

# **SFDR Article 8 (Sub-)Funds – Website Disclosures**

## **Sections based on Articles 23 to 36 SFDR**

### **Delegated Regulation (EU) 2022/1288**

**Full name of the Article 8 (sub-) fund:**

U Access (IRL) Bain Capital Global Equity LS Responsible UCITS (the “Fund”)

**Legal entity identifier:** 635400XTXI3WLW5ONX57

**Date of review:** 28 February 2023

## **Separate Website Section titled, ‘Sustainability-related disclosures’**

### **Website section ‘Summary’**

The Fund promotes environmental and/or social characteristics but it does not commit to investing in sustainable investments.

The Fund promotes the following environmental characteristics: Sustainable Growth and Reducing Climate Impact.

The Fund promotes the following social characteristics: Diversity, Equity and Inclusion (“DEI”).

The Fund promotes the following environmental and social characteristics: ESG Transparency and Disclosure.

It is intended that at least 85% of the Fund's invested securities (long-only equity positions, excluding cash, cash equivalents and money market instruments) will be aligned with its promoted environmental or social characteristics.

The Portfolio Manager utilizes a fundamental long/short equity strategy and intends generally to make investments in or related to the consumer (discretionary and staples), financial (including: banks, asset managers, insurance, brokerage, fintech/global payment companies), healthcare (pharmaceuticals and biotechnology) and technology (software, internet), media and telecom (TMT) sectors, consistent with both the Portfolio Manager’s emphasis on low carbon intensity industries and also with the historical experience and expertise of the Portfolio Manager’s investment team, without considering any specific geographical allocation.

In managing the strategy, the Portfolio Manager seeks to implement long positions in the securities of companies it considers are potentially attractive investments both fundamentally and within its ESG framework, to hold over a 2-3 year time horizon. The Portfolio Manager will also implement synthetic short exposure through single-name fundamental shorts (based on fundamental and/or ESG considerations), sector-specific hedges and broader market hedges.

In addition to short opportunities that are purely fundamental in nature, potential short opportunities may include companies where ESG considerations are an integral component of the Portfolio Manager’s short investment thesis in relation to the Fund, negatively impacting the forward earnings power of the company’s operations. These opportunities may include situations where the Portfolio Manager considers the company is on the wrong side of ESG change, thereby negatively impacting the company’s potential cost of capital or ability to effectively compete. The short investment strategy also includes a significant tactical hedging component that uses sector-specific or broad index hedges in seeking to manage portfolio level risk.

By integrating ESG analysis into the investment process, the Portfolio Manager takes a holistic approach that considers the global impact (positive, neutral or negative as determined by the Portfolio Manager) of a company’s products, operations and governance on its broad stakeholders, society and the environment. The Portfolio Manager’s holistic approach to ESG considers one or more of a company’s environmental impact; greenhouse gas (GHG) emissions; board and executive diversity; and disclosure with respect to material ESG factors.

As part of the Portfolio Manager’s primary due diligence, financial analysis and modeling, and trade construction, the Portfolio Manager reviews good governance practices of the investee company. Companies are monitored on an ongoing basis and are continuously re-evaluated to assess whether the company meets the Portfolio Manager’s criteria as a "non-negative" holding.

The Portfolio Manager carries out an ESG assessment on all long-only equity positions (excluding cash, and cash equivalents and money market instruments) as part of the four phases of due diligence carried out during the investment process.

The Portfolio Manager avoids investments (long and short) in companies in the following sectors (revenue thresholds may apply): adult entertainment, energy and natural resources, basic materials, mining, controversial weapons, munitions and firearms, tobacco, and utilities.

As regards the methodologies or the sustainability indicators used to measure the attainment of the environmental and/or social characteristics promoted by the Fund, the Portfolio Manager will evaluate investments for the long portfolio as positive, neutral or negative based on the environmental and social characteristics promoted by the Fund. In addition to this sustainability indicator, the Portfolio Manager tracks sustainable growth and climate impact based on the weighted average carbon intensity of long equity holdings, as well as Scope 1, 2 and 3 GHG emissions (as defined in Commission Delegated Regulation (EU) 2022/1288) (as available). The Portfolio Manager monitors efforts towards DEI for long equity holdings based on the percentage of holdings with at least two female board members. Finally, in tracking ESG transparency and disclosure, the Portfolio Manager assesses the percentage of long equity holdings that report on climate and DEI metrics.

The Portfolio Manager evaluates all long-only equity positions based on company disclosures, third-party ESG reports, and news publications for ESG performance and severe controversies. Information is cross-referenced with third-party data provider to ensure data quality. A proportion of the data sources may be estimated but in all instances the Portfolio Manager seeks to report on primary data provided by the issuer where available. It is currently difficult to report sufficiently accurate numbers on the proportion of data used for the Fund by the Portfolio Manager which is estimated. The Portfolio Manager does not conduct its own estimates on data.

In certain circumstances data required to implement the ESG strategy of the Fund may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. The Portfolio Manager makes best efforts to review all relevant sources of information on an ongoing basis to inform a fulsome ESG assessment, including cross-reference of primary information with third-party data provider.

The Portfolio Manager's investment process has four distinct phases of due diligence: Primary Due Diligence (fundamental and ESG assessment), Financial Analysis & Modeling, Review & Analysis and Trade Construction.

The Portfolio Manager engages with long-only equity positions that have fewer than two women on the board of directors, or companies that have "Moderate" or higher carbon intensity without GHG reduction targets in order to improve ESG performance. The Portfolio Manager may selectively engage with positions to learn more about ESG approach where disclosure is lacking and to advocate for increased transparency.

## **Website section ‘No sustainable investment objective’**

The Fund promotes environmental and/or social characteristics but it does not have as its objective sustainable investment.

## Website section ‘Environmental or social characteristics of the financial product’

The Fund promotes the following environmental characteristics:

- **Sustainable Growth and Reducing Climate Impact.** The long equity portion of the Fund’s portfolio will seek to exhibit a lower weighted average carbon intensity relative to the level of the global equity markets, broadly focusing on industries and companies that are typically less carbon intensive. For individual investments in the long portfolio that exhibit high carbon intensities relative to their industry, the Portfolio Manager expects the underlying companies to have GHG emissions disclosure and reduction targets.

The Fund promotes the following social characteristics:

- **Diversity, Equity and Inclusion (“DEI”).** The long equity portion of the Fund’s portfolio will promote diverse leadership and board representation. The Portfolio Manager is broadly focused on companies in the long equity portfolio of the Fund that have female board representation and will engage with those that do not have at least two female directors, advocating for consideration of increased gender diversity on the boards of directors.

The Fund promotes the following environmental and social characteristics:

- **ESG Transparency and Disclosure.** The Portfolio Manager seeks to engage with companies that it deems provide insufficient disclosure on material ESG factors such as GHG emissions and diversity data and to advocate for increased transparency.

## Website section ‘Investment strategy’

### *(A) Investment Strategy*

The Portfolio Manager utilizes a fundamental long/short equity strategy and intends generally to make investments in or related to the consumer (discretionary and staples), financial (including: banks, asset managers, insurance, brokerage, fintech/global payment companies), healthcare (pharmaceuticals and biotechnology) and technology (software, internet), media and telecom (TMT) sectors, consistent with both the Portfolio Manager’s emphasis on low carbon intensity industries and also with the historical experience and expertise of the Portfolio Manager’s investment team, without considering any specific geographical allocation.

In managing the strategy, the Portfolio Manager seeks to implement long positions in the securities of companies it considers are potentially attractive investments both fundamentally and within its ESG framework, to hold over a 2-3 year time horizon. The Portfolio Manager will also implement synthetic short exposure through single-name fundamental shorts (based on fundamental and/or ESG considerations), sector-specific hedges and broader market hedges.

In addition to short opportunities that are purely fundamental in nature, potential short opportunities may include companies where ESG considerations are an integral component of the Portfolio Manager’s short investment thesis in relation to the Fund, negatively impacting the forward earnings power of the company’s operations. These opportunities may include situations where the Portfolio Manager considers the company is on the wrong side of ESG change, thereby negatively impacting the company’s potential cost of capital or ability to effectively compete. The short investment strategy also includes a significant tactical hedging component that uses sector-specific or broad index hedges in seeking to manage portfolio level risk.

The Portfolio Manager’s investment process has four distinct phases of due diligence: Primary Due Diligence (fundamental and ESG assessment), Financial Analysis & Modeling, Review & Analysis and Trade Construction.

By integrating ESG analysis into the investment process, the Portfolio Manager takes a holistic approach that considers the global impact (positive, neutral or negative as determined by the Portfolio Manager) of a company’s products, operations and governance on its broad stakeholders, society and the environment.

The Portfolio Manager’s holistic approach to ESG considers one or more of a company’s environmental impact; greenhouse gas (GHG) emissions; board and executive diversity; and disclosure with respect to material ESG factors.

The Portfolio Manager retains discretion to adjust this approach in order to comply with regulatory changes or in line with market developments. Within the long equity portfolio, the Fund will only invest in securities of companies scored by the Portfolio Manager as either positive or neutral under the following framework:

- Positive – The Portfolio Manager has determined in its judgement there is a direct linkage of a company, its operations, and its products to a current/future tangible/measurable positive impact on the environment or society). ESG considerations/awareness and regulatory policies may change consumption patterns, thereby directly influencing product demand and potential revenue growth.
- Neutral – The Portfolio Manager has determined in its judgment the company has a proven track record with respect to performance on ESG issues, however the direct economic linkage to its underlying revenue and earnings growth is less durable.
- Negative – The Portfolio Manager has determined in its judgment that the company has outsized risk with respect to ESG issues.

The Portfolio Manager seeks to assess the potential impact of ESG risks and opportunities and management decisions with respect to these factors on a company’s ability to sustain and to grow its operating margins and earnings power over time. For example, the Portfolio Manager may estimate the potential impact on revenue

received by consumer beverage can manufacturers resulting from the increasing number of local and global jurisdictions banning the use of single-use PET plastic bottles.

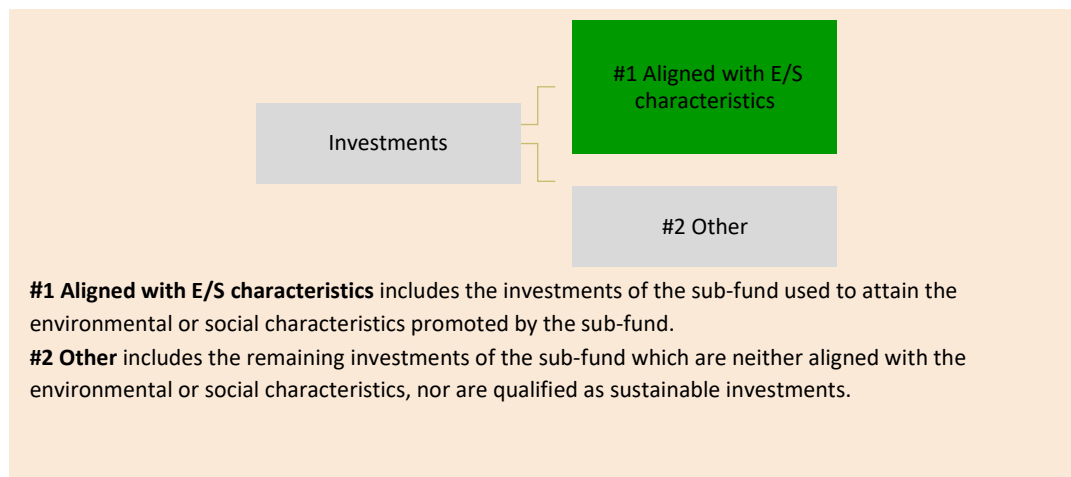
*(B) Policy to Assess Good Governance*

As part of the Portfolio Manager's primary due diligence, financial analysis and modeling, and trade construction, the Portfolio Manager reviews good governance practices of the investee company. Companies are monitored on an ongoing basis and are continuously re-evaluated to assess whether the company meets the Portfolio Manager's criteria as a "non-negative" holding.

The Portfolio Manager examines company disclosures, third-party ESG reports, and news publications to assess whether stakeholder considerations (e.g., social capital, human capital) are effectively managed by companies. Companies are also reviewed based on business ethics, competitive behavior and management of legal / regulatory investment. The Portfolio Manager also reviews levels of critical incident risk management and severe ESG controversies.

The Portfolio Manager avoids investments (long and short) in companies in the following sectors (revenue thresholds may apply): adult entertainment, energy and natural resources, basic materials, mining, controversial weapons, munitions and firearms, tobacco, and utilities.

## Website section ‘Proportion of investments’



In respect of #1, it is intended that at least 85% of the Fund's invested securities (long-only equity positions, excluding cash, cash equivalents and money market instruments) will be aligned with its promoted environmental or social characteristics.

The remaining assets of the Fund are held within the “#2 Other” category and may include cash and cash equivalents, money market instruments as well as short-investments. The Fund may also invest in financial derivative instruments for investment/hedging purposes. The Fund may hold these assets (i) for synthetic short-investments, (ii) liquidity or hedging purposes or (iii) on a temporary, exceptions basis where an asset is subsequently re-evaluated as "negative" following investment.

