

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 MSCI ACWI Quality EU CTB Index Fund (the “Fund”)

Legal entity identifier: 213800OS322FTL6TGT14

Date of review: 22 May 2025

Summary

The Fund is categorised as an Article 8 financial product for the purposes of SFDR, meaning it promotes environmental and / or social characteristics. The Fund does not have as its objective sustainable investment.

The Fund promotes a transition to a low carbon economy and the exclusion of companies with involvement in certain controversial activities.

In order to attain these characteristics, the Fund has an investment objective to track the risk and return characteristics of the MSCI ACWI Quality EU CTB Index (the “**Index**”).

The Index is comprised of a diversified portfolio of quality growth equities across global markets, and it aims to meet the minimum standards of the EU CTB Regulation. The Index aims to: (i) reduce carbon intensity by at least 30% versus the MSCI ACWI Index; (ii) cut carbon intensity by 7% annually, and (iii) maintain or exceed the exposure of the MSCI ACWI Index to high climate impact sectors. Companies involved in controversial weapons, severe ESG or environmental issues, and tobacco manufacturing are excluded.

It is expected that at all times at least 90% of the Fund’s assets will be invested in equity and equity related securities, which will be constituents of the Index and will therefore be used to meet the ESG characteristics promoted by the Fund.

The Money Manager relies on the data and methodologies applied by the Index provider in the construction of the Index. The Money Manager has not identified any limitations to the Index provider's methodology used to construct the Index.

As part of ongoing data maintenance, the Money Manager monitors third party data and will engage with the data vendor/s should any issues arise with the sourcing or quality of the data.

The Fund is subject to quarterly investment reviews by the Money Manager's Investment Committee and by the Principal Money Manager's Investment Working Group. Performance relative to the Index is assessed including the tracking error relative to the Index.

The Money Manager does not use engagement as part of the Fund’s ESG strategy.

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:

- Transition to a low carbon economy.
- Exclusion of companies with involvement in certain controversial activities.

The Fund has designated the MSCI ACWI Quality EU CTB Index (the "Index") as a reference benchmark for the purpose of attaining the environmental, social and governance characteristics it promotes.

Further information on the Index is set out below, or alternatively, can be found here: www.msci.com and <https://www.msci.com/index-methodology>.

Investment strategy

The investment objective of the Fund is to track the risk and return characteristics of the Index.

The Index is a float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of companies while meeting the minimum standards of the EU CTB Regulation.

The Index is constructed by applying a CTB overlay to the selection criteria for the MSCI ACWI Quality Index, its parent index, which captures the performance of quality growth equity securities exhibiting overall quality style characteristics across Developed Markets and Emerging Markets. The parent index identifies stocks with high quality scores based on three main fundamental variables: high return on equity ("ROE"), stable year-over-year earnings growth and low financial leverage.

The methodology uses an optimisation process to reduce the weighted average Carbon Intensity of the Fund by at least 30% relative to the weighted average Carbon Intensity of the MSCI ACWI Index; (ii) reduce the weighted average Carbon Intensity by 7% on an annualized basis; and (iii) maintain a High Climate Impact Sector weight greater than or equal to the High Climate Impact Sector weight of the MSCI ACWI Index. The methodology also excludes companies involved in controversial weapons businesses, very severe ESG controversies, severe environmental controversies and tobacco manufacturing.

The Fund will employ a traditional index tracking approach by investing all, or substantially all, of its assets in the equity securities constituting the Index. In effect, this means that the Money Manager, through its replication strategy, adopts the binding approach of the Index provider in its investment process.

The companies in which the Fund invests, will follow good governance practices. An assessment of the good governance practices of investee companies forms an integral part of the MSCI ESG Controversies Scores and MSCI Environmental Controversies Scores which are used for the index construction process.

Proportion of investments

It's expected that approximately 90% of the Fund's assets will be invested in equity and equity related securities, which will be constituents of the Index and will therefore be used to meet the environmental characteristic promoted by the Fund.

The Fund does not use derivatives for the purpose of attaining the environmental characteristic 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 5% of the Fund's Net Asset Value may be invested in money market instruments rated investment grade or higher by a Recognised Statistical Rating Organisation or deemed by the Money Manager to have an equivalent rating, in order to be able to meet its liquidity needs.

Forward contracts may be used to hedge against market risk.

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

Futures contracts may be used to hedge against market risk or to gain exposure to equity indices which are comprised of constituent securities that are substantially part of the Index.

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

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

Monitoring of environmental or social characteristics

The Money Manager monitors the Fund's attainment of its sustainability indicators (i.e. its environment or social characteristics) on a monthly basis using ESG data supplied by MSCI, at a security level. This monitoring includes the measurement of the extent to which the Fund achieves its sustainability indicators. These monthly measurements form the basis for the Fund's annual SFDR reporting and are also used as a basis for ongoing compliance monitoring with respect to the binding SFDR targets of the Fund. The Money Manager actively engages with MSCI on an ongoing basis in relation to any anomalies it may detect between in the data used.

Methodologies for environmental or social characteristics

Characteristic: Transition to a low carbon economy.

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

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“Base Date” means 1 June 2020.

“Carbon Intensity” means Carbon Emissions in metric tons of carbon dioxide equivalent (CO₂-e), divided by enterprise value including cash (millions/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.

