



Sustainability-related Disclosures

Fiera U.S. Small-Mid Cap Growth Fund

EFFECTIVE DATE: SEPTEMBER 20, 2024



Summary

These disclosures are made in accordance with Article 10 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (“SFDR”) and Articles 23 to 36 of Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council. The disclosures are made by Fiera Capital Inc. (“Investment Manager”) on behalf of the following fund (“Fund”):

Magna Umbrella Fund Plc – Fiera U.S. Small-Mid Cap Growth Fund
LEI: 213800OHC6GQ8R997U21

No Sustainable Investment Objective

The Fund promotes environmental characteristics, but does not have as its objective sustainable investment.

Environmental or Social Characteristics of the Financial Product

The Fund promotes climate change mitigation. In particular, the Fund will seek to maintain a weighted average carbon intensity (“WACI”) that is lower than its performance benchmark (the Russell 2500 Growth Index) and will ensure that it maintains a WACI that is lower than the overall small to mid-cap segment of the US equity universe, as represented by the Russell 2500 Index (“Carbon Footprint Requirement”).

Investment Strategy

The investment objective, policy and strategy of the Fund is detailed in the supplement of the prospectus applicable to this Fund.

Investment strategy used to meet the environmental or social characteristics promoted by the Fund

When assessing whether an investment is aligned with the environmental characteristic of climate change mitigation, the Investment Manager’s primary consideration is whether such investment is aligned with the Fund meeting its binding Carbon Footprint Requirement as set out above. Such Carbon Footprint requirement applies to the Fund’s portfolio as a whole and is therefore applicable (in aggregate) to all of the Fund’s investments. The Investment Manager assesses the WACI of the Fund as recommended by the Task Force on Climate-related Financial Disclosures (“TCFD”). This metric calculates the average carbon intensity of a portfolio, expressed in tons of CO2 equivalent emissions by millions of revenues, weighted by the relative size of the investments in the portfolio.

In addition, when assessing whether a particular investment is aligned with the environmental characteristic of climate change mitigation, the Investment Manager may consider whether the investee company:

- has a carbon intensity that is less than the WACI of the Russell 2500 Growth Index;
- has a carbon intensity that is less than its industry peers;
- has set formal emissions reduction targets to achieve the goal of net-zero greenhouse gas emissions by 2050 or sooner (including whether these targets have been established in accordance with methodologies approved by the Science Based Targets initiative (“SBTi”)); and/or
- has in place formal policies that are intended to reduce their emissions of greenhouse gases, including efforts to improve energy efficiency and/or policies to derive energy from cleaner fuel sources.

To the extent that an investee company satisfies one or more of the above factors (together, the “Additional Factors”), such investment may be considered by the Investment Manager to be aligned with the environmental characteristic promoted by the Fund.

Further, in selecting companies for potential investment by the Fund, the Investment Manager considers and applies the following ESG exclusions and limitations:

- **Coal.** The Investment Manager will not invest in companies that derive 5% or more of their revenues from the mining of any type of coal (thermal coal or metallurgical coal). Moreover, power generation companies and other companies that generate the majority of their own power from coal and which do not have a committed plan to transition to more sustainable sources of power generation will also be fully excluded.
- **Oil sands.** The Fund will not invest in companies that are directly involved in oil sands extraction.
- **United Nations Global Compact.** Companies which violate one or more of the United Nations Global Compact principles are generally excluded from the investments of the Fund, unless the Investment Manager determines that either positive engagement with the implicated company can correct the issue, or that there are other positive environmental or social reasons which justify an investment. Companies which are at risk of non-compliance are closely monitored, or otherwise excluded. The United Nations Global Compact (www.unglobalcompact.org) is a globally recognized common framework that applies to all industrial sectors. This initiative is based on international conventions in the areas of human rights, labour standards, the environment and the fight against corruption. Similarly, any identification of possible ‘controversies’ by a company (being an instance or ongoing situation in which a company may allegedly have a negative environmental, social or governance impact) are considered and further investigated and the Investment Manager will either engage with the implicated companies or divest from companies if no reasonable efforts are made to correct the issue.
- **Controversial weapons.** A company will be deemed ineligible for investment if it derives any of its revenue directly from the manufacture or sale of controversial weapons. Controversial weapons are those that are either prohibited under international conventions or are deemed particularly controversial because of their humanitarian impact. They include weapons of mass destruction such as nuclear,

chemical and biological weapons, and weapons that fail to discriminate between civilians or combatants or cause disproportionate harm, such as cluster munitions or anti-personnel mines.

- **Tobacco.** Tobacco producers (being those companies that derive at least 15% of their revenue from the production of tobacco) will be ineligible for investment by the Fund. Distributors of tobacco (being those companies that derive at least 20% of their revenue from the distribution or sale of tobacco) will also be ineligible for investment by the Fund.

