

Brandes Emerging Markets Value Fund

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: Brandes Emerging Markets Value Fund **Legal entity identifier:** 635400OKAKF3KS1EY697

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective:** ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective:** ____%



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



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**

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.



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

The Sub-Fund promotes environmental and social characteristics through its exclusion screening process, consideration of principal adverse impacts on its investment decisions through a materiality framework, and good governance assessment of investee companies, as further outlined herein. Such characteristics include carbon intensity and greenhouse gas ("GHG") emissions, energy efficiency and intensity, biodiversity, water, gender equality, health, employee welfare, anti-corruption, bribery, controversial weaponry, and good governance qualities.

In addition, while the Sub-Fund aims to maintain a Weighted Average Carbon Intensity (“WACI”) that is lower than the WACI of the Index on annual basis, the Sub-Fund does not use a specific index designated as a reference benchmark for the purpose of attaining the characteristics being promoted.

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 Sub-Fund’s sustainability-related impact shall be measured through analysis of relevant ESG metrics, based on consideration of principal adverse impacts through materiality mapping of constituent securities, seeking to maintain a WACI that is lower than that of the Index on an annual basis and through implementation of the Sub-Fund’s exclusion strategy. The Sub-Fund’s exclusion strategy results in the exclusion of certain industries or sub-industries, as further outlined here. For example, the Manager will not invest in the securities of any company which it deems to be engaged principally in the production of tobacco products or in the securities of any company deriving more than 10% of its revenue from the distribution of tobacco products.

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. Principal adverse impacts are described as those impacts of investment decisions that “result in negative effects on sustainability factors”. In this context, sustainability factors are environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

When considering principal adverse impacts, the Sub-Fund considers the mandatory indicators (including but not limited to greenhouse gas emissions, biodiversity, waste, and board gender diversity) applicable to investments in investee companies. In addition, the Sub-Fund considers additional (non-mandatory) environmental and social indicators applicable to investments in investee companies including but not limited to companies without carbon emission reduction initiatives; and those without a human rights policy.

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 Manager seeks to consider principal adverse impacts as part of the investment process and uses a combination of methods including:

- The use of a materiality mapping process which highlights topic areas to help identify sustainability risks and opportunities;
- The implementation of a process that assesses a range of metrics, including consideration of certain principal adverse impact indicators; and
- Monitoring of adverse impact metrics of constituents over time, and engaging in certain cases.

No



What investment strategy does this financial product follow?

The Manager's approach to selecting investments for the Sub-Fund is oriented to individual stock selection rather than on a top-down basis or macro-economic outlook. Securities are selected based on the Manager's assessment of long-term business worth compared to current value. Exposures to countries, sectors, and industries are a residual of this bottom up stock selection process. At least two thirds of the investments of the Sub-Fund (in terms of total assets) will be in equity securities located or active mainly in countries that, in the opinion of the Manager or the international community, are emerging or frontier country markets.

The Sub-Fund promotes environmental and social characteristics through its exclusion screening process, consideration of principal adverse impacts on its investment decisions through a materiality framework, and good governance assessment of investee companies as further outlined herein. In addition, the Sub-Fund aims to maintain a WACI that is lower than the WACI of the Index on annual basis.

● ***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 binding elements of the Sub-Fund's investment strategy are its exclusions policy, consideration of principal adverse impacts through a materiality framework, good governance assessment of investee companies, and monitoring the Fund's WACI relative to its Index.

Firstly, as outlined in the Supplement, the Sub-Fund will employ the use of an exclusions policy. For example, the Manager will not invest in the securities of any company which it deems to be engaged principally in the manufacture of controversial weapons or in the securities of any company deriving more than 5% of revenues from the manufacture of nuclear weapons. Concurrently, Sub-Fund uses an exclusion list based on the list of prohibited munitions (i.e. cluster munitions, explosive bomblets or anti-personnel mines) maintained pursuant to the Cluster Munitions and Anti-Personnel Mines Act 2008.

Furthermore, the Manager will not invest in the securities of any company which it deems to be engaged principally in the production of tobacco products or in the securities of any company deriving more than 10% of its revenue from the distribution of tobacco products. Moreover, additional exclusions may include but are not limited to the following: the Manager will not invest in the securities of any company that is involved in thermal coal mining development, in the securities of any company that derives more than 10% of its revenue from the mining of thermal coal or in the securities of any company that derives more than 10% of its revenue from operations in oil sands. Lastly, the Manager will not invest in the securities of any company which has been

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

found to have committed a severe and verified violation of certain principles of the United Nations Global Compact.

Secondly, the Sub-Fund will consider the principal adverse impacts of its investment decisions on sustainability factors through a materiality framework as further outlined herein. Finally, portfolio-level monitoring will target a WACI level lower than the WACI of the Index on annual basis.

In the event that the Sub-Fund is holding an investment which does not comply with the above binding elements, the Manager will as a priority objective look to remedy the situation taking into account the interests of shareholders and the Sub-Fund.

