

**SCHEDULE TO SECTION 2.2 OF THE SUB-FUNDS APPENDIX**  
*Annex II of Regulatory Technical Standards related to the Disclosure Regulation*

**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:** Ashmore SICAV Emerging Markets Sovereign Debt Fund      **Legal entity identifier:** 549300F36CDUDGLWDE95

## 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 environmental and social characteristics promoted by the Sub-Fund are, 1) the exclusion of issuers having low ESG scores using Ashmore’s proprietary ESG scoring criteria, and 2) the reduction of exposure to Quasi-Sovereign issuers which are corporates operating in certain industry sectors. These are each explained in more detail below:

- 1) Application of Ashmore’s ESG Scoring Process, which evaluates an issuer’s ESG performance against certain ESG criteria, as described further in response to the question “What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?” below; and

- 2) With respect to investments in Quasi-Sovereign issuers which are corporates, the Sub-Fund excludes certain industry sectors (such as for this Sub-Fund, controversial weapons, pornography, coal and any company generating more than five percent of their revenues from the production of tobacco), as further set out in response to the question “What investment strategy does this financial product follow?” below.

The Sub-Fund does not have a designated reference benchmark within the meaning of the Disclosure Regulation.

- ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The ESG Scoring Process is informed by and based on the following sustainability indicators (as amended from time to time):

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

<b>Environment</b>	
<b>Corporate issuers</b>	<b>Sovereign issuers</b>
Impact on the global environment (including GHG emissions)	Environmental footprint
Local impact (including water and waste management)	Clean energy initiatives
Incidents of environmental pollution	Utilisation of natural resources
Use of green energy	Natural disasters risk
Policies and innovations to limit negative environmental impact	Incidents of environmental impact
<b>Social</b>	
<b>Corporate issuers</b>	<b>Sovereign issuers</b>
Employee diversity and inclusion	Inequality and social disparity
Impact on customers	Ability to meet populations’ basic needs
Impact on community	Social stability
Labour practices (including health and safety)	Political liberties
Supply chain management (including risk of child labour)	
Materiality of philanthropy spend	
<b>Governance</b>	
<b>Corporate issuers</b>	<b>Sovereign issuers</b>
Transparency and disclosure	Societal infrastructure and delivery of services
Governance structure	Government effectiveness and accountability
Minority interests fair representation	Regulatory environment
Separation of executive roles	Strength of institutions (including corruption)
Management Accessibility	Rule of law
Long-term Incentive scheme KPIs	Measures to improve sustainability (e.g. habitat protection)

The above sustainability indicators are not each individually scored. Instead, the Investment Manager uses them in their issuer assessment by asking two questions for each of the Environmental (E), Social (S) and Governance (G) aspects:

1. the issuer's current level of performance against considered global best ESG practice; and
2. the quality of their policies and initiatives designed to improve their ESG performance.

The issuer is then scored for each of the six questions on a scale of 1 – 5 (very poor to very good). Thus, the combined score for "E" is the addition of two scores, each on a scale of 1-5. Likewise for the combined scores for "S" and "G".

The Investment Manager invests in issuers that score a combined score of at least 4 according to the ESG Scoring Process on two out of three of the "E", "S" or "G" combined scores (the "**ESG Scoring Threshold**"). Issuers below this ESG Scoring Threshold are not permissible investments for this Sub-Fund other than green, social, sustainability and sustainability-linked, or such other environmental, social or governance or other related purpose bonds as determined by the Investment Manager which are permissible investments (the "**Permitted Bonds**"), which for the avoidance of doubt are excluded from the binding elements of the Sub-Fund's investment strategy for promoting environmental and/or social characteristics. This is recorded in a dedicated ESG scorecard.

The Investment Manager also considers the following issues when assessing the environmental and social characteristics of the Sub-Fund:

- 1) The factor used to assess the attainment of the ESG score threshold (as outlined above) is the internal issuer-specific ESG scores.
- 2) The factor used to assess the attainment of the successful sector exclusions for Quasi-Sovereign issuers which are corporates are 'exposure to excluded sectors'. Compliance with this factor is maintained on a consistent basis as these exclusions are applied pre-investment and also monitored post-investment on an ongoing basis.

These factors might change as the approach is reviewed.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

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.



