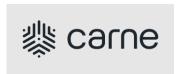# SFDR Article 8 Sub-Funds – Website Disclosures Sections based on Articles 23 to 36 [SFDR Delegated Regulation (EU) 2022/1288](#)

Full name of the Article 8 sub-fund: Acadian Emerging Markets Equity Ex-Fossil Fuel Reserves UCITS (the "**Fund**")

Legal entity identifier: 549300DGI7OX7RKCC750

Date of review: 14 May 2025

Disclaimer: The present working document may be subject to further regulatory changes.

Resumen

A efectos del SFDR, el Fondo se califica como producto financiero acorde con el artículo 8 , lo que significa que promueve características medioambientales y/o sociales. El Fondo no tiene como objetivo la inversión sostenible. El Fondo promueve las características medioambientales y sociales siguientes:

- Ayudar a los inversores a posicionarse para una transición gestionada a una economía baja en emisiones de carbono, evitando invertir en empresas que poseen reservas de combustibles fósiles.
- Mejorar el perfil de emisiones de carbono como objetivo.
- Evitar el daño a factores ambientales y sociales descartando aquellos emisores relacionados con determinadas actividades o sectores o que incumplen determinadas normas

A fin de cumplir estas características, el Gestor de cartera ha establecido objetivos vinculantes para mejorar las características medioambientales y sociales del Fondo.

El Gestor de cartera utiliza un modelo propio de inversión cuantitativa para seleccionar sus inversiones, que garantiza el cumplimiento de estos objetivos medioambientales y sociales vinculantes.
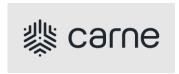
Se espera que en conjunto el 90% de los activos del Fondo se ajustarán a las características ambientales y sociales que promueve el Fondo.

El Gestor de cartera supervisa una serie de indicadores objetivos que se utilizan para medir el logro de las características medioambientales y sociales.

Para supervisar los indicadores medioambientales y sociales se utilizan fuentes de datos tanto internas como externas. Los datos utilizados pueden ser estimaciones, cuando los proveedores de datos terceros no ofrezcan una cobertura de datos suficiente. Cuando se utilizan estimaciones, en algunos casos las metodologías empleadas para los cálculos de datos se prestan a interpretaciones. El Gestor de cartera cuenta con un equipo de expertos en ciencia de datos, con el fin de garantizar la calidad de los datos.
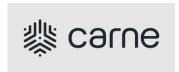
Money Manager no utiliza el compromiso como parte de la estrategia ESG del Fondo.

No se ha designado ningún índice como índice de referencia para determinar si el Fondo está en consonancia con las características medioambientales o sociales que promueve.

No sustainable investment objective

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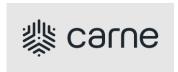
Environmental or social characteristics of the financial product

The Fund promotes the following environmental and social characteristics:

- Helping investors to position for a managed transition to a low carbon economy by not investing in companies that own fossil fuel reserves.
- Targeting an improved carbon profile.
- Avoiding harm to environmental and social factors by excluding issuers involved in certain activities (as further detailed in the sustainability indicator section below) or sectors, or violating certain norms.

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

The Money Manager uses a systematic quantitative investment process in implementing the Fund's actively managed emerging markets equity strategy. The Money Manager's quantitative analytical models are used in the investment selection process and incorporate (as binding elements, see below) the relative Carbon Intensity performance, and the environmental and social screens. These sustainability characteristics are embedded within the Money Manager's investment process as components of the quantitative analytical model. This ensures that the investment universe for the Fund, and the resulting portfolio of investments, is aligned with the Fund's sustainability characteristics

The binding elements of the investment strategy used to attain its environmental and social characteristics are:

<u>Targeting an improved carbon profile</u>
The Fund will invest in securities such that:

1. a.   the Carbon Intensity of the Fund will be no more than 90% of the Carbon Intensity of the Index as at 31 December 2020 (the "**Baseline Reduction Target**"); and

1. b.   starting from the Baseline Reduction Target, the maximum allowable Carbon Intensity of the Fund will reduce, in absolute terms, on a year-on-year basis in line with the Net Zero Decarbonization Glidepath, and following each rebalance of the Fund portfolio (which typically takes place at least once per month) the Carbon Intensity of the Fund will always be below this maximum allowable Carbon Intensity limit.

In cases where the Fund is not aligned with the Carbon Intensity targets in between rebalances, this will not be considered a breach of the Carbon Intensity targets, and in such cases, the Fund holdings will be adjusted as part of the succeeding rebalance to bring the Fund back into line with the Carbon Intensity targets.

