

SFDR Article 8 Sub-Funds – Website Disclosures

Sections based on Articles 23 to 36 [SFDR Delegated Regulation \(EU\) 2022/1288](#)

Full name of the Article 8 sub-fund: Old Mutual African Frontiers Fund (the “Fund”)

Legal entity identifier: 13DXHM5XKRJ2L4KTJ154

Date of review: 3 April 2023

Zusammenfassung

Der Fonds ist als Artikel-8-Finanzprodukt im Sinne der SFDR eingestuft. Das bedeutet, er bewirbt ökologische und/oder soziale Merkmale. Nachhaltige Investitionen sind kein Ziel des Teilfonds.

Der Fonds bewirbt die folgenden ökologischen und sozialen Merkmale:

- Reduzierung der Treibhausgasmissionen.
- Verbesserung der Geschlechterdiversität im Vorstand/Verwaltungsrat.
- Ausschluss von Unternehmen, die in bestimmten, vom Finanzverwalter als schädlich eingestuften Bereichen tätig sind.

Um diese Merkmale zu erreichen, hat der Finanzverwalter verbindliche Ziele für die Optimierung der ökologischen und sozialen Merkmale des Fonds gesetzt.

Bei der Auswahl der Anlagen für den Fonds strebt der Finanzverwalter die Zusammenstellung eines Portfolios an, das bei angemessener Liquidität eine positive Performance erzielt. Dabei sollen die Risiken gesteuert und die Ziele des Fonds in Bezug auf Treibhausgasemissionen und Geschlechtervielfalt erreicht werden.

Es wird davon ausgegangen, dass immer mindestens 70 Prozent der Vermögenswerte des Fonds in Aktien oder aktienähnliche Wertpapiere investiert sein werden, die alle den verbindlichen Elementen der vom Fonds verwendeten Anlagestrategie zum Erreichen der vom Fonds beworbenen ökologischen und sozialen Merkmale unterliegen.

Der Finanzverwalter überwacht fortlaufend eine Reihe objektiver Indikatoren, die herangezogen werden, um zu messen, inwieweit die ökologischen und sozialen Merkmale umgesetzt werden.

Es können sowohl interne als auch externe Datenquellen eingesetzt werden, um die ökologischen und sozialen Indikatoren zu überwachen. Gegebenenfalls sind für manche Unternehmen, in die investiert wird, keine Daten zu den Treibhausgasemissionen verfügbar; in diesen Fällen sind Schätzungen erforderlich. Der Finanzverwalter nimmt gegenüber externen Datenanbietern seine Sorgfaltspflichten wahr.

Der Fonds wird vierteljährlich Anlageprüfungen durch den Anlageausschuss des Finanzverwalters und durch die Anlagearbeitsgruppe des Hauptfinanzverwalters unterzogen.

Der Finanzverwalter steht im Rahmen der ESG-Strategie des Fonds im Dialog mit den Unternehmen. Dabei werden die Unternehmen, in die investiert wird, aufgefordert, ESG-Angaben zu machen, und es wird gezielt der Dialog zu Unternehmen mit hohen Emissionen gesucht. Zudem wird sichergestellt, dass im Rahmen der Stimmrechtsausübung über Stimmrechtsvertreter eine einheitliche Botschaft in Bezug auf die Unternehmensführung vermittelt wird.

Es wurde kein Index als Referenzwert bestimmt, um festzustellen, ob der Fonds auf die von ihm beworbenen ökologischen oder sozialen Merkmale ausgerichtet ist.

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

1. Reduction in GHG emissions.
2. Improvement in board gender diversity.
3. The exclusion of companies with involvement in certain activities deemed harmful by the Money Manager.

The Fund is actively managed with reference to the MSCI Emerging Frontier Markets Africa ex South Africa Index (USD) – Net Returns (the “**Index**”). The Index is a broad market index and is not used by the Fund to attain the environmental or social characteristics of the Fund.

Investment strategy

In order to attain the environmental and social characteristics promoted by the Fund, the Money Manager excludes from investment all companies with involvement in Excluded Activities (as defined below in the section entitled “*Methodologies for environmental or social characteristics*”).