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

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

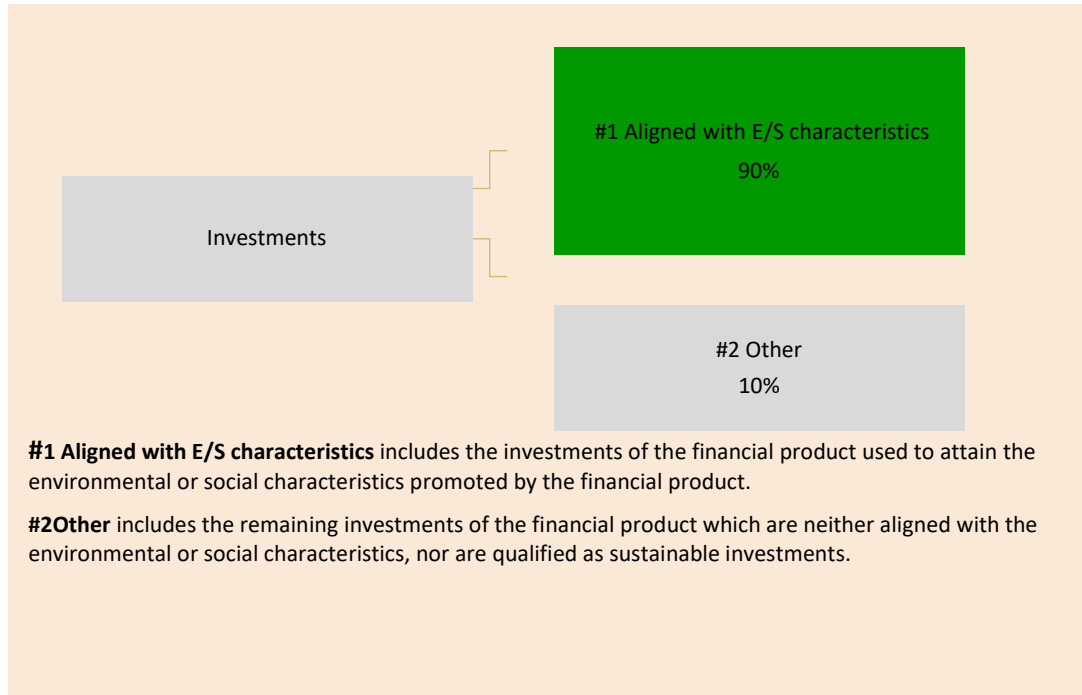
The Manager aims to ensure that investee companies operate in compliance with good governance practices, with particular reference to sound management structures, relations with employees, staff remuneration and compliance with tax obligations. The Manager ensures that investee companies have good governance practices through analysis conducted on the relevant company by the Manager's investment management team supplemented by a review of governance ratings provided by third party data providers, and through engagement with the management of the company.

There is no guarantee that the investee companies will always meet good governance practices. Circumstances beyond the control of Manager may impact upon the governance practices of investee companies. In such circumstances, the Manager will not require the Sub-Fund to dispose of an investment unless the Manager determines that it is practicable to sell or close out the investment without undue market or tax consequences to the Sub-Fund. The Sub-Fund may retain such securities if the Manager deems it in the best interests of shareholders.



What is the asset allocation planned for this financial product?

The Sub-Fund invests at least 90% of its portfolio in investments to meet the environmental and social characteristics it promotes. Up to 10% of the Sub-Fund's investments are not used to attain the environmental and social characteristics and will fall under #2, as further outlined below.



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

The Manager does not use derivatives for the purposes of promoting environmental or social characteristics.



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

As shown in the graph below, the minimum share of investments in environmentally sustainable economic activities aligned with the EU Taxonomy is 0%.

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.

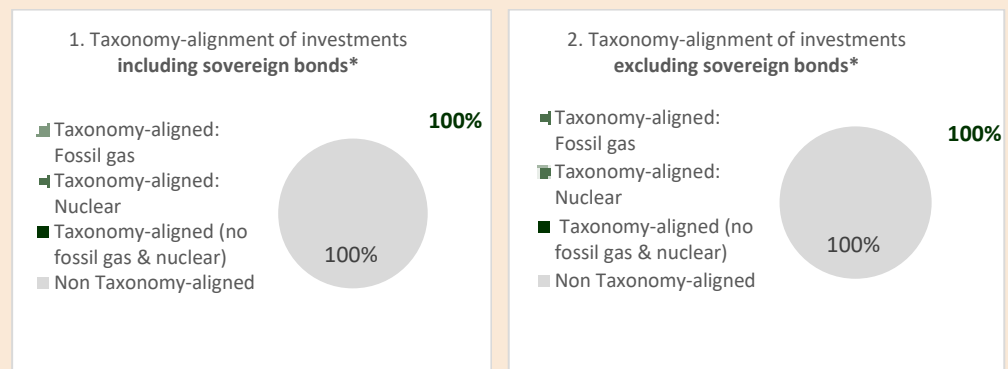
● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy⁴?**

☐ 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.

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

The minimum share of investments in transitional and enabling activities is 0%.



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

Up to 10% of the Sub-Fund’s holdings may be held in cash and cash equivalents and are therefore not used to attain the environmental and social characteristics promoted by the Sub-Fund. Cash and cash equivalents may be held as ancillary liquidity or for risk balancing purposes. Given the nature of cash and cash equivalents, there are no minimum environmental or social safeguards.

⁴ 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.



Where can I find more product specific information online?

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

<https://www.brandes.com/ucits/website-disclosures-for-brand-es-emerging-markets-value-fund>