2. The Fund will also apply the following exclusion in order to achieve the environmental characteristic of an improved carbon profile: No investment in companies with the largest carbon emissions, namely, by excluding those included within the Carbon Underground 200.
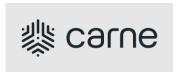
The Carbon Underground 200 identifies the top 100 public coal companies globally and the top 100 public oil and gas companies globally, ranked by the potential Carbon Emissions content of their proven fossil fuel reserves.

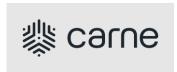<u>Avoiding harm to environmental and social factors</u>
1. The Fund will be restricted from investing in companies excluded by any of the following environmental and social screens.

- Companies that hold fossil fuel reserves
- Thermal coal exclusion
- Fossil fuel companies deemed Climate Transition Laggards
- Tobacco producers
- Controversial weapons
- Norms-based exclusions (UNGC or OECD Violators and Norges Exclusions)

2. The Fund will also not invest more than the Index (in aggregate) in companies that are considered laggards according to their exposure to ESG risks and how they manage these risks relative to their peers or those involved in one or more severe controversies as assessed via third party data.

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 is able to identify and manage exposure to companies involved in ESG incidents. Finally, UN Global Compact and OECD Guideline violators are excluded from investment.

Proportion of investments

It is expected that 90% of the Fund's Net Asset Value will on aggregate be aligned with the environmental and social characteristics promoted by the Fund.

While the Money Manager aims to achieve the asset allocation outlined above, this figure may fluctuate during the investment period due to factors outside of the Money Manager's control (such as large subscriptions or redemptions) and ultimately may not always be attained.

The exact asset allocation of the Fund will be reported in the Fund's mandatory periodic report SFDR template for the relevant reference period. This asset allocation percentage will be calculated based on average monthly asset allocation percentages throughout the reference period.

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.

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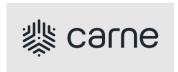
Options may be used to hedge or achieve exposure to a particular market instead of using a physical security.

Swaps (including swaptions) may 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.

No minimum environmental or social safeguards will be in place in relation to such holdings.
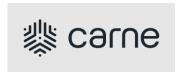
The Fund does not use derivatives for the purpose of attaining the environmental or social characteristics it promotes.

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: Helping investors to position for a managed transition to a low carbon economy by reducing carbon intensity and not investing in companies that own fossil fuel reserves.

Indicator: The Fund will employ the following exclusion in order to achieve the environmental characteristic of helping investors to position for a managed transition to a low carbon economy:

No investment in companies that hold fossil fuel reserves.

Evidence of owning fossil fuel reserves is monitored using MSCI's Carbon Metrics data feed as well as through the Money Manager's own research on companies that are not covered by MSCI.

Characteristic: Targeting an Improved Carbon Profile

Indicator: The Fund's environmental characteristic of an improved carbon profile will be achieved by managing the portfolio with the deployment of a Net Zero Decarbonization Glidepath such that:

a. the Carbon Intensity of the Fund will be no more than 90% of the Carbon Intensity of the Index as at 31 December 2020 (the "**Baseline Reduction Target**"); and

b. starting from the Baseline Reduction Target, the maximum allowable Carbon Intensity of the Fund will reduce, in absolute terms, on a year-on-year basis in line with the Net Zero Decarbonization Glidepath, and following each rebalance of the Fund portfolio (which typically takes place at least once per month) the Carbon Intensity of the Fund will always be below this maximum allowable Carbon Intensity limit.

This calculation is based on the scope 1 and scope 2 emissions numbers that are uploaded into the Money Manager's systematic analytical model. The Money Manager sources the emissions data from MSCI. Missing carbon emissions and intensity data are imputed by the Money Manager via a proprietary process.

"Carbon Emissions" means (a) scope 1 emissions being direct carbon emissions of a company from owned and controlled sources and (b) scope 2 emissions being indirect carbon emissions of a company from the generation of purchased energy. Note that emissions are measured in CO2e (Carbon Dioxide Equivalent). This is a measure that apportions greenhouse gases into a common unit, allowing different bundles of greenhouse gases to be compared. CO2e maps different greenhouse gas emissions to the equivalent of CO2 "Carbon Intensity" means the weighted average carbon intensity calculated as metric tons of Carbon Emissions divided by the company's revenue (USD).
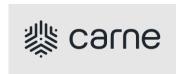
"Net Zero Decarbonization Glidepath" means a Carbon Intensity reduction trajectory and target designed to be consistent with recognized international initiatives to limit global average temperature rise, such as the Intergovernmental Panel on Climate Change. The trajectory of the Net Zero Decarbonization Glidepath of a given fund varies based on the make-up of a fund (eg, developed markets, emerging markets exposure). For the purposes of the Fund, the Net Zero Decarbonization Glidepath means an annual reduction of 3.9% to the maximum allowable Carbon Intensity of the Fund.

