



Sustainability-related Disclosures

OAKS Emerging and Frontier Opportunities Fund

28/12/2022 - V1.0



Sustainability-related Disclosures

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 (UK) Limited ("Investment Manager") on behalf of the following fund ("Fund"):

OAKS Emerging Umbrella Fund Plc – OAKS Emerging and Frontier Opportunities Fund
LEI: 213800B7MWQZ35913304

No Sustainable Investment Objective

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

Environmental or Social Characteristics of the Financial Product

The Fund promotes climate change mitigation. Further, the Fund promotes the protection of internationally proclaimed human rights, the elimination of all forms of compulsory (including child) labour and the implementation of anti-corruption measures.

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

To meet the environmental characteristics promoted by the Fund, the Investment Manager applies the following binding requirements:

The Investment Manager excludes investments in companies that derive 25% or more of their revenues from the mining of thermal coal. Moreover, companies that generate the majority of their own power from coal and which are looking to increase this, will be fully excluded.

At least 40% of investee companies are companies that (i) have aggregate greenhouse gas emissions below the average of its industry sector and/or (ii) have in place formal policies and/or material initiatives that are intended to reduce their emissions of greenhouse gases. Examples of formal policies and material initiatives include:

- > efforts to improve energy efficiency and/or efforts to derive energy from cleaner fuel sources;
- > formal emissions reduction targets to achieve the goal of net-zero greenhouse gas emissions by 2050 or sooner; and
- > whether the investee company has obtained any green building certificates that apply to the properties owned by the investee company including, but not limited to, LEED (Leadership in Energy and Environmental Design),GRESB (Global Real Estate Sustainability Benchmark), CASBEE (Comprehensive Assessment System for Building Environment Efficiency), BREEAM (Building Research Establishment Environmental Assessment Methodology) and the local equivalents of such certificates.

To meet the social characteristics promoted by the Fund, the Investment Manager applies the following binding requirements:

The Fund excludes investment in companies that have been in violation of human rights, labour rights or anti-corruption principles according to the United Nations Global Compact (UNGC), unless such investee company provides the Investment Manager with sufficient comfort that it has implemented formal policies and/or initiatives to ensure that such violations will not re-occur. Any identification of possible “controversies” by an investee company related to human rights, child labour or corruption (being an instance or ongoing situation in which a company may allegedly have a negative impact on such social characteristics) are considered and further investigated by the Investment Manager. Unless the Investment Manager is comfortable that sufficient efforts have been made by the investee company to correct the issue, such investee company will be excluded for investment by the Fund.

At least 40% of investee companies must have implemented the following:

- > Policies and/or material initiatives to ensure the protection of human rights and/or the prevention of compulsory (including child) labour in all parts of its business (applicable where the nature and/or jurisdiction of the business of the investee company gives rise to risks of human rights and compulsory and/or child labour violations); and
- > Policies to prevent the bribery of its employees, executives, and directors by others, and/or to prevent the involvement in any corrupt business practices limiting open competition by deception, including but not limited to: cartels, collusion, fraud, embezzlement, nepotism, price fixing, and preferred patronage.

In selecting companies for potential investment by the Fund, the Investment Manager considers the following additional environmental and social safeguards:

- > **Environmental supply chain.** Whether the investee company has implemented any initiatives to reduce the environmental footprint of its supply chain. Environmental footprint reductions could be achieved by, e.g., reducing waste, resource use, environmental emissions, insisting on the introduction of environmental management systems in the supply chain.
- > **Emissions reduction initiatives.** Whether the investee company has implemented any initiatives to reduce its other emissions, such as SO_x, NO_x, or other air pollutants.
- > **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 generally be limited to 10% of the portfolio, however any tobacco distributor may not be counted in such threshold limitation if it can demonstrate to the Investment Manager's satisfaction that it has particularly strong environmental or social characteristics in other areas, for example in its use of clean energy or in its supply chain management.
- > **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.

