

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name:

Emerging Markets Sustainable Blended Debt Fund

Legal entity identifier:

213800XOLR7T4UJV7379

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: _____%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective**: __%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics by making investments in borrowers that meet the standards of the Investment Manager's proprietary sustainability framework and by excluding investments in certain borrowers.

The Sub-Fund invests across various areas in which the Investment Manager sees opportunity to promote environmental/social characteristics, examples of these:

- environmental characteristics can include climate change and natural capital amongst others; and
- social characteristics can include built environment and inclusive development amongst others.

Details of the proprietary sustainability framework are explained in the question below on 'what investment strategy does the financial product follow?'

The Sub-Fund focuses on investments considered by the Investment Manager as having policies and initiatives that aim to reduce their harmful effects on, or benefit, society and the environment.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

On an annual basis, the following sustainability indicators will be used to measure the attainment of the environmental or social characteristics promoted by the Sub-Fund:

- the extent of the positive tilt* of the Sub-Fund relative to its benchmark**;
- proportion of investments that are not ‘sustainable investments’ from borrowers with an ESG trend score below 0; and
- proportion of investments that are not ‘sustainable investments’ from borrowers with an ESG trend score below -1.

*The extent of the positive tilt is measured by comparing the weighted average ESG trend score of the Sub-Fund to its benchmark on average, over a market cycle (i.e., the aggregated active weights of positions in borrowers with positive scores will be more than the aggregated active weight of borrowers with negative scores).

**Benchmark in this context refers to the Sub-Fund’s performance composite comparison benchmark: 50% JP Morgan GBI-EM Global Diversified Index + 50% JP Morgan EMBI Global Diversified Index.¹⁷

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

The Sub-Fund focuses on sustainable investments with environmental and/or social objectives.

To do this, currently, the Sub-Fund intends to make sustainable investments in borrowers whose proceeds are used to finance solutions that address environmental and/or social challenges (e.g. green bonds, social bonds and sustainability linked bonds). These challenges include climate change, social housing, education and healthcare.

Sustainable investments may also include investments in debt instruments issued by Development Finance Institutions, if the Investment Manager deems these to be sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

The Investment Manager assesses sustainable investments in relation to the 2 mandatory principle adverse impacts to determine that the investment does not cause significant harm to other sustainable investment objectives. This *Do No Significant Harm* test is applied to the whole investment.

The Sub-Fund focuses on investments considered by the Investment Manager as having policies and initiatives that aim to reduce their harmful effects on, or benefit, society and the environment. The framework used to assess this is described in the section ‘what strategy does this financial product follow?’ below.

The Investment Manager’s proprietary sustainability framework also helps to identify borrowers in which the Investment Manager will not invest, typically because applying the sustainability framework has concluded that the harmful effects outweighs the beneficial effects.

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

¹⁷ From on or around 31 July 2024 onwards, Benchmark in this context refers to the Sub-Fund’s performance composite comparison benchmark: 50% JP Morgan GBI-EM Global Diversified Index (Net of Tax Return) + 50% JP Morgan EMBI Global Diversified Index.

As part of the in-depth fundamental analysis on a borrower, the 2 mandatory principal adverse impact indicators are taken into account when assessing if significant harm is caused by the Sub-Fund's intended sustainable investments. This assessment is generally conducted at the borrower level.

Additionally, where appropriate and possible the assessment may also be done at the issue level as a whole or in part. For example, in the case of a green bond, the principle adverse impact indicators that are relevant to the sustainable activities and solutions targeted by the bonds use of proceeds, if known, will be assessed through the Investment Manager's fundamental analysis.

As part of the sustainability framework, the Investment Manager uses quantitative data (i.e., the metrics for the mandatory principal adverse sustainability indicators as outlined in Annex I of the Commission Delegated Regulation (EU) 2022/1288), where available, alongside information on the bond's use of proceeds (e.g. evaluation and selection of activities or solutions to be financed), and applies a qualitative assessment where the Investment Manager uses their knowledge, experience and judgement to the quantitative PAI data to form a conclusion which considers the context of the investment's policies and activities.

The Investment Manager also reviews the periodic reports published by the borrower. If these reports indicate to the Investment Manager potential adverse impacts with an activity and/or solution financed, the Investment Manager would engage with the issuer and / or consider the continued treatment of the investment as a sustainable investment and / or divesting from the position.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The OECD Guidelines for Multinational Enterprises and UN Guiding Principles including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights are considered as part of the application of the Investment Manager's sustainability framework, where applicable. Third party data from providers whose methodologies are consistent with international norms represented in numerous widely accepted global conventions including those mentioned above complements the identification of these considerations.

