

**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:** Latin American Corporate Debt Fund **Legal entity identifier:** 213800W5RKKRQZ4LS820

**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?**

|  |  |
|--|--|
| <p><input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: _____%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: ___%</p> | <p><input type="radio"/> <input checked="" type="radio"/> <input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p> |
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**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 Sub-Investment Manager’s proprietary sustainability framework, and by excluding investments in certain borrowers.

The Sub-Fund invests in borrowers 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 employee conditions and development of human capital amongst others.

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

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.

**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.

- **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 sustainability indicator that will be used to measure the attainment of the environmental or social characteristics promoted by the Sub-Fund will be the proportion of investments in borrowers with proprietary bottom-up ESG scores above 60.

- **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?**

N/A

- **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?**

N/A

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

N/A

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

N/A

*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 on an individual borrower, the following principal adverse impacts are considered for the Sub-Fund’s investments:

- GHG emissions
- Carbon footprint
- GHG intensity of investee companies

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

- No



## What investment strategy does this financial product follow?

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

### Sustainability Framework

As part of its investment strategy to promote environmental and social characteristics of the Sub-Fund, the Sub-Investment Manager makes investments in companies that meet the standards of its proprietary sustainability framework, which is based on the premise that companies with sustainable environmental and social practices are underpinned by a strong governance framework.

The sustainability framework consists of an appraisal of the sustainability of each borrower through the completion of a detailed ESG questionnaire, which covers and assigns an ESG score to the following aspects:

#### E (Environment):

- i. sourcing & supply chain's environmental management;
- ii. climate change;
- iii. energy management;
- iv. natural capital; biodiversity & land use;
- v. water & wastewater management;
- vi. air quality;
- vii. packaging material & waste management; and
- viii. circular economy.

#### S (Social):

- i. employees' health and safety;
- ii. product safety;
- iii. supply chain social management;
- iv. privacy & data security;
- v. labor management;
- vi. diversity Equity & Inclusion;
- vii. development of human capital;
- viii. human rights and community management;
- ix. international treaties; and
- x. consumer protection.

#### G (Governance):

- i. shareholders and ownership structure;
- ii. board composition, independence, and diversity;
- iii. related-party transactions;
- iv. management; and
- v. disclosure and financial transparency.

Any environmental and social risks identified in the appraisal are subject to measurement through a materiality matrix. This matrix covers the degree of event probability as well as level of event impact and adjusts the relevant ESG score(s).

The individual scores with any adjustments are aggregated which results in a proprietary, sector specific, overall ESG score for each investment, that ranges from 0 to 100, with 100 being the best score.

As a result of the Sub-Investment Manager's sustainability framework, a significant proportion (at least 80%) of the Sub-Fund's assets will be in borrowers with a proprietary sector specific overall ESG score of 60 or higher.

The output of the questionnaire also serves as a guide for the Sub-Investment Manager's engagement activities as described further below under the heading 'Additional Considerations'.

### Exclusions

The Sub-Fund will not invest in companies that (to the best of the Sub-Investment Manager's knowledge):

- are directly involved in the manufacture and production of controversial weapons (including biological and chemical weapons, cluster munitions and anti-personnel landmines);
- are directly involved in the manufacture and production of nuclear weapons;
- are directly involved in the production of crude oil from oil sands; or
- the Sub-Investment Manager deems to be in violation of the UN Global Compact principles.

The Sub-Fund will not invest in companies which derive more than 5% of their revenues from the production, distribution, or supply of tobacco products.

In addition, the Sub-Fund will not invest in any company that (to the best of the Sub-Investment Manager's knowledge):

- is involved in thermal coal extraction, unless if this is a result of a by-product and is limited to 10% of the company's revenues; or
- derives revenue from coal-based power generation, unless the company has a clear transition path and derives no more than 25% of revenues from coal-based generation in 2025, and 10% in 2027.

Notwithstanding the exclusions above, the Sub-Fund may invest in green bonds, including those issued by companies using, or deriving revenues from, coal power generation. In such cases, the Sub-Investment Manager assesses the extent to which the green bond's use of proceeds support transition in a meaningful way towards achieving net zero carbon emissions.

Over time, the Investment Manager may, in its discretion, elect to apply additional exclusions to the strategy that it believes are consistent with the Sub-Fund's investment policy. Such changes will be disclosed on the Investment Manager's website as they are implemented and subsequently updated in this Prospectus at the next available opportunity.

#### Additional Considerations

As part of its sustainability framework, the Sub-Investment Manager will engage with companies where it identifies opportunities to effect positive change, or to deepen knowledge and insight, with respect to sustainability considerations.

The Sub-Investment Manager's fundamental analysis 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 Sub-Investment Manager. There will be no mechanistic reliance on external ESG ratings and scores.

The Sub-Fund's holdings will be monitored on an ongoing basis by the Sub-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 Sub-Investment Manager, taking into account the best interests of the Shareholders of the Sub-Fund.

● ***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 Sub-Investment Manager applies its proprietary sustainability framework consistently and on an ongoing basis to assess the environmental and social characteristics of the Sub-Fund's investments.

A significant proportion (at least 80%) of the Sub-Fund's assets will be in borrowers with a proprietary sector specific overall ESG score of 60 or higher.

In addition, the Sub-Fund will not invest in certain borrowers, as described 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 Sub-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 Sub-Investment Manager's proprietary sustainability framework, outlined in the question above on 'what investment strategy does the financial product follow?', and through ongoing monitoring of holdings.

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

The Sub-Investment Manager considers characteristics such as:

- structure of the borrowing company's board of directors and shareholder control;
- a borrowing company's policies, including historical behaviour on whistleblowing and corruption, and any historic fines or penalties; and
- a borrowing company's treatment of employees, for example, whether the workforce is permitted to unionise. The process also highlights whether a company may have breached UN Global Compact principles.



## What is the asset allocation planned for this financial product?

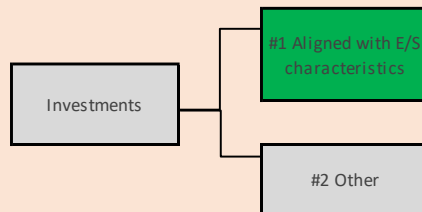
### Asset allocation

describes the share of investments in specific assets.

The 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 80% of its assets.

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' are 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'.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- **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 Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of EU Taxonomy-aligned investments is 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 Taxonomy<sup>22</sup>?**

Yes:

in fossil gas     in nuclear energy

No

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<sup>22</sup> 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 Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of investments in transitional and enabling activities is 0% of the Sub-Fund's assets.



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

The Sub-Fund does not currently commit to invest in any sustainable investment within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation, accordingly the minimum share of sustainable investment with an environmental objective that is not aligned with the EU Taxonomy 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 socially sustainable investments?**

N/A



**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; and
- derivatives for hedging; and
- 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 Sub-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

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

- ***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



**Where can I find more product specific information online?**

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