Policy to assess good governance practices of the investee companies

The Investment Manager believes that the role of good governance is of critical importance for both investee companies and those being vetted as investment candidates. Good governance practices are a key consideration in the investment process along with an evaluation of management quality, the sustainability of the business model, and various financial and growth metrics. Transparency and a willingness to engage with shareholders are two attributes that are emphasized by the Investment Manager while analysing companies and business models. As part of its detailed due diligence, the Investment Manager routinely reviews public filings to gain insight into an investee company’s governance practices. In addition, the Investment Manager may use third party data to assist in the evaluation of corporate governance practices. This detailed review is designed to identify any activities that may be considered red flags. Governance red flags include but are not limited to items such as management structure, potential write-offs, restatement of financial results, accounting irregularities and tax matters.

Proportion of Investments

Whilst the Investment Manager does not pre-determine its asset allocation, it expects that at least 60% of investee companies will at all times satisfy at least one Additional Factor (as described within the section “Investment Strategy” above).

The Fund is expected to have direct exposure to investee companies through holding shares issued by the companies. While the Fund may use financial derivative instruments such as options and forward currency exchange contracts to hedge currency exposure in respect of the Hedged Classes (where relevant), the Fund does not use derivatives to attain the environmental characteristic promoted by the financial product.

Monitoring of Environmental or Social Characteristics

The Investment Manager’s investment personnel responsible for the discretionary management of the Fund’s portfolio has the primary responsibility for monitoring the environmental characteristics promoted by the Fund, using the data and systems available to and/or obtained by the investment team. The investment team may be assisted in its monitoring efforts by the Investment Manager’s sustainable investment team.

To ensure that the Carbon Threshold Requirement (as described within the section “Investment Strategy” above) is achieved on an ongoing basis, the Investment Manager considers the portfolio’s weighted average carbon intensity compared to the WACI the overall small to mid-cap segment of the US equity universe, as represented by the Russell 2500 Index, primarily using data sourced from third-party data providers, and takes any necessary action to ensure that the Carbon Threshold Requirement is achieved.

ESG exclusions and limitations are monitored with pre-trade restrictions (to the extent practically possible) and, separately, by the Investment Manager’s investment team.

Methodologies for Environmental or Social Characteristics

The Investment Manager uses the following sustainability indicators to measure the attainment to the environmental characteristic it promotes:

- The carbon footprint (Scope 1 and Scope 2)¹;
- The portfolio’s weighted average carbon intensity; and
- The portfolio’s exposure to companies active in the fossil fuel sector

Data Sources and Processing

The Investment Manager relies upon a combination of third-party ESG information and/or information provided or published directly by the investee company. Third-party ESG information are used to enhance the Investment Manager’s understanding of a company’s ESG profile and practices and include risk ratings and sustainability frameworks (such as the SASB Standards and Integrated Reporting Framework).

Due to the fact that the Fund primarily invests in global publicly listed equities, holdings are generally well-covered by third-party data and research providers. However, there are limitations within the data and, as a result, holdings may be incorrectly assessed. Where identified, the Investment Manager will seek to mitigate this risk through its own assessment, including through company engagement.

Potential ESG risks and opportunities are identified by Fiera’s sustainable investing team, which produces ESG dashboards across a broad range of ESG factors that assist the investment team in reviewing and comparing a range of ESG data points and ESG qualitative disclosures.

The Investment Manager relies upon third-party data providers who use a variety of models to generate estimates and proxies where carbon emissions reporting from companies is missing or unreliable. The proportion of estimated data varies depending upon the data points reviewed.

Limitations to Methodologies and Data

The effectiveness of the Investment Manager’s research process depends largely upon the experience and skill of its investment team and sustainable investment team as well as the quality of data and information available to the relevant teams. ESG information from third-party data providers may be incomplete, inaccurate or unavailable. There is currently a lack of legally binding definition and comparability among providers of ESG ratings or legal requirements to ensure transparency of underlying methodologies of such ratings.

¹ To report on greenhouse gas (“GHG”) emissions, the GHG Protocol have developed an approach categorising sources of emissions into three scopes: Scope 1, covering direct emissions from company facilities and vehicles, Scope 2, covering indirect emissions from purchased energy and electricity and Scope 3, covering emissions from the value chain of the company (e.g. investments, business travel, waste).

As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect inclusion or exclusion of a security in the portfolio of a financial product (“ESG Data Risk”). Where identified, the Investment Manager will mitigate this risk through its own assessments.

Due Diligence

The Investment Manager’s investment team is responsible for conducting initial and ongoing due diligence on the Fund’s holdings. The investment team’s analysis is based upon data and information obtained from third-party data providers, data and research tools developed by the investment team and/or company engagement. The investment team may be assisted in its due diligence process by the Investment Manager’s sustainable investment team.

Engagement Policies

Fiera Capital is committed to engage in a constructive and collaborative way with prospective and existing investee companies. The scope of engagement typically spans both financial and ESG factors. Fiera Capital seeks to encourage companies to recognize the importance of ESG factors and supports their efforts to improve the transparency and disclosure of their approach and performance as they relate to material ESG issues. The Investment Manager allows its investment teams to implement the engagement practices they deem most appropriate for their investment style, and to select the engagement topics they deem most material to the investment in question.

Designated Reference Benchmark

No index has been designated for the purpose of attaining the environmental characteristics promoted by the Fund.

Version History

Date	Version	Changes
20/09/2024	1.0	n/a

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