In addition, the Sub-Fund will not invest in borrowers the Investment Manager deems to be in violation of the UN Global Compact Principles.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- Yes, as part of the in-depth fundamental analysis of an individual borrower, the following principal adverse impact indicators are currently considered for the Sub-Fund's investments:
- GHG intensity; and
 - Investee countries subject to social violations.

An assessment of the principal adverse impacts at the aggregate Sub-Fund level will be reported in the annual report as required by Article 11 SFDR.

No



What investment strategy does this financial product follow?

Sustainability Framework

As part of its investment strategy to promote environmental and social characteristics of the Sub-Fund, the Investment Manager makes investments that meet the standards of its proprietary sustainability framework.

The proprietary sustainability framework focuses on forward looking ESG trends, as represented by an ESG trend score for its borrowers. The Investment Manager believes that positive ESG developments are a key consideration throughout the investment process. For example, borrowers that have strong governance, treat their people well and manage their wealth in a sustainable way are expected to see their economies and asset prices outperform in the long-run.

The Investment Manager analyses aspects of:

- environmental policy (such as climate and natural capital);
- social policy (such as built environment, human capital, inclusive development); and
- governance (such as civil authority, institutional capacity, economic policy) of borrowers.

Each of these aspects are mapped against one or more of the UN Sustainable Development Goals. The Investment Manager performs a qualitative assessment of forward-looking trends for each aspect, resulting in an aggregated ESG trend score that ranges from -3 to +3. The aggregated ESG trend score feeds into the Sub-Fund's fundamental analysis.

The Sub-Fund's investments will have a positive tilt relative to its benchmark. Measurement of the extent of this positive tilt and the name of the benchmark are described in the section 'What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?' above.

In addition, as detailed above, the Sub-Fund intends to make sustainable investments in borrowers whose proceeds are used to finance solutions that address environmental and/or social challenges (e.g. green bonds, social bonds and sustainability linked bonds). The Sub-Fund may invest in sustainable investments from borrowers that have an ESG trend score that ranges from -3 to +3.

Furthermore, the Investment Manager:

- will limit making investments that are not 'sustainable investments' from borrowers with an ESG trend score below 0 to a maximum of 10%; and
- will not invest in investments that are not 'sustainable investments' from borrowers with an ESG trend score below -1.

Additional Considerations

As part of its sustainability framework, the Investment Manager takes a holistic approach to engagement on ESG matters and believes the most effective engagement involves repeated interaction on specific, actionable topics. The Investment Manager has constructive dialogue with borrowers such as, but not limited to the following: central banks, government executives, energy ministries, International Monetary Fund meetings and other non-governmental organisations.

The Investment Manager's ESG trend score is supported by a variety of information including publicly available sources, third party data, proprietary models as well as the experience, discretion and judgement of the Investment Manager. There will be no mechanistic reliance on external ESG ratings or scores.

The Sub-Fund's holdings will be monitored on an ongoing basis by the Investment Manager. A holding may be sold for a range of reasons but in particular, if it is determined that the investment case for the holding has been weakened or it no longer satisfies the investment objective and policy of the Sub-Fund. Such sales will take place over a time period to be determined by the Investment Manager, taking into account the best interests of the Shareholders of the Sub-Fund.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?**

The commitment to have at least 70% of the Sub-Fund's investments meet the environmental and social characteristics promoted by the Sub-Fund which need to pass all elements of the investment process further detailed in the 'Sustainability Framework' sub-section of the investment strategy, including:

- limiting making investments that are not 'sustainable investments' from borrowers with an ESG trend score below 0 to a maximum of 10% of its investments; and
- not investing in investments that are not 'sustainable investments' from borrowers with an ESG trend score below -1.

As a result of applying the Sub-Fund's proprietary sustainability framework, the Sub-Fund's investments will have a positive tilt relative to its benchmark. Measurement of the extent of this positive tilt and the name of the benchmark are described in the section 'What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?' above.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

N/A

● **What is the policy to assess good governance practices of the investee companies?**

The Investment Manager follows an internal investment framework to analyse governance issues related to borrowers. Third party data complements the governance assessment.

For the Sub-Fund, assessing the good governance practices of borrowers is considered as part of the Investment Manager's proprietary sustainability framework and through ongoing monitoring of holdings.

There is a focus on identifying borrowers exhibiting positive governance trends, such as:

- enhancing the capacity and integrity of institutions;
- engaging in structural reforms;
- ensuring effective regulation; and
- more generally ensuring that macroeconomic policy is on a sound and sustainable footing.

Good governance practices include sound management structures, employee relations, remunerations of staff and tax compliance.