Scope 3 Emissions: all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Indicator: High Climate Impact Sector weight of the Fund as a percentage of the High Climate Impact Sector weight of the MSCI ACWI Index.

“High Climate Impact Sector” means companies in the NACE section codes A, B, C, D, E, F, G, H, L. These section codes have been identified as having a high climate impact. NACE is the European Union’s classification of economic activities.

Characteristic: Exclusion of companies with involvement in certain controversial activities.

Indicator: The percentage of Fund holdings with involvement in Controversial Activities.

“Excluded Activities” means companies involved in:

Controversial Weapons Businesses

Companies meeting MSCI’s business involvement criteria in the following activities: cluster bombs, landmines, depleted uranium weapons, chemical and biological weapons, blinding laser weapons, non-detectable fragments and incendiary weapons (white phosphorus). More detail on the criteria for involvement in these activities can be found at: www.msci.com/index/methodology/latest/XCW.

Very Severe ESG Controversies

All companies assessed as having an MSCI ESG Controversy Score of 0. An MSCI ESG Controversy Score of 0 indicates an ongoing, very severe ESG controversy implicating a company directly through its actions, products, or operations.

Severe Environmental Controversies

All companies assessed as having an MSCI Environmental Controversy Score of 0 or 1. An MSCI Environmental Controversy is a sub-set of a MSCI ESG Controversy, focussed only on the pillar of environment. An MSCI Environmental Controversy Score of 0 indicates an ongoing, very severe environmental controversy implicating a company directly through its actions, products, or operations.

A score of 1 indicates an ongoing severe environmental controversy implicating a company directly, or a very severe environmental controversy that is either partially resolved or indirectly attributed to the company's actions, products, or operations.

MSCI ESG Controversy Scores fall on a 0-10 scale, with "0" being the most severe controversy. The severity of a case is determined based on the nature of harm and scale of the alleged impact, and the potential existence of specific exacerbating or extenuating circumstances. Also considered when determining the MSCI ESG Controversy Score are the role of the company implicated in the case (ie, direct or indirect) and the status of the case (ie, concluded, partially concluded, ongoing or archived). Further information on the criteria used to score controversies can be found here: <https://www.msci.com/esg-and-climate-methodologies>. Severe Environmental Controversies

Tobacco Manufacturing

All companies that are involved in the manufacturing of tobacco products.

Website section ‘Data sources and processing’

The Index uses the following data sources to measure the attainment of the environmental and social characteristics:

MSCI ESG Controversies Scores
MSCI Environmental Controversies Scores
MSCI ESG Business Involvement Screening Research
MSCI Climate Change Metrics

MSCI has over 40 years of experience measuring and modelling the ESG performance of companies and is recognized as a top tier data provider.

As part of the product development process undertaken prior to the launch of the Fund, the Money Manager undertook a detailed due diligence of the Index. This included a due diligence on MSCI's methodology and construction of the Index. Post implementation, MSCI, as Index provider, consults and, where relevant, provides prior notice to the Money Manager should any material changes be made to the underlying constituents, and/or any other aspect of the Index, allowing the Money Manager to align the Fund's holdings in a timely manner without impacting tracking error relative to the Index.

The Money Manager also continuously evaluates the accuracy and appropriateness of MSCI's ESG data and maintains ongoing engagement with MSCI in this regard.

MSCI provides the Index data to the Money Manager in electronic format. The index data is housed in the Money Manager's internal risk and portfolio management systems, where it is directly used in portfolio management and portfolio construction. Where ESG data is not available for a security, MSCI may use its proprietary estimation models to estimate data.

Limitations to methodologies and data

The Money Manager has not identified any limitations to the Index provider's methodology used to construct the Index (which provides the Fund with the ESG characteristics) nor has it identified any limitations regarding the source of the Index.

As part of ongoing data maintenance, the Money Manager will monitor the data and will engage with the data vendor should any issues arise with the sourcing or quality of the data.

Due diligence

The Fund is subject to quarterly investment reviews by the Money Manager's Investment Committee and by the Principal Money Manager's Investment Working Group. Performance relative to the Index is assessed including the tracking error relative to the Index.

Engagement policies

The Money Manager does not use engagement as part of the Fund's ESG strategy.

Designated reference benchmark

The Fund has designated the MSCI ACWI Quality EU CTB Index (the "Index") as a reference benchmark for the purpose of attaining the environmental, social and governance characteristics it promotes.

The index methodology is designed to meet the minimum standards of the CTB by aiming to achieve the three CTB climate objectives, as described in more detail in the section above entitled "What investment strategy does this financial product follow". The Index also excludes companies involved in controversial weapons businesses, very severe ESG controversies, severe environmental controversies and tobacco manufacturing.

The Index is reviewed on a semi-annual basis. The Index is rebalanced on a semi-annual basis, as of the close of the last business day of May and November, with the objective of reflecting changes in the underlying equity markets in a timely manner, while limiting undue index turnover. This ensures the constituents continue to meet the stated ESG thresholds for investment.

The methodology used for the calculation of the Index, as well as links to further information on MSCI ESG Controversies, MSCI Environmental Controversies, MSCI ESG Business Involvement or MSCI Climate Change Metrics can be found here:

www.msci.com and <https://www.msci.com/index-methodology>.