

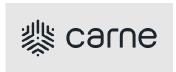
SFDR Article 8 Sub-Funds – Website Disclosures Sections based on Articles 23 to 36 SFDR

Delegated Regulation (EU) 2022/1288

Full name of the Article <u>8</u> sub-fund: Acadian Emerging Markets Equity UCITS II (the "Fund")

Legal entity identifier: 549300DJG6MGZ50DBA81

Date of review: 1 January 2023



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 the following environmental and social characteristics:

- Reduction in carbon intensity.
- Improved socially responsible characteristics in investee companies.
- Promotion of clean energy.

In order to attain these characteristics, the Money Manager has set binding targets for the improvement of the environmental and social characteristics of the Fund.

The Money Manager utilizes a proprietary quantitative investment model to select its investments, which ensures these binding environmental and social targets are met.

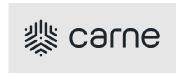
It is expected that at all times at least 90% of the Fund's assets will be invested in equities or equity related securities, all of which will be subject to the binding elements of the Fund's investment strategy used to attain the environmental and social characteristics promoted by the Fund.

The Money Manager monitors a number of objective indicators which are used to measure the achievement of the environmental and social characteristics.

Both internal and external data sources are used for the purpose of monitoring the environmental and social indicators. Estimated data may be used where sufficient data coverage is not available from third party data vendors. Where estimation is used, there are cases where the methodologies for data calculations are open to interpretation. In order to ensure data quality, the Money Manager has a dedicated team of data scientists.

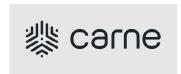
The Money Manager does not use engagement as part of the Fund's ESG strategy.

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.



No sustainable investment objective

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

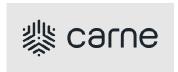


Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

- 1. Reduction in carbon intensity.
- 2. Improved socially responsible characteristics in investee companies.
- 3. Promotion of clean energy.

The Fund is actively managed with reference to the MSCI Emerging Markets 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 will exclude from investment:

- Companies that violate the UN Global Compact.
- Companies involved in Excluded Activities.
- Excluded Energy Companies.

The Money Manager's proprietary quantitative analytical model incorporates the Scope 1 and 2 Emissions data of investee companies into the investment selection process, to ensure that the Fund's Carbon Intensity targets are achieved. Further information on the Fund's investment strategy is set out in the main text of the Prospectus.

The Fund has binding environmental and social targets which are measured using objective sustainability indicators (the indicators are defined and described 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 Carbon Intensity.

The Fund has a binding Carbon Intensity target, namely, Fund investee companies on average will have no more than 90% of the Carbon Intensity of the companies contained in the Index.

The Fund will demonstrate continuous progress on its Net Zero Glide Path.

Improved socially responsible characteristics in investee companies.

The requirement to exclude all UN Global Compact violators from investment is binding on the Fund.

The requirement to exclude all companies involved in Excluded Activities is binding on the Fund.

Promotion of clean energy use.

The requirement to exclude all Excluded Energy Companies is binding on the Fund.

Good Governance

The companies in which the Fund invests will follow good governance practices. The Money Manager incorporates corporate governance considerations into the investment process. The alpha forecasting model, includes assessments of management turnover, litigation and board level characteristics. Additionally, certain securities are screened out, by incorporating ESG risk controls in the portfolio construction process to help avoid exposure to companies involved in controversial ESG behavior. The Money Manager uses data sources to assess reputational risks linked to ESG events and are able to identify and manage exposure to companies involved in ESG incidents. Finally, UN Global Compact violators are excluded from investment.



Proportion of investments

It is expected that at all times at least 90% 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 environmental and social characteristics promoted by the Fund.

The remainder of the Fund's assets may include cash/ancillary liquid assets and derivatives for efficient portfolio management purposes, as detailed below, and further set out in the Prospectus.

The Fund does not commit to investing in sustainable investments or investments aligned with the Taxonomy Regulation.

This portion of the Fund's investments may include:

Cash and cash like instruments.

Units or shares of collective investment schemes for the purpose of gaining exposure to equities and equity relates securities in line with the Fund's investment objective.

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

Forward contracts will be used to hedge or gain exposure to an increase in the value of a currency.

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

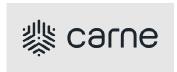
Swaps (including swaptions) will be used to achieve profit as well as to hedge existing long positions.

Forward foreign exchange transactions will 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 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 such holdings.

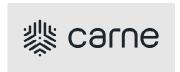
The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.



Monitoring of environmental or social characteristics

The Carbon Emissions within the portfolio of the Fund are constrained by the systematic investment model of the Money Manager and control the risk constraints imposed on the strategy. The carbon data is both externally reported company data or internally estimated by Money Manager where external data is not available.

The total fund level environmental and social characteristics are measured via the Money Manager's portfolio construction process and implemented via the systematic investment model.



Methodologies for environmental or social characteristics

Characteristic: Reduction in Carbon Intensity.

Indicator: The Carbon Intensity of the Fund will be no more than 90% of the Carbon Intensity of the Index and will continue to reduce along a Net Zero Glide Path.

"Carbon Intensity" means weighted average carbon intensity calculated as metric tons of Carbon Emissions divided by the company's revenue (USD).

