

# Article 8 Level 2 Sustainable Finance Disclosures

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This document highlights the Article 8 SFDR disclosures for the Evelyn Horizon Cautious Fund and the Evelyn Horizon Adventurous Fund, each a Fund of Evelyn Partners Umbrella A ICAV. Evelyn Partners also has a group policy on SFDR, which is viewable at [www.evelyn.com](http://www.evelyn.com)

## Summary

The fund promotes Environmental/Social (E/S) characteristics, but will not make any sustainable investments, as defined under the EU taxonomy. It seeks to deliver this through a multi-asset fund-of-fund approach which invests predominantly in CIS, but also has the flexibility to own investment companies, ETCs, direct fixed interest and cash. A minimum of 80% of the fund's holdings are aligned with the promotion of E/S characteristics; this is primarily achieved through strategies which themselves seek to avoid exposure to certain harmful activities, whilst seeking to promote and benefit from the growth of positive themes. The approach taken is both qualitative and quantitative, leveraging the Investment Manager's access to third party fund managers to gain insight through one-to-one meetings, alongside consideration of regular reporting, policies, product involvement screens, stewardship and engagement activities, and market research. Funds are also considered relative to the Investment Manager's proprietary ESG framework, which seeks to assess the level of ESG integration within a fund's policies and investment process. The Investment Manager votes in relation to material shareholdings, per its voting policy, which available on its website.

## No Sustainable investment objective

The Fund promotes Environmental/Social (E/S) characteristics but does not have as its objective sustainable investment.

## Environmental or Social ("E/S") characteristics of the financial product

The Fund focuses on the selection of CIS which, in the Investment Manager's opinion, demonstrate ESG and/or sustainability characteristics and deliver exposure to companies that operate in such areas as: the conservation of energy or natural resources or resource efficiency; sustainable transport or infrastructure; high quality products and services of long term benefit to society such as healthcare or affordable housing; sustainable food and water management; and companies that are supportive of the United Nations Sustainable Development Goals through practices such as strong equality and human rights policies, good employee relations, training and education of staff, and a commitment to community involvement. In addition, it avoids exposure to CIS and investment companies which do not limit their exposure (actively or otherwise) to companies involved in: developing or manufacturing non-medical products that are tested on animals; producing weapons and weapons systems; causing avoidable environmental damage, unsustainable resource depletion, water and air pollution and land contamination; casinos or gambling businesses; contributing to, or benefiting from, the violation of human rights or workers' rights; producing and distributing pornographic material; producing alcohol for human consumption; or growing tobacco or the manufacture of cigarettes and other tobacco products.

## Investment Strategy

The aim of the Fund is to achieve, over the long term, an investment return of capital growth. The Fund intends to seek to achieve its investment objective by investing in a multi-asset portfolio of investments which, in aggregate, demonstrate Environmental Social Governance (ESG) and/or sustainability credentials. The Fund predominantly invests in other collective investment schemes, which in turn invest in equities, fixed income and alternative assets, as well as assets subject to the Investment Restrictions set out in the Prospectus and Supplement for this Fund. The Fund may also invest to a lesser extent, in exchange traded funds, investment companies, direct fixed income products and use derivatives for efficient portfolio management and investment purposes.

## Proportion of investments used to meet E/S characteristics

The Fund will invest at least 80% of net assets in instruments which are aligned with the promotion of environmental and social characteristics and may include: equities, alternative assets and fixed income through CIS and investment companies; government bonds and ETCs. The Fund may invest up to 20% of its net assets in investments which do not align with these

characteristics, and these may include: equities, alternative assets and fixed income through CIS and investment companies; sovereign bonds, ETCs, cash or FDIs.

## Monitoring of E/S characteristics

The Investment Manager monitors the ESG characteristics of the portfolio on a regular basis through regular analysis of the CIS and investment companies held within the portfolios. This includes but is not limited to meetings with management teams, regular product involvement screens using third party data providers and consideration of CIS and investment company policies, reporting, stewardship and engagement activities. Market research together with portfolio data which, where available and considered reliable, may also inform decisions.

## Methodologies

Regular one-to-one review meetings conducted by the Investment Manager with underlying third party fund managers, together with formal reporting, continually inform decision-making within the fund. Particular attention is given to ensuring that the approach taken, including the values by which the fund is managed, has not changed. In addition, product involvement screens are run across the portfolio on a regular basis, with any new holdings which appear to be delivering exposure to activities which the fund seeks to avoid, discussed with the relevant third party fund manager with the intention of fully understanding the drivers behind the decision that the security is appropriate for the given strategy. Portfolio data, where available and considered reliable, may also inform decisions.

## Data sources and processing

MSCI ESG Manager and Morningstar Direct/Sustainalytics are the primary sources of data. Screens in relation to product involvement and sustainability risks are conducted by the oversight team on a monthly basis. In addition, regular and ad hoc screening informs decision-making and any appropriate engagement with underlying third party fund managers.

## Limitations to methodologies and data

Data, in particular, in relation to sustainability risks can be incomplete and/or unreliable. The team complement quantitative information sources with a heavy focus on qualitative assessments of third party managers and products, which draw on sources including, but not limited to one-to-one manager meetings and engagements, publicly available information, regular third party product reporting, voting policies and records, broker research and market research.

## Due diligence

There is a heavy focus within the due diligence process on building a full understanding of the approach taken in relation to ESG risks and opportunities by third party fund managers, with only those where sufficient comfort is achieved, deemed appropriate for inclusion within the fund. In addition to one-to-one meetings with management teams, consideration is given to regular reporting, engagement activities and stewardship policies. Funds are also assessed against the Investment Manager's proprietary research framework which seeks to establish the level of integration of ESG factors within a fund's policies and investment process.

## Engagement policies

The Investment Manager votes on material shareholdings. We work with proxy voting adviser Glass Lewis to inform our decision-making, which we adapt to suit our own policies and requirements. We aim to engage with companies in the following ways:

- Clear communication. With any shareholder resolution where we do not vote with the Board's recommendation, we write to the Chair to explain our rationale
- Regular meetings. With over 500 meetings with companies and funds every year, we can follow up on areas of potential concern
- Stewardship codes. We are signatories to the UN PRI and are committed to the principles of the UK Stewardship Code 2020.
- Climate collaboration. We are members of the Climate Action 100+ investor group. This is a collaborative engagement initiative to ensure the world's largest corporate greenhouse gas emitters act on climate change
- Industry cooperation. We are a member of the Investor Forum, an independent, not-for-profit organisation comprising leading asset managers and owners of the UK equity market. Its purpose is to position stewardship at the heart of investment decision-making
- Tackling modern slavery. We are a member of the Find it, Fix it, Prevent it engagement group set up to identify and stamp out modern slavery in UK companies and their supply chains. This has a particular focus on the hospitality and building sectors, where modern slavery is most prevalent

Our voting policy and record are available at <https://www.evelyn.com/services/investment-management/stewardship/>

#### Designated reference benchmark

The Fund has not designated a reference benchmark for the purposes of attaining the environmental characteristics which the Fund seeks to promote.

#### Definitions:

SFDR means Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector