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PRINCIPAL ADVERSE IMPACT STATEMENT

1 BACKGROUND AND SCOPE

This disclosure is applicable to Global Evolution Manco S.A. and UCITS (Global Evolution Funds) under its administration.

Global Evolution Manco S.A., a public limited company (société anonyme) governed by the laws of the Grand-Duchy of Luxembourg, is registered with the Luxembourg Register of Commerce and Companies under number B.208648.

Formed in 2016, Global Evolution Manco S.A. is a Luxembourg management company authorised by the CSSF according to Directive 2009/65/EC as well as Chapter 15 of Luxembourg Law of 17 December 2010, relating to undertakings for collective investment (the "2010 Law") to manage Luxembourg and foreign undertakings for collective investment in transferable securities (UCITS).

Global Evolution Manco S.A. has delegated the investment management of all its fixed income products to the investment manager Global Evolution FMS; whereas the equity products are managed by Conning Inc.

Global Evolution Manco S.A., Global Evolution FMS and Conning Inc. are affiliated or related sister companies, as they are members of the same group. The ultimate and majority shareholder of these companies is Conning Holdings Limited, a UK domiciled company.

1.1 Principal Adverse Impact

This statement describes how Global Evolution Manco S.A considers principal adverse impacts as per Article 4 of Regulation (EU) 2019/2088 and how its appointed investment managers are integrating environmental, social or governance characteristics (hereinafter, referred as 'sustainability' or 'ESG characteristics') within their investment management processes and approaches.

The purpose of this statement is to convey to our relevant stakeholders that we support, respect, and adhere to the principles in the SFDR regulation by diligently making available our policies, processes and approaches to integrate sustainability risks within the investment process for emerging market and frontier markets, on both corporate and sovereign debt.

We aim to minimize the principle adverse impacts on the sustainability performance of the fund's investments by leveraging on the appropriate means at our disposal and communicating the sustainability obligations to the appointed investment managers.

The appointed investment managers strive to implement the management company's sustainability restrictions by anchoring and integrating ESG criteria and characteristics within their investment process as well as the process of selecting countries and issuers through their quantitative and data-oriented approach, complemented by a qualitative approach of engagements and on-the-ground due diligence processes.

In terms of engagements, Global Evolution FMS supports and engages with recognized principles and organizations towards the ultimate goal of promoting sustainability in the world.

1.2 Sustainable investment objective:

Our financial products promote environmental or social characteristics, but it does not have sustainable investments as its objective. Therefore, they will not make any sustainable investments.

2 IDENTIFICATION AND PRIORITIZATION OF PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS:

This section refers to Article 4 (2) (a) Regulation (EU) 2019/2088, disclosing information about the policies on the identification and prioritization of principal adverse sustainability impacts ("PAI") and indicators.

As such, there may be unintended consequences of an investment in the fund products due to the sustainability outcome. Thus, the purpose of this section is to describe our approach, with respect to potential principal adverse impacts, for assessing, monitoring and reporting on PAI.

The investment manager employs both a quantitative and qualitative approach to identify sustainability risks and opportunities across multiple ESG areas. Sustainability risk is considered and integrated within its ESG framework, complemented by the consideration of PAIs in order to manage the potential adverse sustainability impact of our investments.

For PAI consideration at product level, PAI factors will be reporting under the provisions of Article 11 of SFDR for all of financial products classified as Article 8.

2.1 Controlling

Therefore, we monitor and evaluate a range of PAI indicators. We calculate mandatory indicators for corporate and sovereigns described in the Commission Delegated Regulation 2022/1288 (SFDR Regulatory technical Standards, "RTS"), Annex I, Table 1.

Please note as the investment universe is limited to transferable securities permissible by UCITS directive, PAI indicators applicable to investments in real estate assets have been deemed not material as per the scope of investments of our funds.

2.2 Mandatory Indicators

The mandatory PAI indicators currently monitored and evaluated include:

Adverse sustainability indicator	Metric	
Indicators applicable to investments in investee companies		
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS		
Green House gas emissions	1. GHG emissions	<ul style="list-style-type: none"> • Scope 1 GHG emissions • Scope 2 GHG emissions • Scope 3 GHG emissions • Total GHG emissions
	2. Carbon footprint	Carbon footprint
	3. GHG intensity of investee companies	GHG intensity of investee companies
	4. Exposure to companies active in the fossil sector	Share of investments in companies active in the fossil fuel sector
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage
	6. Energy consumption intensity impact climate areas	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average

SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BTIBERY MATTERS		
Social and employee matters	10. Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies
	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members
	14. Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons, and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons
Indicators applicable to investments in sovereigns and supranationals		
Environmental	15. GHG intensity of investee countries	GHG intensity of investee countries
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law

As per optional indicators requested by the Commission Delegated Regulation 2022/1288, we have selected “Water usage and recycling” from Table 2, Annex I of this regulation, and “Number of identified cases of severe human rights issues and incidents” from Table 3 Annex I of this regulation.

2.3 Optional Indicators: Table 2

The optional indicator selected from Table 2, Annex I, Commission Delegated Regulation 2022/1288 is:

Adverse sustainability indicator	Metric
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS	
17: Share of bonds not issued under Union legislation on environmentally sustainable bonds	1. <i>Share of bonds not issued under Union legislation on environmentally sustainable bonds</i>

2.4 Optional Indicators: Table 3

The optional indicator selected from Table 3, Annex I, Commission Delegated Regulation 2022/1288 is:

Adverse sustainability indicator	Metric
Indicator 18: Average income inequality score	<i>The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column</i>
Indicator 19: Average freedom of expression score	<i>Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator</i>
Indicator 20: Average human rights performance	<i>Measure of the average human right performance of investee countries using a quantitative indicator</i>
Indicator 21: Average corruption score	<i>Measure of the perceived level of public sector corruption using a quantitative indicator</i>
Indicator 23: Average political stability score	<i>Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator</i>
Indicator 24: Average rule of law score	<i>Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator</i>

We will rely on the regulatory indicators related to sovereign and corporate investments to monitor the principal adverse impact of sustainability factors. While this is not necessarily the most appropriate approaches to measure potential principal unintended adverse impacts, we concede that the indicators serve to approximate an appropriate list of indicators to measure such potential unintended adverse impacts.

For the monitoring of these various ESG related metrics similar to those described in the SFDR RTS, Annex I, Table 1, Table 2 and Table 3, we subscribed to third-party data provider (Sustainalytics).

3 DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITIZE PRINCIPAL ADVERSE SUSTAINABILITY IMPACTS

This section refers to the Article 4 (2) (b) Regulation (EU) 2019/2088, disclosing the description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned.

Global Evolution has considered ESG factors in our investment process through out many years. The systematic integration of environmental, social and governance characteristics and level of sophistication have constantly improved, and the continued development is considered to be fundamental to our investment process.

3.1 Sustainability Risk:

ESG characteristics are anchored and integrated within the investment manager's investment process, as well as in the process of selecting countries and issuers.

The investment manager utilizes a top-down approach to exploit opportunities arising from macro dynamics and global investment themes and a bottom-up approach to identify dynamically improving valuations. The systematic integration of ESG characteristics and the level of sophistication supported by artificial intelligence is considered fundamental to the investment manager's investment process.

Identifying sustainability risks across the environmental, social, and governance areas requires both a quantitative and qualitative approach. Their quantitative approach involves subscribing to raw data sets for E, S, and G indicators that it is bought to life through our proprietary database in order to systematically monitor the data.

