

ANNEX IV

Template periodic 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: Driehaus Emerging Markets Sustainable Equity Fund

Legal entity identifier: 549300N15SH1J38TR077

## Sustainable investment objective

Did this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It made <b>sustainable investments with an environmental objective</b> : ___%	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
<input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> with an environmental objective 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"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made <b>sustainable investments with a social objective</b> : ___%	<input type="checkbox"/> with a social objective
	<input checked="" type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

**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.



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Fund mainly invests in equity securities of companies in emerging markets which are listed or traded on Recognised Markets. In order to meet the environmental and/or social characteristics promoted by the Fund, the Sub-Investment Manager incorporates ESG criteria as part of its investment research.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

Over the reference period, the E/S characteristics of the Fund were promoted through (1) embedding ESG scores and considerations into the investment research process (2) abiding by the exclusion criteria (3) through engagement with investee companies in certain instances (4) through its proxy voting policy and by (5) PAI consideration.

Examples of ESG considerations within the reference period were:

- Carbon emissions
- Water scarcity
- Waste management
- Air and water pollution
- Electronic waste
- Workplace safety
- Data protection and privacy
- Employee and management diversity
- Labor standards
- Employee training and development
- Customer satisfaction protection policies

In addition to the environmental and social characteristics, the Fund excluded companies directly involved in the following sectors as part of its investment research:

- coal production;
- tobacco;
- weapons production; and
- controversial weapons production/distribution.

**■ How did the sustainability indicators perform?**

- ESG scores from third party vendors:

Over the reference period, the Fund consisted of a greater proportion of companies rated AAA, AA, and A (as rated by MSCI) than the MSCI Emerging Markets Net Return USD Index, suggesting that companies that the Fund invests in tend to show strong and/or improving management of financially material environmental, social and governance issues. These companies may be more resilient to disruptions arising from ESG events and better suited to leverage opportunities, such as the green transition. Overall, the Fund is rated by MSCI as A vs BBB for the benchmark at the end of the reporting period.

- Number and % of companies that do not meet the ESG exclusion criteria of the Sub-fund:

Over the reference period, there were no investments by the Fund in companies that are directly involved in, and/or derive significant revenue from:

- Controversial Weapons production/distribution (>0% revenue) (namely antipersonnel landmines, cluster munitions, biological and chemical weapons).
- Weapons production/distribution (>10% revenue).
- Tobacco production (>5% revenue).
- Coal production and/or distribution (>30%).
- Number and % of companies that are in violation of UN Global Compact Compliance

In addition to the above-mentioned industries, the Fund seeks to exclude companies with known serious violations of internationally recognised norms and standards such as, but not limited to, the UN Global Compact, that the Sub-Investment Manager believes do not show a positive outlook and where it's believed that appropriate remedial action has not been taken. As of September 30th, the Fund was invested in one company in violation of the UN Global Compact. The violation was due to the company's lack of disclosures on specific social issues such as data management. The Sub-Investment Manager engaged on multiple occasions with the company and believes it has taken positive actions towards making its ESG practices more publicly available. The Sub-Investment Manager will continue to regularly monitor the company's practices and engage with management as it deems necessary.

- Total number of companies engaged on ESG topics

The Sub-Investment Manager engaged with the management teams of fourteen companies within the portfolio of the Fund specifically related to their ESG business practices. These engagements were conversations between the Sub-Investment Manager and the companies' management teams. The purposes of these interactions included seeking a better understanding of the management teams' views and potential actions related to their MSCI ESG rating, which prompted the need for improved disclosures or focus on ESG-related issues, proxy voting discussions and environmental impacts on corporate strategy.

- Total number of proxies voted

The Sub-Investment Manager has retained ISS Shareholder Services Inc. ("ISS") to facilitate its proxy voting process for the Fund. In the past year, the Fund voted 1,170 proxies.

In addition to the above, the attainment of the environmental or social characteristics promoted will also be measure by the Sub-Investment Manager using the PAI regime. Please see below for more information.

**■ ...and compared to previous periods?**

Not applicable. There has been no previous reporting.

**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.



**What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

Not applicable. The Fund promoted E/S characteristics but did not make any sustainable investments.

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable.

**How were the indicators for adverse impacts on sustainability factors taken into account?**

Not applicable.

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

Not applicable.

**How did this financial product consider principal adverse impacts on sustainability factors?**

The Sub-Investment Manager’s PAI consideration is two-fold:

A. Exclusions: At the outset, certain companies are excluded from the investment universe of the Fund due to involvement in controversial weapons and, in certain instances, for violations of the UN Global Compact. Given the Fund’s exclusionary policy, the PAI related to violations of the UN Global Compact and exposure to controversial weapons are deemed considered to the extent the impacts are neutralized by each exclusion.

