SFDR Article 9 Fund – Website Disclosures Sections based on Articles 23 and 37 to 49 SFDR Delegated Regulation (EU) 2022/1288

Full name of the Article 9 Fund: Arisaig Next Generation Master Fund ICAV ("the Master ICAV")

Legal entity identifier: 635400CUQVXRELENBP44

Date of review: 1st January 2023

Disclaimer: The present working document may be subject to further regulatory changes.

Separate Website Section titled, 'Sustainability-related disclosures'

Website section 'Summary'

Sustainable investment objective: The Master ICAV will seek to achieve its investment objective by investing in the equities of emerging and frontier market companies listed or traded on equity markets, which have the potential to deliver both attractive financial returns and positive social or environmental impact over the long term. The Master ICAV intends to make investments in companies that generate positive impact in the areas of: Health, Employment, Gender Equality, Financial Inclusion, Education and Environment.
The Master ICAV invests only in public market equities, and cash and money market instruments held for ancillary liquidity.
At least 90% of the Fund's investments come within the definition of sustainable investment and are in line with the Master ICAV's sustainable investment objective.

No significant harm: The Investment Manager's investment philosophy is based around the belief that the practice of 'Purposeful Growth' deliver superior operating performance for our holdings and supports long-duration compound earnings growth. Purposeful Growth businesses are motivated not by short-term profitability but the enduring value they create for customers, employees, communities, the environment, and shareholders. Appropriate management of material environmental, social and governance (ESG) issues is fundamental to a company's ability to be a 'Purposeful Growth' business. ESG research and assessment are therefore integral to the Investment Manager's investment approach.

Upon investment and over the life of the Master ICAV, the Investment Manager assesses and monitors indicators that are deemed to indicate potential significant environmental or social harm. Each potential investment is analysed according to the Investment Manager's Sustainability Risk Management framework as part of due diligence, with the intention of avoiding material environmental and social risk. Principal adverse impacts on sustainability factors are also assessed. Where potentially significant but acceptable risks are identified, the Investment Manager will attempt to engage with the company and conduct proxy voting such that these risks can be mitigated or avoided where possible. More details are available in the Investment Manager's "ESG & Constructive Ownership Approach", which is available on the Investment Manager's website at www.arisaig.com/aboutus/responsibility.

Sustainability indicators: On an annual basis, the Master ICAV will track at least six sustainability indicators (one for each of the positive impact areas) for every holding to monitor attainment of the sustainable investment objective. The primary sources of data are disclosures made by investee companies. These include annual reports, quarterly reports, investor presentations, earnings releases, sustainability/impact reports, and websites. If required data cannot be found from these primary sources, then secondary sources of data are used, such as: 1:1 written or verbal correspondence with investee companies, broker reports, statistical databases (e.g., World Bank, OECD, IMF), academic journals, and third-party data providers.

Where companies do not self-report the precise data needed for tracking sustainability indicators, the Investment Manager uses a variety of estimation methodologies to determine company level impact. As a general principle, the Investment Manager takes a prudent approach to estimation.

The main limitations to the methodologies and data sources used for tracking sustainability indicators are accuracy and availability of self-reported data; use of estimates; reporting of outputs rather than outcomes/impacts;

potential double counting; and differences in investee companies reporting timeframes. However, these are not believed to prevent the attainment of the sustainable investment objective.

Due diligence: All investments in the Master ICAV are subject to the Investment Manager's due diligence procedures. The approach is based on '360 degree' evidence to obtain a holistic view of the company. Due diligence includes evaluation of environmental and social risk, scoring corporate governance quality, impact assessment, financial modelling, and long-term valuations. Final findings are documented in an Investment Case Report, which is the main source of company-specific information relied on by the Investment Committee in making investment decisions.