The qualitative identification of sustainability risk emerges from on-the-ground due diligence visits to the countries in the emerging and frontier markets universe where we conduct an in-depth due diligence including relevant ESG related issues, which are subsequently discussed and documented. Based on quantitatively and qualitatively derived data on sustainability risk, we aggregate our views as proprietary ESG rating across all countries. The ESG ratings are shared with investors as requested. Importantly, changes in ESG ratings and the identification of the drivers is the basis of our sustainability risk assessments; of whether a country faces higher or lower sustainability risk dynamics.

The manager tracks all portfolios and strategies from an ESG standpoint and facilitate risk reports that provide a qualitative assessment of the effects of sustainability risk. The margins of error from any quantitative methodology rely critically on the quality algorithms and data. Consequently, we validate both on an ongoing basis with the purpose of diligently reducing the risks of potential margins of error being at unacceptably high levels.

3.2 PAI monitoring:

Subject to data availability, our risk team monitors the selected PAI indicators (please refer to the table above) for all managed assets on an ongoing basis using a third party system. Issuers identified as outliers on specific indicators, or which exhibit high adverse impact across several indicators, are identified based on data acquired from third party data providers and/or internal analysis. These issuers are subject to further analysis by the risk team, which will escalate relevant cases to the investment managers.

Reporting on the indicators for adverse impacts of will take place every year, following the regulatory requirements.

Prior to making any investment decision, the investment manager, is required to perform due diligences activities on the investments and to gather facts from diverse data sources on the proposed investment ideas. Initial and ongoing due diligence processes are embedded steps within the investment process.

Whereas, we monitor on a continuous basis the potential principal adverse impacts of the fund's investments.

3.3 Limitations:

Due to the lack of reliability and availability of the data for certain asset types, it may not be possible to precisely identify the environmental or social characteristics with which the product is aligned. Additionally to this, certain types of assets are out of scope as they are not considered as ESG relevant for the time being (e.g., cash).

4 ENGAGEMENT POLICIES:

This section refers to the Article 4 (2) (c) Regulation (EU) 2019/2088, disclosing the relevant summaries of engagement policies.

On behalf of the Sub-Fund, the investment manager embarks on a range of engagement activities (direct and indirect) with sovereign governments and companies.

- **Direct Engagement:** Most policy maker and company engagement occur in investor groups often hosted by investment banks or advisory companies. Interactions usually involve issuers visiting investors on issuance or non-issuance roadshows, or investors visiting issuers in their home countries. The attendance of issuers at the IMF/World Bank annual meetings is another source of direct engagement. Generally, the investment manager would be an active participant at roadshows or other engagements.
- **Indirect Engagement:** The investment manager engages indirectly through third-party advocacy groups and official sector institutions such as the IMF/World Bank. Investment banks are another source of indirect engagement as they frequently seek out investors' opinions on behalf of issuers, either in direct relation to an issuance or to solicit investor feedback in relation to a proposed issuance.

5 REFERENCES TO INTERNATIONAL STANDARDS:

This section refers to the Article 4 (2) (c) Regulation (EU) 2019/2088, disclosing the adherence to responsible business conduct codes and internationally recognized standards for due diligence and reporting and, where relevant, the degree of their alignment with the objectives of the Paris Agreement.

Global Evolution FMS in its role as investment manager is a signatory and supporter of several international standards for underpinning a sustainable future. In particular, the investment manager support is aligned with the objectives in the Paris Agreement as well as the objectives and principles advocated for by the PRI, the UNGC; and the TCFD.

Presently, neither Global Evolution Manco S.A nor Global Evolution Funds is a signatory of PRI, the UNGC, and others, but the companies do support the investment manager's initiatives and aims to be a good corporate citizen.

6 ADDITIONAL INFORMATION

More information on Global Evolution Manco S.A., Global Evolution Funds and investment framework can be found on www.globalevolutionfunds.com.

LEGAL DISCLAIMER

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Global Evolution Manco S.A. has implemented a policy in respect of sustainability risks in its investment-decision making process. Global Evolution Manco S.A. and/ or the relevant appointed investment manager takes into consideration sustainability risks when taking investment decisions.

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