The Fund’s GHG emissions and board gender diversity targets are fully integrated into the Money Manager’s investment selection process. To select investments, the Money Manager combines bottom-up fundamental research and top-down analysis. This selection process aims to produce a portfolio that delivers positive performance and reasonable liquidity, while managing risks and achieving the Fund’s GHG emissions and board gender diversity targets.

The Money Manager also relies on engagement and stewardship as part of its ESG strategy. It does this in the following ways:

- by encouraging ESG disclosure by investee companies;
- targeted engagement (the Money Manager is a Member of the CA100+ coalition engaging with selected investee companies);
- addressing specific ESG concerns; and
- ensuring consistent governance messaging to boards via proxy voting.

The Fund has binding environmental and social targets which are measured using objective sustainability indicators (described below in the section entitled “*Methodologies for environmental or social characteristics*”). The binding elements of the investment strategy used to achieve these targets are set out below:

Reduction in GHG emissions

The Fund will have either a weighted average portfolio: (i) Carbon Footprint that is at least 20% lower than that of the Index; or (ii) Carbon Intensity that is at least 20% lower than that of the Index. The Fund will aim to have both (i) and (ii), where possible.

Improvement in board gender diversity

The Fund will have a higher weighted average ratio of female to male board members in investee companies versus the Index.

Excluded Activities:

The Fund excludes from investment all companies with involvement in Excluded Activities.

Continuous monitoring:

The aforementioned binding targets will be monitored on a monthly basis, to account for changes in the portfolio and Index composition. In the event that the Fund is in breach of any of the binding targets as at the monthly calculation date, the Fund will endeavour to remedy the breach within a period of three months.

Good Governance

The companies in which the Fund invests will follow good governance practices. The good governance practices of investee companies are assessed prior to the Fund making an investment and are monitored on an ongoing basis. The criteria for assessment may include, but are not limited to: sound management structures, employee relations, remuneration of staff and tax compliance. The Fund does not invest in countries sanctioned by the United Nations or in companies in breach of the United Nations Global Compact principles.

Proportion of investments

It is expected that at all times at least 70% of the Fund's assets will be invested in equities or equity related securities, all of which will be subject to the binding elements of the Fund's investment strategy used to attain the ESG characteristics promoted by the Fund. The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.

The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.

The remainder of the Fund's assets and their purposes are detailed below, and further in the Prospectus.

This portion of the Fund's investments may include:

Up to 10 per cent of its Net Asset Value in units or shares of collective investment schemes for the purpose of gaining exposure to equities and equity related securities in line with the Fund's investment objective.

The Fund may invest up to 30 per cent of its Net Asset Value in deposits, money market instruments as well as cash equivalents with credit institutions up for liquidity management purposes.

Futures contracts may be used to hedge against market risk or gain exposure to an underlying market.

Forward contracts may be used to hedge or gain exposure to an increase in the value of an asset, currency, or deposit.

Options may be used to hedge or achieve exposure to a particular market instead of using a physical security.

Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

Forward foreign exchange transactions may be used to reduce the risk of adverse market changes in exchange rates or to increase exposure to foreign currencies or to shift exposure to foreign currency fluctuations from one country to another.

Caps and floors may be used to hedge against interest rate movements exceeding given minimum or maximum levels.

Credit default swaps may be used to isolate and transfer the exposure to or transfer the credit risk associated with a reference asset or index of reference assets.

No minimum environmental or social safeguards will be in place in relation to such holdings.

Monitoring of environmental or social characteristics

The Fund's binding environmental and social targets will be monitored on a monthly basis, to account for changes in the portfolio and Index composition. In the event that the Fund is in breach of any of the binding targets as at the monthly calculation date, the Fund will endeavour to remedy the breach within a period of three months.

To facilitate the external control mechanism and external monitoring, the Money Manager will report the indicators to the Principal Money Manager of the UCITS on at least a quarterly basis or more frequently as and when requested.

Methodologies for environmental or social characteristics

Characteristic: Reduction in GHG emissions

Indicator: The weighted average Carbon Intensity of the Fund as a percentage of the weighted average Carbon Intensity of the Index.

