are a minimum MSCI ESG rating of ‘A’, or ‘BBB’ for emerging markets investment funds and high-yield investment funds, and the application of the Bank’s exclusion criteria.

In addition, the principal adverse impacts on sustainability factors in the categories ‘greenhouse gas emissions’ and ‘social and employee matters’ are taken into account as described above for non-state issuers and for investment funds that do not predominantly invest in states.

Account balances (including short-term deposits) are held exclusively at Deutsche Bank AG. Sustainability criteria are not applied to these assets. If the Bank believes that special market conditions prevail, account balances (including short-term deposits) may account for up to 100 per cent of the assets under management.

MSCI regularly provides the Bank with updated positive lists. When selecting investment instruments, the principal adverse impacts on sustainability factors in the categories ‘greenhouse gas emissions’ and ‘social and employee matters’ are taken into account as described above for non-state issuers and for investment funds that do not predominantly invest in states.

For non-state issuers, PAIs are taken into account through the use of data from MSCI and through the exclusion criteria applied to the positive list.

For investment funds that do not predominantly invest in states, PAIs are taken into account via exclusions that are applied on the basis of the information made available by the investment management companies or fund management companies or by MSCI.

At present, the data required by the Bank, e.g. for the consideration of principal adverse impacts on sustainability factors, is not always available from the investment management companies, MSCI or the individual issuers. If data is made available by the investment management companies or asset/fund management companies, it is used subject to a plausibility check against MSCI data. If no data is made available by the investment management companies or asset/ fund management companies, MSCI data is used as a basis for the assessment.

In the event that an investment instrument ceases to comply with the 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.

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

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

The Bank uses the latest positive lists provided by MSCI as guidance when selecting investment instruments. The minimum requirement for the inclusion of an issuer, a financial instrument or an underlying asset on a positive list is an MSCI ESG rating of ‘A’ or higher, or ‘BBB’ or higher for emerging markets investment funds and high-yield investment funds. To determine these ratings, MSCI uses a scoring model that is designed to identify and assess material ESG opportunities and risks. The factors taken into account by this scoring model include criteria for good corporate governance. A detailed description of the criteria used by MSCI to compile positive lists is provided above under the heading ‘What sustainability indicators are used to measure the attainment of each of the environmental and social characteristics promoted by this financial product?’.

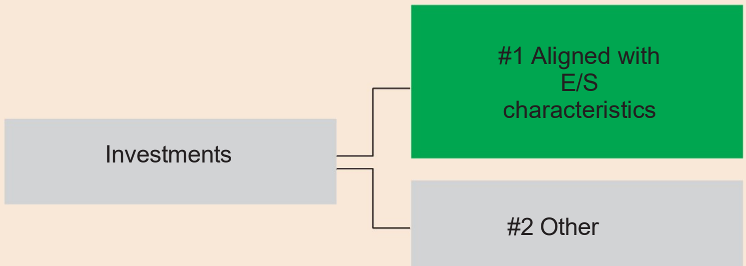
Moreover, MSCI will not consider issuers (other than states and investment funds) for inclusion in a positive list if they operate or generate a significant proportion of their revenue in any area of business that the Bank deems to be problematic.

When selecting investment instruments, the principal adverse impacts on sustainability factors in the category ‘social and employee matters’ are taken into account as described above for non-state issuers and investment funds that do not predominantly invest in states.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The objective is to make investments that contribute to attaining the environmental and social characteristics promoted by the product. The product is not geared towards investments that qualify as sustainable under the SFDR.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

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

  Derivatives are not used for this financial product.

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.

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

The financial portfolio management does not pursue sustainable investments and does not take into account the criteria for environmentally sustainable economic activities in accordance with the EU taxonomy. Therefore, no minimum level of EU taxonomy-compliant investments is achieved.

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?**

☐ **Yes**

☐ In fossil gas ☐ In nuclear energy

☒ **No**

The financial portfolio management does not aim to make any sustainable investments that are categorised as EU taxonomy-compliant activities in the area of fossil gas and/or nuclear energy. This value can therefore be between 0 per cent and 100 per cent.

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.

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.

1. Taxonomy-alignment of investments **including sovereign bonds***

2. Taxonomy-alignment of investments **excluding sovereign bonds***

This graph represents 56% of the total investments.

* For the purpose of these graphs, ‚sovereign bonds' consist of all sovereign exposures

The share of total investments stated in the chart ‘2. Taxonomy-alignment of investments **excluding sovereign bonds’** is subject to change. It may range between 0 per cent and 100 per cent. This information does not allow any conclusions to be drawn about the future actual asset allocation.

[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.

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.

- **What is the minimum share of investments in transitional and enabling activities?**

  The discretionary portfolio management approach does not pursue a minimum share of sustainable investments with an environmental objective that qualify as environmentally sustainable under Taxonomy Regulation. Consequently, the approach does not pursue any specific minimum share of investments in transitional and enabling activities either.

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

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

The discretionary portfolio management approach does not pursue a minimum share of sustainable investments with an environmental objective.

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

The proportion of assets held in account balances (including short-term deposits), for which no sustainability criteria are applied, is held for short-term liquidity management purposes. The portfolio's allocation to account balances (including short-term deposits) can vary significantly depending on the prevailing market conditions, but should be around 5 per cent of portfolio assets on average.

If the Bank believes that special market conditions prevail, account balances (including short-term deposits) may account for up to 100 per cent of the assets under management.

This means that no minimum environmental or social safeguards apply to investments in the category '#2 Other'.

Where can I find more product specific information online?

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

https://www.deutsche-bank.de/pk/lp/rechtliche-hinweise.html#sustainability-disclosures