



Investing Responsibly

- Ethical Emerging Markets Value

This fund's approach

Detailed ESG Integration	Yes
Stewardship	Yes
Best-in-class	No
Exclusions	Yes



ESG Integration

Qualitative & quantitative consideration of ESG throughout fundamental investment process. Impacts selection, analysis, valuation and portfolio construction.



Stewardship

Voting: Aim to vote all holdings, with decisions made after in-house review of agendas.

Engagement: On various ESG issues, both directly by our investment teams, collaboratively with other investors, & via service providers.



Exclusions

No Sparinvest funds invest in companies with confirmed involvement in production or distribution of controversial weapons. This ethical fund also applies Norm- and Sector-based exclusions.



Transparency

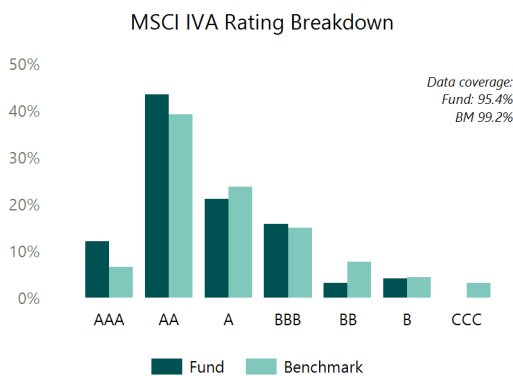
We recognise that many investors wish not only to see what their investments are achieving in terms of financial returns, but also to understand their impact on broader society. We are committed to providing our investors with that understanding.

How we invest responsibly

At Sparinvest, investing responsibly is central to our aim of providing clients with strong and sustainable long-term investment returns. ESG issues present companies, and countries, with a variety of opportunities and risks, and the way these are handled can materially affect long-term value. This mind-set is deeply engrained in our investment teams.

This fund is compared to MSCI Emerging Markets

ESG profile



Investing responsibly is not a simple question of investing in only a few 'perfect' companies, and the underlying issues are usually not black and white.

This is not a 'best-in-class' fund, but one with diversified holdings. Our strength lies in analysis and understanding of ESG issues, and factoring that understanding into our investment decisions. This fundamental approach to ESG can lead to a relatively strong ESG profile, but instead of focussing on static ESG scores, we believe that value is often generated through positive change. We believe in working with companies to encourage stronger sustainability.

Signatory of:

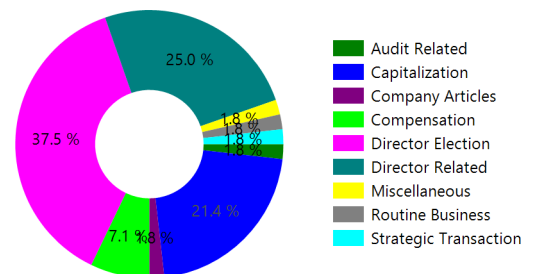


Stewardship - Voting

Voting the last 12 months

Meetings voted	70
- Proportion with votes against management	41 %
Agenda Items voted	607
- Proportion against management	9 %

Votes Against Management



When voting against management, Sparinvest seeks dialogue with management. In the last 12 months, we communicated with 15 companies regarding voting.

Stewardship - Engagement

During the last 12 months, Sparinvest had dialogue on ESG issues with 17 companies on behalf of the fund. This includes engagement, and communication regarding voting. Issues include: carbon and climate risk, human rights, and board structure including gender diversity.

Engagement is predominantly carried out in-house by our investment teams. We also join other institutional investors in collaborative engagements, including via the Climate Action 100+. We also make use of collaborative engagements via service providers in some circumstances.

Exclusions

Overarching Exclusions

A general set of exclusion criteria is applied to all funds, based on three main categories:

- Controversial Weapons
- Persistent Norm Violators
- Climate Laggards

For reference, the above criteria currently exclude approximately 10.48% of MSCI Emerging Markets.

Sector-Based Exclusions



Alcohol



Tobacco



Gambling



Pornography



Weapons



Thermal coal



Oil sands

Companies are assessed for revenue exposure to these activities and certain thresholds apply. These criteria currently exclude an additional 6.44%, approximately, of MSCI Emerging Markets.