B. PAI process: Further to the Fund’s exclusionary policy, each month, the Sub-Investment Manager’s risk management team runs a “PAI Portfolio Report” using the SFDR Solutions tool provided by a third-party vendor. The report is run at a portfolio level and includes aggregated data for certain PAIs as are selected by the risk management team and confirmed by the portfolio management team. The selected PAIs may be changed at the discretion of Driehaus’s portfolio management and/or risk team, but are currently the following (as at 30 September 2023):

PAI indicator	Impact	Unit
Carbon footprint	26.40	tCO2e / M USD sales
Exposure to companies active in the fossil fuel	2.63%	Share of investments
Violations of UN Global Compact principles and Organisation for Economic Cooperation	1.32%	Share of investments

**Asset allocation** describes the share of investments in specific assets.

and Development (OECD) Guidelines for Multinational Enterprises		
Board gender diversity	20.44	Ratio of female to male board members
Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons)	0.00%	Share of investments



### What were the top investments of this financial product?

The table below shows the 15 largest holdings in the Fund as of 30 September 2023.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is 30/09/23.

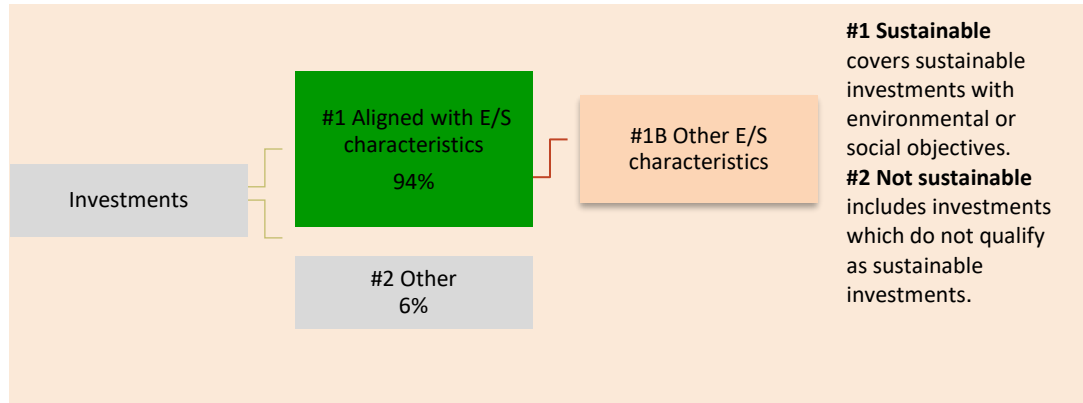
Holding	Sector	Weighting (%)	Country
Taiwan Semiconductor Manufacturing ADR	Information Technology	5.34	Taiwan
Tencent Holdings Ltd	Communication Services	4.83	China
Samsung Electronics Co. Ltd	Information Technology	4.04	South Korea
ICICI Bank Ltd	Financials	2.62	India
Grupo Financiero Banorte SAB de CV	Financials	2.34	Mexico
Orizon Valorizacao de Residuos SA	Industrials	1.94	Brazil
SK Hynix Inc	Information Technology	1.86	South Korea
New Oriental Education & Techn	Consumer Discretionary	1.66	China
Samsonite International SA	Consumer Discretionary	1.64	United States
Delta Electronics Inc	Information Technology	1.60	Taiwan
Reliance Industries Ltd	Energy	1.45	India
Titan Co Ltd	Consumer Discretionary	1.40	China
BDO Unibank, Inc	Financials	1.36	Philippines
Ping An Insurance Group Co	Financials	1.34	China
Bharti Airtel Ltd	Communication Services	1.34	India



### What was the proportion of sustainability-related investments?

Not applicable.

**What was the asset allocation?**



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully 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 economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**In which economic sectors were the investments made?**

Sector	Sub-sector	Weighting (%)
Financials	Consumer Finance	1.8
	Diversified Banks	16.3
	Diversified Financial Services	0.7
	Investment Banking & Brokerage	0.5
	Life & Health Insurance	1.3
	Transaction & Payment Processing Services	0.8
Information Technology	Electronic Components	2.1
	Electronic Equipment & Instruments	0.6
	Electronic Manufacturing Services	0.4
	IT Consulting & Other Services	2.1
	Semiconductor Materials & Equipment	0.6
	Semiconductors	7.2
	Systems Software	1.3
	Technology Hardware, Storage & Peripherals	5.6
Consumer Discretionary	Apparel Accessories & Luxury Goods	0.6
	Apparel, Accessories & Luxury Goods	3.5
	Automobile Manufacturers	2.0
	Broadline Retail	2.8
	Education Services	1.7
	Homebuilding	0.3
	Hotels Resorts & Cruise Lines	0.7
	Hotels, Resorts & Cruise Lines	3.0
	Restaurants	3.0
Communication Services	Integrated Telecommunication Services	1.5
	Interactive Home Entertainment	1.0
	Interactive Media & Services	5.4

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

	Wireless Telecommunication Services	1.8
Industrials	Airport Services	1.1
	Environmental & Facilities Services	1.9
	Heavy Electrical Equipment	0.6
	Industrial Conglomerates	0.8
	Rail Transportation	0.7
Utilities	Electric Utilities	1.1
	Multi-Utilities	0.5
	Renewable Electricity	0.9
	Water Utilities	2.2
Real Estate	Diversified Real Estate Activities	1.5
	Diversified REITs	0.6
	Real Estate Development	0.8
	Real Estate Operating Companies	1.6
Consumer Staples	Consumer Staples Merchandise Retail	0.8
	Drug Retail	0.9
	Packaged Foods & Meats	1.2
	Personal Care Products	1.6
Health Care	Biotechnology	1.1
	Health Care Facilities	2.3
Energy	Oil & Gas Refining & Marketing	1.6
	Oil & Gas Storage & Transportation	0.5
Materials	Diversified Metals & Mining	0.6
Cash		6.4



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Not applicable.

**Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy<sup>12</sup>?**

Yes:

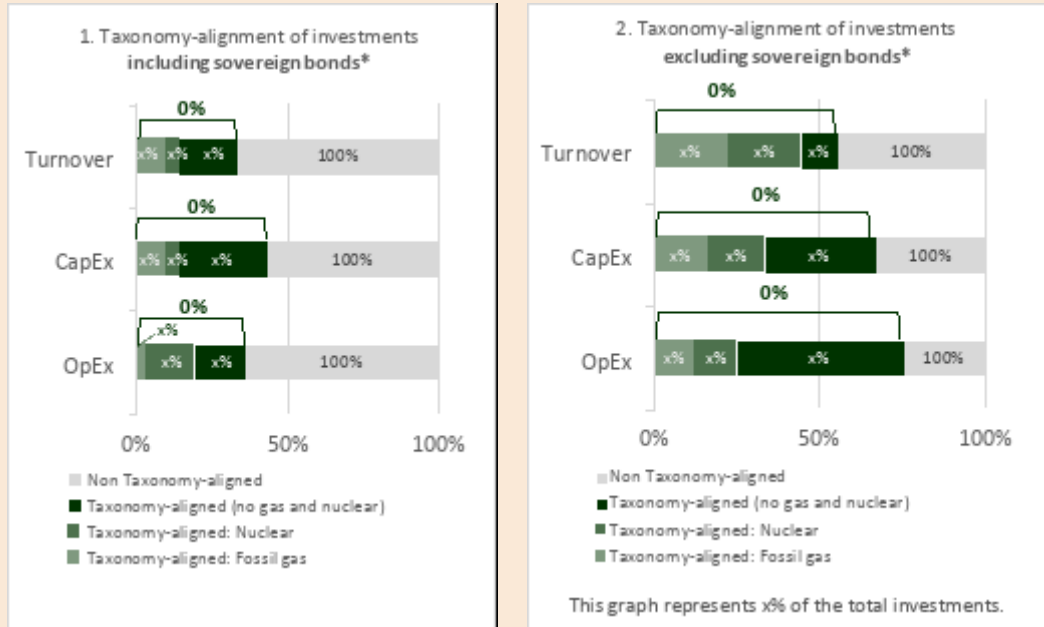
In fossil gas  In nuclear energy

No

<sup>12</sup> 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 no significant harm to 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.

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

The graphs below show in green the percentage of investments that were 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 was the share of investments made in transitional and enabling activities?

The share of investments in transitional and enabling activities invested in by the Fund was 0%.

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable. There has been no previous reporting.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

Not applicable.



What was the share of socially sustainable investments?

Not applicable.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?



Cash and other instruments such as deposits were used for liquidity, hedging and efficient portfolio management. To the extent that these instruments were used, they constituted a minority of the Fund's holdings and have adequate minimum safeguards, achieved through exclusions and investment screening criteria.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reference period, the environmental and/or social characteristics were met by following the investment strategy and applying exclusion criteria as per the supplement for the Fund. The investment strategies and/or exclusion criteria are monitored to ensure adherence.

The Sub-Investment Manager also engaged with the management teams of fourteen companies across the Fund specifically related to their ESG business practices. These engagements were conversations between the Sub-Investment Manager and the companies' management teams. The purposes of these interactions included seeking a better understanding of the management teams' views and potential actions related to a relatively low MSCI ESG rating, which prompted the need for improved disclosures or focus on ESG-related issues, proxy voting discussions and environmental impacts on corporate strategy.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.



### **How did this financial product perform compared to the reference benchmark?**

- How did the reference benchmark differ from a broad market index?***

Not applicable.

- How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable.

- How did this financial product perform compared with the reference benchmark?***

Not applicable.

- How did this financial product perform compared with the broad market index?***

Not applicable.