Indicator: The weighted average Carbon Footprint of the Fund as a percentage of the weighted average Carbon Footprint of the Index.

“Carbon Intensity” means Carbon Emissions in metric tons of carbon dioxide equivalent (CO₂-e), divided by millions of company revenue (USD).

“Carbon Footprint” means the weighted average Carbon Emissions of a company based on enterprise value (USD).

“Carbon Emissions” means:

Scope 1 Emissions: direct emissions of a company from owned and controlled sources.

Scope 2 Emissions: indirect emissions of a company from the generation of purchased energy.

Characteristic: Improvement in board gender diversity

Indicator: Weighted average ratio of female to male board members in investee companies, expressed as a percentage of the weighted average across the companies in the Index.

Characteristic: The exclusion of companies with involvement in certain activities deemed harmful by the Money Manager

Indicator: No Fund holdings with involvement in Excluded Activities.

Excluded Activities means:

Activity	Threshold
Controversial Behaviour	Companies that violate the UN Global Compact principles and OECD Guidelines for Multinational Enterprises.
Controversial Jurisdictions	Securities of companies issued by or mainly listed in countries, companies or related to individuals or other entities in a particular country identified in the United Nations Security Council Sanctions and those high-risk jurisdictions subject to a “Call for Action” identified by the Financial Action Task Force.
Controversial Weapons	All companies involved in controversial weapons such as anti-personnel mines, cluster munitions, chemical, biological weapons, white phosphorus, depleted uranium weapons and nuclear weapons.

Website section ‘Data sources and processing’

The following data sources are used to attain the environmental or social characteristics promoted by the Fund:

- Bloomberg: GHG emissions and board gender diversity data.
- MSCI: ESG risk data and analysis.
- Company filings: used for GHG emissions and board gender diversity data (if Bloomberg does not cover the investee company).

Where data is not available, estimates will be used.

Limitations to methodologies and data

By virtue of the Fund's geographic focus in Africa, ESG data is less readily available than in developed markets. The indicators used to measure attainment of the environmental and social characteristics have been selected to ensure sufficient data is available to allow for measurement.

Data estimations may be relied upon for calculating GHG emissions data for smaller investee companies. This reliance on estimations is mitigated by the fact that there is generally a good amount of data available for the GHG emissions of companies held by the Fund. Bloomberg, the solutions provider used by the Money Manager to obtain GHG emissions data, has developed a machine learning-based model for the estimate of GHG emissions data. The Money Manager will endeavor to reduce the quantum of estimates used over time by engaging with investee companies to seek improvements in their disclosure practices. Board gender diversity data is readily available and does not require estimation.

Due diligence

The Fund will be subject to quarterly investment reviews by the Money Manager's Investment Committee and by the Principal Money Manager's Investment Working Group.

As regards the Fund's investments, the Money Manager aims to identify material ESG risks to investee companies. This is based on in-depth knowledge of an investee company and the sector and country within which it operates, combined with ESG risk analysis from MSCI at company and sector level (where available).

As part of the investment due diligence process the Money Manager regularly engages with current and prospective investee companies. When the Money Manager identifies an increased ESG risk, it will seek to engage with the investee company in order to ameliorate the risk. Depending on the severity and materiality of the risk identified, the Money Manager will make a decision on whether to reduce or exit completely its investment in the investee company.

Engagement policies

The Money Manager relies on engagement and stewardship as part of its ESG strategy. It does this in the following ways:

- by encouraging ESG disclosure by investee companies;
- targeted engagement (the Money Manager is a Member of the CA100+ coalition engaging with selected investee companies);
- addressing specific ESG concerns; and
- ensuring consistent governance messaging to boards via proxy voting.

Engagement is done via in-person or virtual meetings, with the preference being for in-person, on-premises meetings. Engagements are logged and tracked in a proprietary database maintained by the Money Manager.

Designated reference benchmark

No index has been designated as a reference benchmark to determine whether the Fund is aligned with the environmental or social characteristics that it promotes.