Indicator: No investment in companies with the largest carbon emissions, namely, by excluding those included within the Carbon Underground 200.

The Carbon Underground 200 identifies the top 100 public coal companies globally and the top 100 public oil and gas companies globally, ranked by the potential Carbon Emissions content of their proven fossil fuel reserves.

Characteristic: Avoiding harm to environmental and social factors.

Indicator: The Fund will apply the following exclusions in order to avoid harm to environmental and social factors:

Environmental Product-Based Exclusions

The following environmental product-based exclusions are applied:

Thermal Coal Exclusion

Companies that derive >5% revenue from thermal coal extraction as identified via third party data.

Fossil Fuel Companies deemed Climate Transition Laggards

Additionally, fossil fuel companies deemed to be climate transition laggards are excluded as follows:

The Money Manager employs a two-step process to classify a company as a climate transition laggard.

In the first step, the Money Manager identifies any companies that derive:

(a) >10% revenue from the extraction and production of oil and gas (as identified via third party data); or

(b) >10% revenue from power generation associated with fossil fuels (thermal coal, liquid fuel and natural gas) as identified via third party data;

In a second step, those companies (identified in the first step) that appear unable or unwilling to transition to the low carbon economy are excluded. To identify companies that appear unable or unwilling to transition to the low carbon economy the Money Manager employs a proprietary classification model. The Money Manager's classification model uses proprietary techniques and third party data. This model categorizes companies as climate leaders and climate laggards. Companies showing strong evidence of transitioning towards the low carbon economy are classified climate transition leaders. These climate transition leaders typically exhibit at least one of the following characteristics: a committed/approved science-based target, a strong ability to manage carbon risks, an announced decarbonization target together with carbon intensity below its sector peer group, and/or revenue derived from alternative energy. Conversely, companies not displaying any of the above characteristics are categorized as climate laggards, and excluded during this second step.

Social Product-Based Exclusions

The following social product-based exclusions are applied:

Tobacco Producers

Companies with any identifiable revenue derived from tobacco production and/or manufacture are removed from the investment universe.
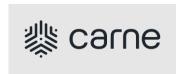
Controversial Weapons

Companies that are deemed to have any involvement in controversial weapons (which includes cluster munitions, anti-personnel landmines, biochemical and nuclear weapon systems) as identified via third party data are removed from the investment universe.

Norms-Based Exclusions

The following norms-based exclusions are applied:

UNGC or OECD Violators

Companies perceived as violating any of the UNGC (United Nations Global Compact) principles or OECD (Organisation for Economic Co-Operation and Development) Guidelines, as assessed via data from third parties, are removed from the investible universe.
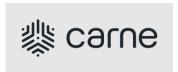
Norges Exclusions

The Fund will not invest in companies listed on the Norges Bank exclusion list. This exclusion list excludes companies either by product-based exclusions or conduct-based exclusions. In relation to the conduct-based exclusions, these operate to exclude any companies presenting an unacceptable risk of contributing to or being responsible for violating fundamental ethical norms. Further details of which companies are excluded as well as the most recent list of excluded companies can be found at: Ethical exclusions overview | Norges Bank Investment Management

Indicator: ESG Rating Laggards

In addition to the use of exclusions outlined above, the Fund will also not invest more than the Index (in aggregate) in companies that are considered laggards according to their exposure to ESG risks and how they manage these risks relative to their peers or those involved in one or more severe controversies as assessed via third party data.

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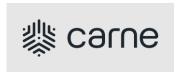
Data sources and processing

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.
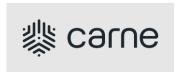
Limitations to methodologies and data

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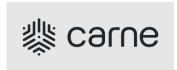
Despite these limitations, the data received and ultimately processed by the Money Manager for the Fund, are robust and the Money Manager has confidence that overall, the data can be relied upon sufficiently to be utilized within the investment process.

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.
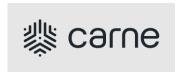
Due diligence

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.