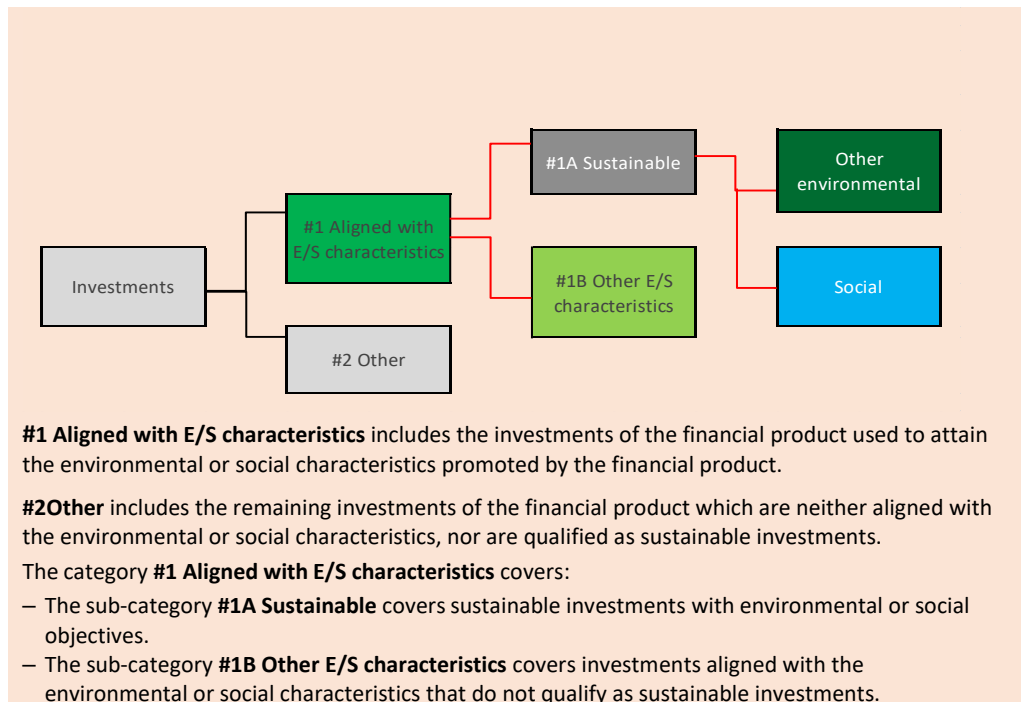
What is the asset allocation planned for this financial product?

Minimum proportion of investments used to meet environmental or social characteristics promoted by the Sub-Fund (i.e. '#1 Aligned with E/S characteristics') is 70% of its assets. At least 15% of the Sub-Fund's assets are sustainable investments within the meaning of Article 2(17) SFDR. '#1A Sustainable' investments can comprise of those with environmental objectives, social objectives, or a dual combination of both environmental and social objectives.

Information on the remaining investments, their purpose and any minimum environmental or social safeguards applied is outlined in the section below on 'What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?'

The investments included in '#1 Aligned with E/S characteristics' will be selected in accordance with the binding criteria outlined in the section 'what investment strategy does this financial product follow?' under the sub-section entitled 'Sustainability Framework.'

Asset allocation describes the share of investments in specific assets.



● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

N/A

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



● **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The minimum extent to which the Sub-Fund invests in environmentally sustainable investments within the meaning of Article 3 the EU Taxonomy Regulation is currently 0% of the Sub-Fund’s assets.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹⁸?**

- Yes:
- in fossil gas in nuclear energy
- No

¹⁸ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules. **Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What is the minimum share of investments in transitional and enabling activities?**

The minimum share of investments in transitional and enabling activities is 0% of the Sub-Fund's assets.

are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is at least 5% of the Sub-Fund's assets.

At times the investments that qualify as sustainable investments with an environmental objective may be sustainable investments with combined environmental and social objectives as further described in the section 'what is the asset allocation planned for this financial product?', to the extent that these investments sufficiently contribute to environmental objectives.

Currently the coverage of the EU Taxonomy Regulation does not include investments in sovereign bonds.



What is the minimum share of socially sustainable investments?

The minimum share of socially sustainable investments is at least 5% of the Sub-Fund's assets.

At times the investments that qualify as socially sustainable investments may be sustainable investments with combined environmental and social objectives as further described in the section 'what is the asset allocation planned for this financial product?', to the extent that these investments sufficiently contribute to social objectives.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

'#2 Other' includes investments, as described in the Sub-Fund's investment policy, that support the financial objective and other management activities of the Sub-Fund such as:

- borrowers that are considered not aligned with E/S characteristics;
- derivatives for hedging and/or Investment Purposes and/or Efficient Portfolio Management;
- Cash held for liquidity purposes as an ancillary asset, deposits and money market instruments; and
- shares or units in other funds and exchange traded funds in which the Investment Manager does not have direct control of the underlying investments.

No minimum environmental or social safeguards are applied.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A

- ***How does the designated index differ from a relevant broad market index?***

N/A

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



Where can I find more product specific information online?

More product-specific information can be found on the website: <https://ninetyone.com/srd>