## Does this financial product consider principal adverse impacts on sustainability factors?

Yes

The Investment Manager takes into account the relevant indicators for principal adverse sustainability impacts in the Annex I of the RTS, having regard to their materiality. Such indicators are employed in Ashmore's ESG Scoring Process which considers the relevant principal adverse sustainability impacts on sustainability factors. For more information on the ESG Scoring Process, see below under "What investment strategy does this financial product follow?" and above under "What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?".

Information on principal adverse sustainability impact indicators will be provided in the periodic reports published for this Sub-Fund.

No



## What investment strategy does this financial product follow?

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

The Sub-Fund will seek to access the returns available from Sovereign transferable debt securities and other instruments issued by Sovereigns and Quasi-Sovereigns denominated in US Dollars and other major currencies, including also investing in financial derivative instruments and related synthetic structures or products, focussing on issuers satisfying the relevant ESG (as described below) performance criteria.

The ESG Scoring Process and industry sector exclusions are applied at the pre-investment stage, and the scores and application of the exclusions are formally reviewed at least annually.

### ESG Scoring Process

The Sub-Fund adopts a responsible investment approach by applying binding ESG criteria to the portfolio (the "**ESG Scoring Process**").

The Investment Manager issues a score to each issuer, based on their historical and current performance, taking into account the environmental, social or governance aspects that an issuer may present that is drawn from a range of data sources.

Using the framework above, the Investment Manager assesses the quality of the issuer's policies and processes.

The Investment Manager's analysis is based on the disclosures in issuers' policy documents, sustainability reports and through direct engagement with the investee companies or sovereigns. This is complemented by the assessment of analysis provided by third-party data providers as selected at the discretion of the Investment Manager.

### Industry sector exclusions

Investments must be in compliance with the Investment Manager's industry exclusion policies as applicable to the Sub-Fund. The list of exclusions includes certain industry sectors such as, for this Sub-Fund, controversial weapons, pornography, coal and any company generating more than five percent of their revenues from the production of tobacco, and may be amended from time to time by adding other sectors. The exclusion

policy including an up to date list of industry exclusions is available on the Investment Manager's website here: <https://ir.ashmoregroup.com/corporate-governance/sustainability>

The application of the exclusions of certain industry sectors by the Sub-Fund is assessed based on the proportion of the Sub-Fund's investments which breach such exclusionary screenings. Accordingly, 0% of the Sub-Fund's investments are in violation of the Investment Manager's industry sector exclusion policies.

- ***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 investment strategy are:

1. the exclusion of issuers rated below 4 (other than the Permitted Bonds) based on the application of the ESG Scoring Process; and
2. the exclusion of the sectors covered by the Investment Manager's industry exclusion policies as applicable to the Sub-Fund, as further set out in response to the questions "What environmental and/or social characteristics are promoted by this financial product?" and "What investment strategy does this financial product follow?" above.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

There is no committed minimum rate to reduce the scope of the investments considered prior to the application of the investment strategy.

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

The Investment Manager considers the good governance practices of all issuers, where relevant, as part of its ESG Scoring Process and will not invest in issuers that do not meet a combined score of at least 4 for governance as described in more detail above. The Investment Manager assesses good governance of companies on the basis of the following criteria:

- Transparency and disclosure
- Governance structure
- Minority interests fair representation
- Separation of executive roles
- Management accessibility
- Long-term Incentive scheme KPIs