Impact due diligence is conducted on every prospective investment which allows the Investment Manager to assess the extent of its contribution to the environmental or social objectives(s). The impact due diligence processes are part of the Investment Manager's overall impact measurement and management (IMM) framework. This involves creating a theory of change, undertaking an impact questionnaire and impact scoring, and finally preparing a full impact assessment. The entire Research Team is trained on the Investment Manager's impact due diligence requirements.

Engagement and proxy voting: Fundamental to the Investment Manager's investment philosophy is a concentrated 'buy and hold' approach. The Investment Manager's average holding time in its longest running fund is 8.5 years (as of January 2022). This approach allows the Investment Manager to: (i) build trusted relationships with investee company management; (ii) use these relationships to engage companies to make meaningful positive changes to their ESG practices; and (iii) reap the superior shareholder returns that such change is expected to bring in the long-term. The active engagement in turn provides insights for ESG research and assessment, thereby creating a virtuous cycle.

Given the importance placed on engagement, the Investment Manager targets to engage directly with at least 60% of holdings every year, which is monitored on a quarterly basis. For this target, engagement is defined as purpose-driven communication with a deliberate objective to influence corporate behaviours or practices and is distinct from the normal course of investment analysis and monitoring (e.g. earnings updates).

Exercising voting rights is considered an important engagement mechanism. The Investment Manager votes on all available shareholder resolutions. Each vote is cast in line with the Investment Manager's Proxy Voting Policy (available on its website).

Website section ‘No significant harm to the sustainable investment objective’

Upon investment and over the life of the Master ICAV, the Investment Manager assesses and monitors the Master ICAV’s investments against the principal adverse indicators as set out in Annex 1 of the SFDR Delegated Regulation (EU) 2022/1288 (the “Regulation”) in particular the indicators in Table 1 and the investment in companies without carbon reduction initiatives aimed at aligning with the Paris Agreement (Table 2)and the number of identified cases of severe human rights issues and incidents from Table 3.

The Investment Manager formally excludes any firms involved in the production of weapons, fossil fuels, tobacco and pornography from consideration for investment in the Master ICAV, along with those firms directly involved in the provision of gambling services. The Investment Manager's focus on investments generating positive impact under the six impact themes (Health, Environment, Gender Equality, Education, Financial Inclusion, and Employment), effectively precludes investment in other potentially environmentally or socially harmful sectors such as alcohol and animal products.

In addition, each potential investment is analysed according to the Investment Manager's Sustainability Risk Management framework, with the intention of avoiding material environmental and social risk. Where potentially significant but acceptable risks are identified, the Investment Manager will attempt to engage with the company and conduct proxy voting such that these risks can be mitigated or avoided where possible.

More details are available in the Investment Manager’s “ESG & Constructive Ownership Approach”, which is available on the Investment Manager’s website at www.arisaig.com/aboutus/responsibility.

How have the indicators for adverse impacts on sustainability factors been taken into account?
In addition to the general process described above, the Investment Manager will obtain data and report on all principal adverse indicators in Table 1 of Annex I of the Regulation on an annual basis for all investments in the Master ICAV[1]. In addition, the Investment Manager will obtain data and report on the following two additional adverse indicators:

- Investments in companies without carbon reduction initiatives aimed at aligning with the Paris Agreement (from Table 2)
- Number of identified cases of severe human rights issues and incidents (from Table 3).

The sources of these data will include reports published by the investee companies (e.g., annual and sustainability reports), meetings with the investee company’s management, news articles, and estimates provided by third party data providers.

The Investment Manager takes these indicators into account by annually reviewing them to identify areas of concern (e.g., deterioration in portfolio performance relative to the previous period; emergence of human rights or governance concerns relating to an investee company; concern that an investee company may not meet net zero-related targets set by the Investment Manager). Such issues will be investigated, including direct engagement with the investee company, and any concerns will be highlighted to the Investment Committee, which will factor these into investment decision-making.

