

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: VAM Fundamental Emerging Markets Equity Fund

Legal entity identifier:
5493002OB0IBDQITXG78

Environmental and/or social characteristics

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.



| Does this financial product have a sustainable investment objective? | |
|--|--|
| <input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes | <input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ____% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | <input type="checkbox"/> 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 ____% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective |
| <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ____% | <input checked="" type="checkbox"/> 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 seeks to promote environmental and social characteristics primarily by fully integrating consideration of sustainability risks and opportunities within its investment methodology called Industrial Life Cycle (“ILC”).

Through best-in-class screening and proxy voting policy, the sub-fund promotes companies with good governance and sustainable corporate practices. The sub-fund also promoted certain minimum environmental and social characteristics through its negative screening mechanisms towards certain products and business practices that the Investment Manager believed to be detrimental to society and opposed to sustainable development. In addition, the Investment Manager through its proprietary carbon scoring, makes sure that the sub-fund's carbon footprint is lower than that of the general market.

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?**

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the sub-fund:

1. The percentage of NAV allocated to companies with an ESG Rating of BB or better
2. Overall ESG rating versus the benchmark
3. GHG intensity (Scope 1 and 2, measured as tonnes of CO2 per million dollars of sales) in relation to the benchmark
4. The number of companies that are in violation of UN Global Compact
5. The percentage of NAV allocated to companies dealing in nuclear or controversial weapons

- **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?**

Not applicable.

- **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?**

Not applicable.

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

Not applicable.

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

Not applicable.

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.

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

No



What investment strategy does this financial product follow?

The investment strategy is centered on the belief that generating alpha from stock selection is a repeatable way to generate excess returns. The investment process incorporates a bottom-up process in conjunction with a top-down macro model designed to extract value from each stage of the life cycle. The primary objective is to maximize the potential alpha available from stock specific sources, while minimizing the inherent risks of unsustainable environmental and social corporate strategy. The investment process was developed by the management team and has been utilised for investment management since 2006.

- ***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?***

To promote environmental, social and governance characteristics, the Investment Manager applies a mix of the following binding elements:

1. **Best-in-Class:** To promote environmental, social and governance characteristics, and to reduce sustainability risks, the Investment Manager uses minimum ESG rating thresholds. Companies with an ESG rating above or equal to B are deemed investable. Companies below this ESG rating threshold are deemed not sustainable. Such companies tend to exhibit large sustainability risks, and/or fail to show enough commitment towards improving their environmental, social, and governance characteristics.

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

ESG characteristics are also considered as part of portfolio construction. The Investment Manager commits to keep at least 70% of NAV allocated to companies with an ESG Rating of BB or better. Adherence to this target contributes to the sub-fund's promotion of good governance and sustainable corporate practices.

2. Negative Screening: The Investment Manager applies certain exclusion criteria to ensure minimum environmental, social and/or governance characteristics are promoted at both the security and portfolio level. This helps to ensure that no human rights, labour, social or environmental minimum standards such as anti-corruption and anti-bribery matters are breached.

The following exclusions with a zero tolerance are applied by the Investment Manager during the screening process:

- United Nations (UN) Global Compact Violations
- Companies with Very Severe rated controversies as defined by third-party providers
- Norms-based including controversial weapons, chemical weapons, biological weapons, cluster munition, land mines, weapons utilizing non-detectable fragments, white phosphorus, blinding laser weapons, nuclear weapons, and depleted uranium

The Investment Manager also explicitly excludes investments based on a materiality of revenue threshold of electric power producers and coal extraction miners with excessive climate impact, defined for this policy as above from the following:

- Conventional Weapons and Firearms (5%)
- Conventional Weapons and Firearms Support Systems & Services (20%)
- Mining companies that extract coal, including thermal (20%)
- Mining companies developing new coal mining and coal industry partners (e.g. equipment suppliers) (20%)
- Mining companies developing significant new coal assets (20%)
- Mining companies that extract other non-renewable energy sources with high GHG impacts: oil sands and shale energy (20%)
- Power generation companies with electricity generated by coal (20%)
- Power generation companies that plan to expand coal power generation capacity (20%)

Adherence to the norms-based exclusion list entails pre- and post-trade compliance checks based on exclusionary screening information, as well as ongoing monitoring of the portfolios for any breaches. A data feed from a third-party provider of specific company names / identifiers to be excluded is added to a central restriction list. This is updated frequently, coded into trading systems, and made available to the Investment Manager for monitoring,

screening, and application. Sanctions and legal restrictions in applicable jurisdictions are also followed.

3. **Proprietary Scoring & Carbon Emissions:** The sub-fund aims to align with carbon reduction targets. As of today, the sub-fund already considers Scope 1 and 2 emissions using data directly provided by companies or third-party providers (e.g. Sustainalytics) or estimated when actual emissions data is not available. Scope 3 may be phased in over time (when and if available with targets set and measured separately). Emissions are measured in both an absolute and intensity basis. The Investment Manager blends both measures of an issuer with its proprietary ILC Score to identify valuation premiums on a risk adjusted basis of both its material climate alignment and financial factors. The Team will maintain a Scope 1 and 2 emission profile that is less than the relevant benchmark.

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

Not applicable.

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

The Investment Manager's parent is a signatory to the UN Principles for Responsible Investment (the UNPRI). As a signatory, the good governance practices of investee companies are assessed prior to making an investment and annually thereafter. This requires investee companies to adhere to minimum standards in various areas including sound management structures, employee relations, remuneration of staff and tax compliance.