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



### **What is the asset allocation planned for this financial product?**

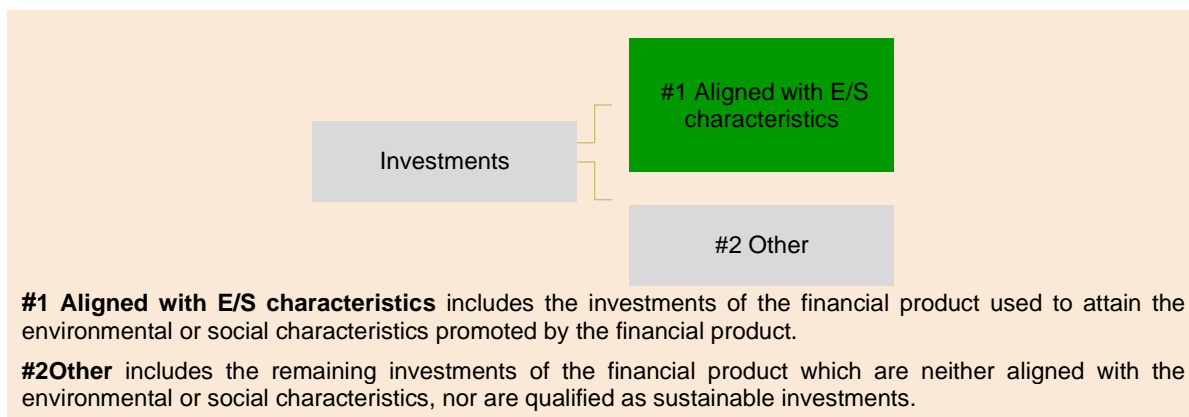
**Asset allocation** describes the share of investments in specific assets.

At least 80% of the Sub-Fund's investments exhibit the environmental and/or social characteristics promoted by the Sub-Fund in accordance with the binding elements of its investment strategy (#1 Aligned with E/S characteristics).

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.

The Sub-Fund is also allowed to invest up to 20% of its NAV in Permitted Bonds, cash and/or hedging instruments (for such hedging instruments calculated using mark to market) under normal market conditions. Such limit may be exceeded in circumstances where it is in the best interest of Shareholders, subject to the provisions of the Prospectus. All such assets are excluded from the binding elements of the Sub-Fund’s investment strategy for promoting environmental and/or social characteristics (#2 Other).”



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

The Sub-Fund may use financial derivative instruments and related synthetic structures. The ESG Scoring Process, ESG Scoring Threshold and industry sector exclusions will be applied to such derivative instruments except for derivatives used for hedging purposes.



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

The Sub-Fund does not commit to invest in any EU Taxonomy aligned investments.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>2</sup>?**

- Yes:
  - In fossil gas       In nuclear energy
- No

<sup>2</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 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.

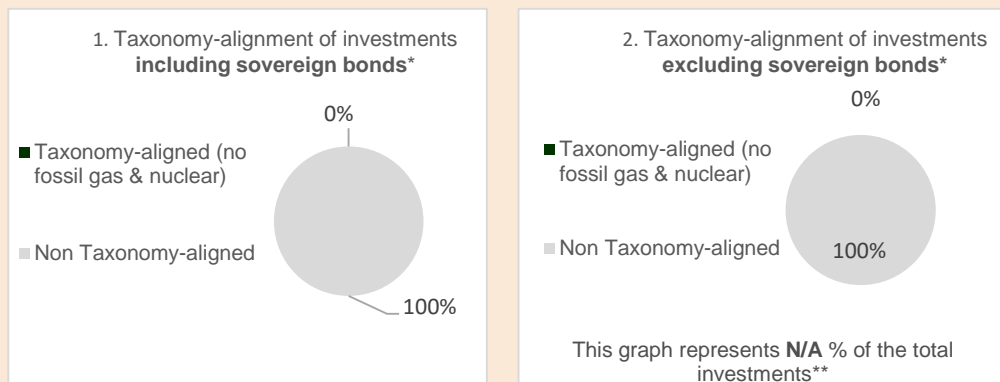
To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**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.

 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 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.  
 \*\* As the Sub-Fund does not commit to making sustainable investments aligned with the EU Taxonomy, the proportion of sovereign bonds in the Sub-Fund's portfolio will not impact the proportion of sustainable investments aligned with the EU Taxonomy included in the graph.

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

The Sub-Fund does not commit to invest in any minimum share of investments in transitional and enabling activities.



- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable.



- **What is the minimum share of socially sustainable investments?**

Not applicable.



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

The Sub-Fund may, on an ancillary basis, hold cash, may use financial derivative instruments for the purpose of hedging and invest in Permitted Bonds (“Other Assets”). The Other Assets are excluded from the attainment of the environmental and/or social characteristics promoted by the Sub-Fund considering their nature.

Furthermore, such Other Assets may be subject to the ESG Scoring Process, ESG Scoring Threshold and industry sector exclusions where appropriate.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

Not applicable.



**Where can I find more product specific information online?**

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

<https://www.ashmoregroup.com/document/article-10-SICAV-Emerging-Markets-Sovereign-Debt-Fund>