"Carbon Emissions" means:

- "Scope 1 Emissions", being direct carbon emissions of a company from owned and controlled sources.
- "Scope 2 Emissions", being indirect carbon emissions of a company from the generation of purchased energy.

"Net Zero Glide Path" means a Carbon Intensity reduction target aligned to recognized initiatives such as the Intergovernmental Panel on Climate Change. The Money Manager aims to move the portfolio towards net zero Carbon Intensity by 2050 by reducing the weighted average carbon intensity annually in line with credible frameworks.

Characteristic: Improved socially responsible characteristics in investee companies.

Indicator: No investment in companies that violate the UN Global Compact.

These are companies that the Money Manager considers to not exhibit socially responsible characteristics such as prudent management behaviour with respect to external transparency, internal controls, and compliance with international norms on environment, human rights, labour rights and corruption. The Money Manager utilises exclusion lists as received from specialist third party vendors to identify companies that violate either the UN Global Compact or the EU Sanctions List.

Indicator: No investment in companies involved in Excluded Activities.

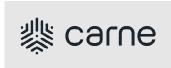
"Excluded Activities" means any companies that are involved in the manufacture of tobacco products or inhumane weapons which includes cluster munitions, anti-personnel landmines, biochemical and nuclear weapon systems. Exclusion lists received from specialist third party companies together with data analysed by the Money Manager will be used to determine companies that manufacture tobacco and inhumane weapons. The Money Manager utilises third party data providers such as Sustainalytics, ISS and MSCI along with its own data.

Characteristic: Promotion of clean energy.

Indicator: No investment in Excluded Energy Companies.

"Excluded Energy Companies" means,

(a) for electricity generators, companies that generate: (i) more than 10% of electricity from thermal coal; or (ii) more than 30% of electricity from other fossil fuels; or (iii) more than 30% of electricity from nuclear sources; and are companies with the "worst in class" Carbon Emissions scores in the energy sector.

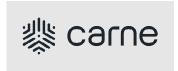


- (b) in the conventional oil and gas industry, companies that have either: (i) more than 60% of their fossil fuel reserves in oil; and, (ii) more than 10% of their revenue from conventional oil and gas extraction; and (iii) are companies with the "worst in class" Carbon Emission score in the energy sector.
- (c) in the thermal coal and unconventional oil and gas sector, companies that generate either: (i) more than 5% of their revenue from thermal coal extraction; or (ii) more than 5% of their revenue from unconventional oil and gas extraction.

When considering if a company has a "worst in class" Carbon Emission score, the Money Manager's ratings of each company are used. The rating is provided by the Money Manager based on analysis of its own data and that of third parties. The analysis will consider a company's Carbon Emissions performance as well as forward looking measures such as Carbon Emissions reduction targets and actions taken to meet these targets.

Companies identified in (a)-(c) that are considered to be making efforts towards a climate transition using ratings from providers such as the Transition Pathway Initiative are allowed into the investment universe.

Further details may be provided to the Fund's shareholders upon request by the Money Manager.



Data sources and processing

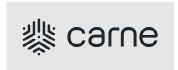
The following data sources are used to attain the environmental or social characteristics promoted by the Fund:

- External data (primarily taken from self-reported Carbon Emissions data).
- Internal modelling estimates.

In order to ensure data quality, the Money Manager has a dedicated team of data scientists that scrubs data received in order to ensure data quality.

Data is consumed by the Money Manager via different approaches. The Money Manager has a dedicated Investment Process and Data Team to ensure data is processed efficiently and without issues.

The majority of the Carbon Emissions data used by the Money Manager is obtained externally from third party data vendors. Such vendors may use modelling or estimation techniques where reported data is not available. Where no data is available from third party vendors, the Money Manager estimates the remainder using its internal modelling estimates.



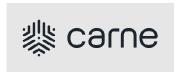
Limitations to methodologies and data

A limitation to the methodologies used to achieve the Fund's environmental and social characteristics, is that the coverage that third party data vendors are able to provide may not cover the full investment universe of the Fund.

In addition, even where data coverage is available, there are cases where methodologies of data calculations are open to interpretation and conclusions as to values may be subjective. Where no data is available, estimated data may be used, which also require subjective interpretations.

Despite these limitations, the data received and ultimately processed by the Money Manager for the Fund, are robust and the Money Manager has confidence that overall, the data can be relied upon sufficiently to be utilized within the investment process.

The Money Manager continuously monitors the landscape of available data to ensure the data in use is of the best quality available. Beyond this, the Money Manager regularly strengthens its data team and internal modelling capabilities in order to have more confidence in the data utilized.



Due diligence

The Money Manager assesses each of the underlying assets within the Fund based on over 100 underlying signals or factors. This helps provide a robust assessment of each and every underlying asset. Rigorous controls are in place such as compliance systems, a data team and Portfolio Management oversight.



Engagement policies

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

The Money Manager does, however, as a general policy engage both directly with investee companies, as well as via collaborative engagement efforts. The Money Manager's engagement themes include Climate Change, Corporate Culture, Corporate Behaviour and those involved in Escalating ESG Controversies.



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.