The Fund does not make use of derivatives to attain the environmental and social characteristics it promotes.



## **Website section ‘Monitoring of environmental or social characteristics’**

The Portfolio Manager carries out an ESG assessment on all long-only equity positions (excluding cash, and cash equivalents and money market instruments) as part of the four phases of due diligence carried out during the investment process. The Portfolio Manager evaluates long-only equity positions as either “Positive”, “Neutral”, or “Negative” and will only invest in securities scored as either Positive or Neutral. Positions are evaluated on a quarterly basis on their ESG rating, after reviewing company disclosures, third-party ESG reports, and news publications for ESG performance and severe controversies.

The Portfolio Manager ensures that a control system is in place to validate the selection criteria used to attain the Fund’s environmental and social characteristics, both at the time of investment and on an ongoing basis. The Portfolio Manager is responsible for maintaining controls and works with its trading team to ensure that alerts are set to align with defined elements within its electronic order management systems. The Portfolio Manager’s trading team also independently verifies whether a trade is not authorized due to binding elements of the Fund’s investment strategy.

## Website section ‘Methodologies for environmental or social characteristics’

The Portfolio Manager evaluates investments for the long portfolio through a holistic assessment process to determine whether a position is categorized as either “Positive”, “Neutral”, or “Negative” based on environmental and social characteristics supported by the Fund:

- “Positive”: direct linkage of a company, its operations and its products to a tangible / measurable positive impact on the environment and/or society;
- “Neutral”: no direct linkage to positive impact, however a company has a proven track record with respect to performance on environmental and or social issues; or
- “Negative”: direct linkage of a company, its operations, and its products to a tangible / measurable negative impact on the environment and/or society.

The Portfolio Manager incorporates several quantitative inputs as part of its assessment. In addition to qualitative criteria, the Portfolio Manager also reviews greenhouse gas emissions and diversity data as provided by the company or third-party ESG data provider:

- **Greenhouse gas (GHG) emissions and Carbon intensity (weighted-average):** The Portfolio Manager reviews scope 1,2, and 3 emissions where available in order to determine the carbon footprint of a company, Weighted Average Carbon Intensity (WACI) scope 1 and 2, expressed in expressed in tons CO<sub>2</sub>e/USD million sales.
- and carbon intensity performance to industry. Companies that have high carbon intensity relative to peers (ofover 180 WACI) without GHG reduction targets are generally excluded from the portfolio.
- **Board gender diversity:** The Portfolio Manager reviews diversity at the company board, senior management, and workforce levels. Instances where an issuer does not have (or no longer has) two women on the board of directors are typically subject to engagement and / or exclusion from the Fund

**Transparency and disclosure:** The Portfolio Manager also monitors whether companies provide disclosure on climate action and diversity, equity, and inclusion (DEI) representation. Further detail is included below on industry definitions.

### *Total absolute carbon emissions*

The Portfolio Manager tracks absolute Scope 1, 2 and 3 GHG emissions (as defined in Commission Delegated Regulation (EU) 2022/1288) (as available).

### *WACI*

To assess the carbon emission intensity of the Fund, the Portfolio Manager uses the Weighted Average Carbon Intensity (WACI) scope 1 and 2, expressed in expressed in tons CO<sub>2</sub>e/USD million sales.

The carbon emission data is provided by an external provider and is classified per the Greenhouse Gas Protocol (GGP). This external provider collects the carbon emission data from all companies within their universe on a yearly basis. The data is sourced directly from company reports (as available), such as annual reports or sustainability reports, CDP or government databases. If the data is not disclosed, the external provider uses its internal methodology to estimate Scope 1 and Scope 2 emissions. The Portfolio Manager periodically reviews the methodologies used by the external provider in making its estimates.

### *DEI – Diversity at board, senior management, and workforce population*

The Portfolio Manager reviews primary reporting provided by the issuer to assess levels of diversity at all levels of the company. The Portfolio Manager also monitors whether companies provided diversity statistics on its complete workforce population (e.g., EE-01 public release, annual diversity report, etc.)

*Compliance with UN GC*

Compliance with the UN GC is assessed by an external provider which provides consistent ongoing assessments of publicly traded companies' and fixed income issuers' involvement in controversies that may constitute a breach of selected global norms and conventions, including the United Nations Global Compact Principles (UNGC).

