

Bankinvest Emerging Markets Corporate Debt

SFDR product category: Article 8

Summary

The Sub-fund's portfolio is invested with the intention of promoting the environmental and social characteristics outlined by the ten principles of the UN Global Compact (UNGC). The Sub-Fund uses a combination of strategies to attain this goal. Specifically, it employs a blanket ban on certain activities, sectors, and practices that it deems as incompatible while it also utilizes a norm-based screening to filter out companies that violate international norms and don't exhibit any willingness to change. More detailed information is provided below.

No sustainable investment objective

This Sub-Fund promotes E/S characteristics, but does not have as its objective sustainable investment.

Environmental or social characteristics of the financial product

The Sub-fund's portfolio is invested with the intention of promoting the environmental and social characteristics outlined by the ten principles of the UN Global Compact (UNGC), as set out below.

Human Rights

- Businesses should support and respect the protection of internationally proclaimed human rights.
- Businesses should make sure that they are not complicit in human rights abuses.

Labour

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Businesses should strive for the elimination of all forms of forced and compulsory labour.
- Businesses should strive for the effective abolition of child labour.
- Businesses should support the elimination of discrimination in respect of employment and occupation.

Environment

- Businesses should support a precautionary approach to environmental challenges.
- Businesses should undertake initiatives to promote greater environmental responsibility.
- Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Businesses should work against corruption in all its forms, including extortion and bribery.

Details on how these E/S characteristics are attained can be found further along this document.

Lastly, no reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Investment strategy

The investment strategy to attain the environmental and social characteristics that the fund promotes is: 1. To apply exclusion screens of certain activities, sectors and practices that are incompatible with the environmental and social characteristics. This sums up to an exclusion list of companies not investable for the Sub-fund. This exclusion list is as follows:

- Companies involved in the production of controversial weapons such as cluster munitions, land mines, chemical and biological weapons and nuclear weapons outside the Non-Proliferation Treaty are deemed uninventable. Companies in which more than 5% of the revenue comes from coal mining and production of tar sands are deemed uninventable
- Companies in breach of international norms and which do not demonstrate any will to take responsibility and change their behaviour are deemed uninventable
- The Sub-Fund does not invest in companies that violate international standards in environmental, social and governmental matters as well as matters relating to respect for human rights, the fight against corruption and bribery, and which do not show goodwill to take responsibility and changing behaviour. This includes screening within the UN Global Compact Principles. 2. To apply further ESG screening criteria using ESG data from an external data provider. Furthermore, the Sub-fund takes into consideration Principal Adverse Impacts, more information on which has been provided above under the relevant section.

Proportion of investments

Proportion of investments	% of assets
Investments aligned with the fund's E/S characteristics	Min. 85%
Qualifying as sustainable investments under the EU Taxonomy with a social objective	Min. 0%
Not qualifying as sustainable investments but having other E/S characteristics	Min. 85%
Other investments¹	Max. 15%

¹ includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Monitoring of environmental or social characteristics

The percentage of investments in companies that are included in the exclusion list is used as a metric to measure the attainment of the E/S characteristics promoted by the fund. Due to the nature of the metric, this percentage should ideally be 0%

or trending to 0%.

The Investment Manager has an internal Responsible Investment Committee, which is tasked with monitoring the Investment Manager's responsible investment efforts, including developing policies, maintaining an exclusion list, and ensuring that the Investment Manager meets the requirements imposed on the Investment Manager as an Investment Manager. The exclusions and norm-based screening results in an exclusion list. The list is updated at least twice a year and the Investment Manager will seek to divest in companies entering the list as soon as possible.

Methodologies

Based on ESG data, the investments within the sub-fund are screened with regards to product involvement, norm-based breaches and engagement status resulting in an exclusion list.

Data sources and processing

The Investment Manager is using ESG data from globally recognized ESG data providers including MSCI ESG and Sustainalytics.

When the Investment Manager invests in government bonds issued by Emerging Market countries, data from the FFP's Fragile States Index and MSCI ESG is part of the investment analysis.

Data is sourced directly into our portfolio management system, BlackRock/Aladdin. And pre-trade limits are implemented.

Limitations of methodologies and data

The landscape of sustainability data is quite large and potentially a lack of consistency is present.

When applying data from an external data provider we accept their methods and models.

The fact that corporate disclosures within sustainability is still largely voluntary, can often lead to

data scarcity. Consequently, parts of the available data are based on estimations, introducing a risk of inaccuracy of the information upon which the external data providers rely.

The use of external data providers in turn implies that the application of different methodologies for each data provider could potentially lead to a degree of uninformed investment decisions being undertaken based on the incoherent methodologies between the different data sources.

Various measures are taken to ensure that these limitations are mitigated. In general, a best-effort approach is applied, and a dialogue is conducted with the external data providers, both on a continuous basis regarding methodologies as well as on an ad-hoc basis if a discrepancy is identified.

Due diligence

The compliance system setup is automated and pre-trade controls are automatically run every time a new investment is made.

BankInvest has a four-eyes principle when setting up any limits within our portfolio management system, BlackRock/Aladdin.

It is not possible to execute a trade if the ISIN is on the exclusion list.

Engagement policies

Engagement is not part of the environmental or social strategy of the Sub-Fund.

Designated reference benchmark

The Sub-Fund does not use a benchmark to evaluate its overall ESG profile.