On an ongoing basis, the Investment Manager monitors significant changes to adverse impact status, e.g., a severe breach of human rights. This is the responsibility of the covering analyst assigned to each holding. These will be

[1] Excluding indicators which are applicable to sovereigns and supernationals and investments in real estate as the Master ICAV does not invest in such assets.

investigated and highlighted to the Investment Committee at the earliest opportunity. The Investment Committee will judge whether the investment still poses no significant harm. If not, then the Fund will divest at the earliest practicable opportunity.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Investment Manager checks the alignment of investments with the OECD Guidelines for Multinational Enterprises through its ESG & Constructive Ownership Approach, which reflects the guidance provided by the OECD's Responsible Business Conduct for Institutional Investors[2]. The relevant processes are:

1) Applying a risk-based and on-going due diligence approach in its investment policies and processes to identify responsible business conduct risk;
2) Using leverage as investors to influence investee companies to prevent or mitigate adverse impacts relating to responsible business conduct risk;
3) Tracking and appropriately communicating the Master ICAV's performance in managing responsible business conduct risks and impacts;
4) Remediation is an expectation in situations where an enterprise causes or contributes to adverse impacts. As a minority shareholder in listed companies, the Master ICAV may be *linked to* adverse impacts caused by investee companies but would not cause or contribute to these. Therefore, the Investment Manager has not embedded processes to provide remedies but would instead encourage our investee companies to do so.

On an annual basis, the Investment Manager reviews the OECD Watch Complaints Database to establish whether any of the holdings are the subject of alleged violations of the OECD Guidelines.

Under the UN Guiding Principles on Business and Human Rights ('the Principles'), to meet their responsibility to respect internationally recognised human rights, businesses should have in place policies and processes appropriate to their size and circumstances, including:

a) A policy commitment
b) A human rights due diligence process
c) Processes for remediating any adverse human rights impacts caused or contributed to.

In certain markets, the domestic context (including local regulations and judicial systems) renders it impossible to meet this responsibility fully, as recognised by the Principles. In the circumstances, the Principles state that businesses are "*expected to respect the principles of internationally recognized human rights to the greatest extent possible in the circumstances, and to be able to demonstrate their efforts in this regard*"[3].

The Master ICAV will only invest in companies that are deemed to be in line with the Principles. To establish this, the Investment Manager undertakes the following:

- Before a company enters Investment Manager's due diligence funnel, a search is conducted using a comprehensive international database (which includes coverage of general press) to identify glaring ESG red flags such as incidents of major corruption, human rights abuses, sanctions. The Master ICAV will not invest in companies that trigger such red flags.
- On an annual basis, the Investment Manager reviews whether the investee companies of the Master ICAV have a publicly available human rights commitment.
- For investee companies that do not have a public commitment, the Investment Manager assesses the level of human rights violations risk based on factors such as the industry and operating geographies of the company and its supply chain. The Investment Manager also engages with these companies to: (1) confirm the company's commitment to respecting human rights; and (2) encourage the company to make its commitment public.

[2] Available at: https://mneguidelines.oecd.org/rbc-financial-sector.htm, accessed August 2022
[3] Guiding Principles on Business and Human Rights, UN Human Rights Office of the High Commissioner pg 26

- Finally, on an annual basis, we review the UNGC Violations Database to establish whether any of our holdings are the subject of alleged violations.

Website section ‘Sustainable investment objective of the financial product’

The investment objective of the Master ICAV is to seek to achieve long-term capital growth by investing globally in the shares of companies that deliver positive social and/or environmental impact.

The Master ICAV intends to make investments in companies that generate positive impact in the areas of: Health, Employment, Gender Equality, Financial Inclusion, Education and Environment.

With regard to the environment impact investments, the Master ICAV intends to make investments in companies with economic activities that substantially contributes to one or more of the following objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. While the intention is for the Master ICAV to have a minimum of 10% of its investments in environmentally sustainable economic activities, on the basis of information which is available ,the Master ICAV currently has zero investments in economic activities which qualify as environmentally sustainable under the EU Taxonomy.