## Website section ‘Data sources and processing’

*(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product*

The Portfolio Manager may use data from different sources, including information reported directly by issuers or third-party data providers (e.g., MSCI ESG Research).

*(b) The measures taken to ensure data quality*

The Portfolio Manager regularly reviews information provided by third-party ESG data providers and validates information based on issuer primary disclosures. The ESG Team engages with data providers when necessary to verify the quality of information received, particularly to understand methodologies implemented or to expand data coverage.

*(c) how data are processed*

The Portfolio Manager relies on information collected from issuers as well as third-party ESG data providers. The Portfolio Manager also processes and stores information used on internal data management systems.

*(d) the proportion of data that are estimated*

Given that ESG is and its reporting requirements at investee company level is ever involving and can vary on a jurisdictional basis, the Portfolio Manager relies on data it receives from third-party providers, some of which may be estimated on a best efforts basis. It is expected that the proportion of estimated data is expected to decrease over time as greater data disclosure regulations at investee company level come into force.

## **Website section ‘Limitations to methodologies and data’**

The Portfolio Manager uses ESG-related data related to issues such as environment, recycling, climate change, workplace safety, diversity and inclusion, governance, and philanthropic efforts. Differences in definitions may exist between issuers due to regional differences. In certain circumstances data required to implement the ESG strategy of the Fund may be difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. The Portfolio Manager makes best efforts to review all relevant sources of information on an ongoing basis to inform a fulsome ESG assessment, including cross-reference of primary information with third-party data providers. The Portfolio Manager also acknowledges the limitations to high-quality ESG data, such as with Scope 3 GHG emissions where the breadth and accuracy of company reporting, comparability, and double counting can be challenging.

## Website section ‘Due diligence’

The Portfolio Manager’s investment process has four distinct phases of due diligence: Primary Due Diligence (fundamental and ESG assessment), Financial Analysis & Modeling, Review & Analysis and Trade Construction.

- Primary Due Diligence is conducted by each of the Portfolio Manager’s sector teams at both the industry and company level. Industry analysis generally includes an assessment of the competitive environment (pricing power, disruptive technologies, barriers to entry, economic cycle) and regulatory environment, as well as an assessment of ESG considerations including carbon intensity and board diversity. The Portfolio Manager may also review additional ESG considerations that are material to an investment, such as management structure, environmental incidents, labor and employee relations, safety track record, or significant controversies. The Portfolio Manager may also conduct competitor benchmark analysis across multiple fundamental and ESG variables which involves a comparison of revenue, growth rates, operating margins, valuation, carbon intensity, board diversity, etc. During primary company analysis, the Portfolio Manager team often engages with management teams and key stakeholders, conducts site visits (factories, suppliers, channel providers) and performs reference checks to corroborate the Portfolio Manager’s investment thesis in relation to the Fund.
- Financial Analysis & Modeling generally involves the construction and maintenance of proprietary financial and operational models at the company level to assess valuation and upside/downside sensitivities. The Portfolio Manager may also conduct a divergence analysis which involves routinely monitoring expected revenue, margins and cash flow of companies and assessing the divergence from consensus expectations, both near-term and long-term.
- The Review & Analysis process is an interactive process whereby the Portfolio Manager assesses the individual trade merits (i.e. the details of the Portfolio Manager’s thesis for the Fund, risk/reward etc.) and conviction of an investment, tests upside/downside expectations of the industry and validates the investment thesis (fundamental and ESG) of the Portfolio Manager in relation to the Fund. The Portfolio Manager’s review also helps to assess near-term catalysts or earnings surprises, the corporate calendar and long-term divergence from consensus expectations.
- Trade Construction & Hedging Analysis is the final step in the security selection/analysis process whereby the Portfolio Manager evaluates the optimal risk reward portfolio allocation for the Fund. Residual risk is analyzed as part of the proposed trade construction, leading to a determination of the acceptable level of residual exposure and factor risks in each investment made by the Portfolio Manager.

The Investment Manager also performs independent controls on environmental and social characteristics promoted through the investment policy of the Fund.

## Website section ‘Engagement policies’

The Portfolio Manager engages with long-only equity positions that have fewer than two women on the board of directors, or companies that have "Moderate" or higher carbon intensity without GHG reduction targets in order to improve ESG performance. The Portfolio Manager may selectively engage with positions to learn more about ESG approach where disclosure is lacking and to advocate for increased transparency. **Website section**

## ‘Designated reference benchmark’

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.