Policy to assess good governance practices of the investee companies

The good governance practices of investee companies are assessed prior to making an investment and periodically thereafter in accordance with minimum standards against which investee companies will be assessed and monitored by the Investment Manager. Such standards may include, but are not limited to, sound management structures, employee relations, remuneration of staff and tax compliance. The Investment Manager's investment team defines good governance as the set of rules, practices, and processes used to manage an enterprise to improve economic resilience and transparency for shareholders, regulators, and other stakeholders. The management of an investee company needs to demonstrate alignment of interests between all stakeholders, accountability, fairness, transparency and responsibility.

An in-house ESG tool is utilised to assess the following criteria on the investee company: board composition (including director roles, diversity and independence), executive compensation (pay governance), shareholder policies, director voting, MSCI governance controversy scores, governance scores, auditor ratification, S&P Global Governance & economic dimension rank, party controlling more than 50% of the investee company, ISS Audit Score, ISS Board Score, ISS Quality Score, ISS Shareholder Score, existence of a sustainability committee, existence of anti-competition policies, anti-bribery ethics policies and business ethics policies.

Proportion of Investments

Whilst the Investment Manager does not pre-determine its asset allocation based on the environmental and social characteristics promoted by the Fund, taking into account the binding elements used to select the investments, the Investment Manager expects that at least 40% of the investments in the Fund will at all times be fully aligned with all of the environmental and social characteristics promoted by the Fund.

The Fund is expected to have direct exposure to investee companies through holding shares issued by the companies and it may have indirect exposure via derivatives to investee companies. While the Fund may use financial derivative instruments such as options and forward currency exchange contracts to hedge currency exposure in respect of hedged classes, they are not currently used to attain the environmental characteristics promoted by the Fund.

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.

The Investment Manager evaluates the impact and materiality of the ESG factors within the context of the industries and companies it covers at different levels of the investment process. Potential ESG risks and opportunities are identified by the Investment Manager, which produces ESG dashboards across a broad range of ESG factors that assist its investment team in reviewing and comparing a range of ESG data points and ESG qualitative disclosures. Further, the Investment Manager applies certain ESG exclusions and limitations, which are monitored with pre-trade restrictions 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 characteristics promoted by the Fund:

- > The portfolio's aggregate greenhouse gas emissions;
- > The portfolio's greenhouse gas intensity; and
- > The number of investee companies (and corresponding NAV of the Fund) that have in place formal policies and/or material initiatives that are intended to reduce their emissions of greenhouse gases.

To measure the the attainment to social characteristics promoted by the Fund, the Investment Manager uses the following sustainability indicators:

- > Where the nature and/or jurisdiction of the business of the investee company gives rise (in the Investment Manager’s opinion) to risks of human rights and compulsory (including child) labour violations, whether the investee company has a human rights policy and/or child labour policy in place.
- > The number of investee companies (and corresponding NAV of the Fund) that have in place anti-corruption policies.
- > The number of investee companies (and corresponding NAV of the Fund) that have been involved in violations of human rights, labour rights or anti-corruption principles according to the United Nations Global Compact (UNGC).

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. Through engagement with frontier and emerging markets companies on ESG issues, the Investment Manager expects that data availability can be increased over time.

In general, there are limitations within data and ratings and ESG data reported by or otherwise available from companies in Global Emerging Countries and Global Frontier Countries may be a challenge compared to data available from companies in developed countries. To increase data quality and reach appropriate conclusions, the Investment Manager’s investment team has developed a framework, supporting it in its analysis.

Potential ESG risks and opportunities are identified by the Investment Manager, which produces ESG dashboards across a broad range of ESG factors that assist its investment team in reviewing and comparing a range of ESG data points and ESG qualitative disclosures.

Typically, no data is estimated beyond what is provided by investee companies. For investee companies that do not calculate their own greenhouse gas emissions or where data is unreliable, the Investment Manager relies upon third party data providers who use a variety of models to generate estimates and proxies.

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. 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.

When meeting with companies, the relevant investment team is expected to seek to address material ESG issues both on a proactive basis, to raise awareness of potential issues and on a reactive basis, to revisit past issues and assess how the investee company has addressed them. 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.

Fiera Capital has a long track record of active dialogue with companies in which the firm invest on behalf of its clients and looks to work proactively toward constant improvement on matters related to ESG and overall performance. 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.

Designated Reference Benchmark

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

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