Norm-Based Exclusions



Human Rights



Labour Standards



Environment



Anti-corruption

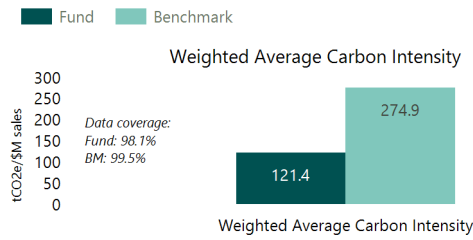
In these four areas, companies are assessed for violations of international norms, like UN Global Compact principles. Companies with verified violations, which they have failed to address, are excluded. We also use discretion to exclude some companies in other circumstances – such as where final verification is lacking, but there are strong indications of a violation. The combined effect of this process currently excludes an additional 1.38%, approximately, of MSCI Emerging Markets.

Cumulative exclusionary impact: 18.30% of MSCI Emerging

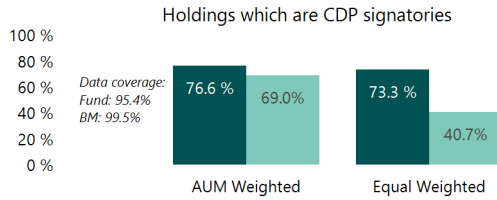
Markets The above criteria currently exclude approximately 18.30% of MSCI Emerging Markets.

Selected ESG data

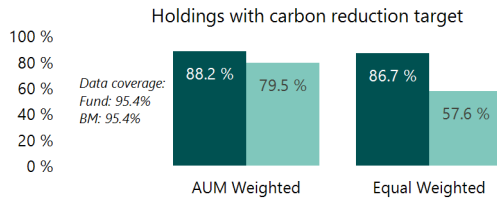
Environment



Weighted average carbon intensity provides an indication of portfolio exposure to potential climate change-related risks (such as carbon pricing), relative to the benchmark.

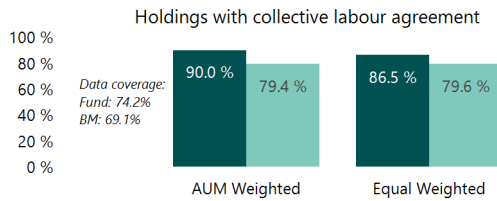


The CDP (Carbon Disclosure Project) is a global disclosure system, enabling measurement and management of environmental impacts. Improving disclosure levels for carbon emissions, and other environmental impacts, is a crucial step in enhancing management of those issues.



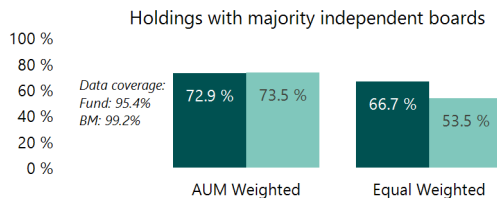
As a signatory to the PRI Montreal Pledge, we disclose the fund's carbon footprint. We are also active participants in Climate Action 100+.

Social

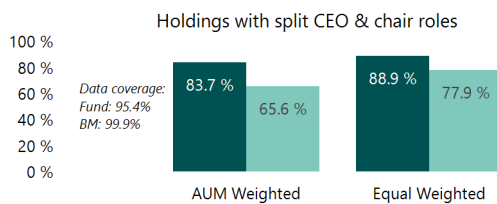


Approaches to labour agreements vary by country, but management disregard for employee rights can be counter-productive over the medium to long-term.

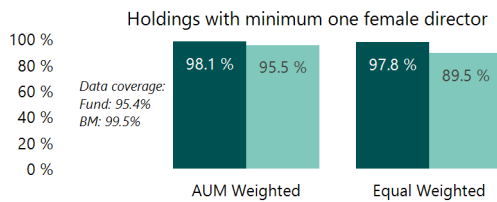
Governance



Our voting policy places an emphasis on high levels of independence in boards. We frequently vote against directors due to concerns over independence



We believe the board should provide effective independent oversight, and prefer the roles of board chair and chief executive to be separate. We typically vote against appointments that combine these roles.



We believe there are long-term benefits to various forms of diversity in the board, including gender diversity. Our voting principles set clear thresholds for board diversity, and failure to meet these thresholds typically leads to votes against certain directors.