The Investment Manager is committed to the principle of active stewardship – monitoring and influencing the companies in which it invests, through voting and engagement, and challenging companies that fall short of the Investment Manager's standards for managing ESG-related risks. The Investment Manager on behalf of the sub-fund intends to drive or support positive change by engaging with the directors and executives of investee companies.

The Investment Manager believes that complying with the minimum standards set out in SFDR is a necessary but not sufficient condition for it to conclude that a company has good governance. In addition, the Investment Manager expects its investee company boards and management teams to exhibit a focus on the long term and a regard for all stakeholders. Management teams should be incentivised to manage companies to create value for all stakeholders and be rewarded accordingly. Consequently, the Investment Manager assesses and seeks to promote the integration of sustainability-linked non-financial metrics within variable compensation frameworks.

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



What is the asset allocation planned for this financial product?

The asset allocation remains bound to investment guidelines requiring a minimum of 70% weight invested into equities domiciled in Emerging Markets. A maximum of 10% weight is allowed into cash/cash equivalents, and/or equities not domiciled in Emerging Markets. Up to 20% is allowed in structured products, and 10% into open end collective investment vehicles subject to their exposure being based upon Emerging Market equities. Derivative exposure is limited to currency forwards for the purpose of hedging against the reference currency.

As a result of the traditional asset allocation guidelines, a minimum 90% of investments is expected to be aligned with the E/S characteristics, labelled #1 below. The 10% maximum falling into #2 will include cash and any other investment that meets overall guidelines, but fails to align to E/S characteristics.

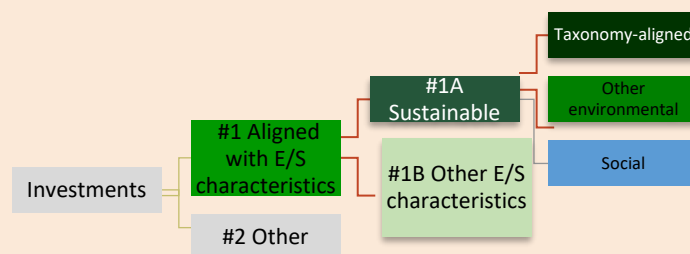
● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

Use of derivatives is limited to currency forwards, and will therefore not contribute towards the promotion of E/S characteristics.



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

We do not currently commit to a minimum proportion of investments of the Sub-fund that are Taxonomy aligned. Accordingly, the percentage of investments is 0% of the net assets of the sub-fund.



#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.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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.

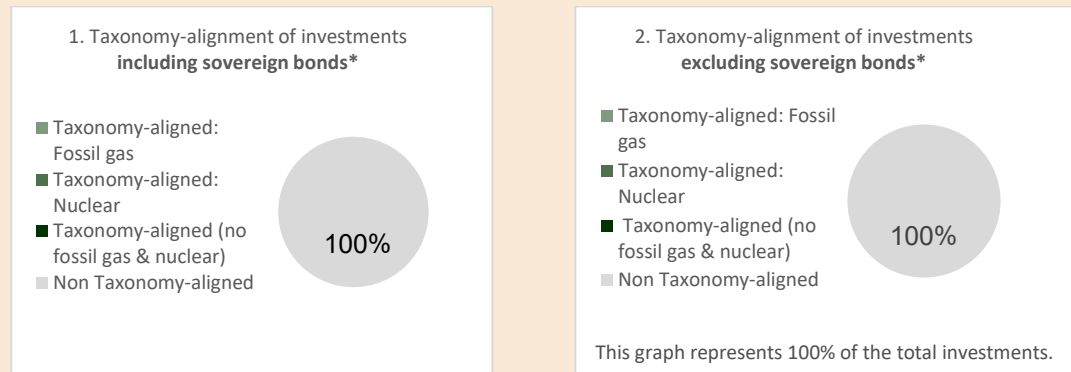
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁵?**

Yes:

In fossil gas In nuclear energy

No

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.

Given the sub-fund investment focus and the asset classes/sectors which it invests in, the Investment Manager does not take into account or integrate into the investment process a consideration of Environmentally Sustainable Economic Activities for the purposes of the Taxonomy Regulation. The Investment Manager does not exclude the possibility that some of the sub-fund's investments may be Taxonomy Regulation aligned. However, the sub-fund does not make any commitment in this regard, and as such it is possible that 0% of the sub-fund's assets may be aligned with the Taxonomy Regulation.

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

As of the date of this Prospectus, the Investment Manager does not commit to a minimum proportion of investments in transitional and enabling activities.

⁵ 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.



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

0%. The sub-fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The sub-fund does not commit to a minimum share of socially sustainable investments.



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

Cash is included in this category. Also, ETFs may be included as part of the portfolio construction. Although the sub-fund aims to be fully invested, some cash is held for liquidity and opportunistic reasons. Up to 10% of the sub-fund's assets may be invested in these #2 Other investments.



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?

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.



Where can I find more product specific information online?

More product-specific information can be found on the website:

www.alquity.com

www.credit-suisse.com/microsites/multiconcept/en/our-fun

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

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

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: [WCM World Growth Fund](#) Legal entity identifier: [5493007MOUB6W5G8T620](#)

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Does this financial product have a sustainable investment objective?

Yes
 No

| | |
|---|---|
| <input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___% | <input type="checkbox"/> 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 ___% of sustainable investments <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments |
|---|---|

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

As part of the investment research process, the sub-fund’s Investment Manager evaluates corporate culture as it believes is a critical determinant of the resiliency and trajectory of a company’s competitive advantage, and how a company views and manages ESG issues.

As a key component of the Fund’s bottom-up fundamental approach, social criteria such as human capital management and corporate culture analysis are heavily weighted within the