

ACATIS FAIR VALUE SPECIAL

07/2022

Engagement can also lead to exclusion from the universe

While we spend a lot of time observing and providing information about our portfolio titles, we also like to highlight interesting developments from our universe. As part of our transparent approach, we also believe that you should know why some titles are not added to our universe due to sustainability issues. Moreover, we also want to demonstrate that we take engagement very seriously.

Based on the new data for the quarterly Q2 2022 rating, a well-known German company, namely the Mercedes Benz Group, will be downgraded from eligible to exclusion in accordance with our exclusion criterion “Financing of cluster munition and anti-personnel landmines”, which means that the company is excluded from the ACATIS Fair Value universe.

Mercedes Benz has a 15% stake in Russian vehicle manufacturer KAMAZ (which also makes military vehicles).

As a result of the Russian attack on Ukraine, it was revealed that the carrier platforms of KAMAZ vehicles are used for cluster bombs, which constitutes a breach of the ACATIS Fair Value criterion “Financing of controversial weapons” on the part of the Mercedes Benz Group. Since 2020, rating agency Moody’s ESG has audited KAMAZ for the production of controversial weapons, and the company is part of the Controversial Weapons Screening process. The new insights come from, among others, non-business secondary sources, and not from Mercedes Benz itself, which is why it has been very

difficult to obtain valid proof of involvement, with the consequence that Mercedes Benz was considered eligible for investment. We were (and are) not invested in the Mercedes-Benz Group.

At our request, the rating agency once again reviewed Mercedes Benz’ current involvement and the company’s current stake in KAMAZ has been confirmed.

ACATIS Fair Value Investment AG also approached Mercedes directly with this information, and we received the following response from the company’s IR:

“As has already been communicated, the stake in KAMAZ was supposed to be transferred to Daimler Truck this year as scheduled (i.e. before the outbreak of the war), following the spin-off of our utility vehicle business. Given the current situation, we continue to assess our options. We are not able to provide more detailed comments at this time.”

As it stands, Mercedes Benz Group breaches the ACATIS Fair Value exclusion criteria and will therefore be excluded from our universe.

Rainer Unterstaller
ACATIS Fair Value Investment AG