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Website section 'Investment strategy'

The Master ICAV intends to make investments in companies that generate positive impact in the areas of: Health, Employment, Gender Equality, Financial Inclusion, Education and Environment.

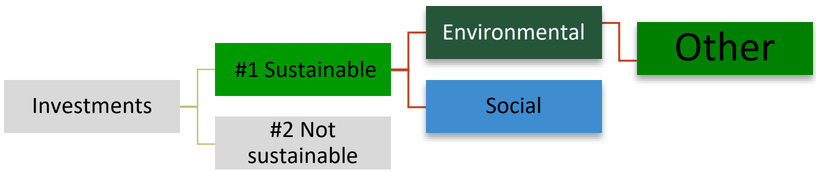
The Master ICAV will seek to achieve its investment objective by investing in the equities of emerging and frontier market companies listed or traded on equity markets, which have the potential to deliver both attractive financial returns and positive social or environmental impact over the long term. This may include companies whose revenue base is substantially derived from emerging and frontier market countries but whose domicile or country of listing is in more developed countries. The investment policy and approach of the Master ICAV is further set out in the Master ICAV prospectus.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?
The Master ICAV's mandate is such that all its investments need to contribute to one or more environmental or social objectives (other than cash and money market instruments held for ancillary liquidity). As part of the due diligence process, an impact assessment is conducted on every prospective investment which allows the Investment Manager to assess the extent of its contribution to the environmental or social objectives(s).

What is the policy to assess good governance practices of the investee companies?
As part of initial due diligence for all prospective investments, one of the Investment Manager's research analysts will assess the company's governance practices using the Investment Manager's proprietary Corporate Governance (CG) checklist. This consists of c. 70 questions covering shareholder rights, transparency and related parties, audit and accounting, board oversight and executive oversight and compensation. The checklist has been developed by the Investment Manager based on over 25 years' experience of investing in emerging markets and incorporates the most important corporate governance considerations. These tend to be in line with global best practices, which are often over and above what is mandated by local regulation in emerging markets.

Website section 'Proportion of investments'

The Master ICAV invests only in public market equities, and cash and money market instruments held for ancillary liquidity. At least 90% of the Master ICAV's investments come within the definition of sustainable investment and under '#1 Sustainable' with an environmental and/or social objective.



How does the use of derivatives attain the sustainable investment objective?
This product does not use derivatives.

Website section ‘Monitoring of the sustainable investment objective’

On an annual basis, the Master ICAV will track at least six sustainability indicators (one for each of the positive impact areas) for every holding. These indicators are:
1. Number of active clients provided with improved access to financial services through holdings in the Master ICAV (Financial Inclusion)
2. Number of students enrolled annually across holdings in the Master ICAV (Education)
3. Number of people provided annually with access to health products or services by holdings in the Master ICAV (Health)
4. Number of people supported annually with improved access to jobs by holdings in the Master ICAV (Employment)
5. Number of females provided annually with products or services that contribute to their ability to participate in political, economic, and public life fully and effectively by holdings in the Master ICAV (Gender Equality)
6. GHG emissions avoided (in tCO_2e) through the use of products and services sold annually by the holdings in the Master ICAV (Environment).

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Website section 'Methodologies'

The Investment Manager's impact measurement and management (IMM) framework involves collecting data on the impact associated with the products and services sold by investee companies, including data for the sustainability indicators. This data is collected as part of due diligence prior to investing and updated once a year for holdings between April to June. The data collected refers to each company's most recent annual results published on or before 31 March of that year.

Where companies do not self-report the precise data needed, the Investment Manager uses a variety of estimation methodologies to determine company level impact:

- Where data are not reported annually, estimates from previous years may be used and adjusted using a suitable metric such as change in revenue.
- Where a company does not report the number of products or customers it has, market share or market penetration data may be used together with statistics from reputable sources (e.g. international and governmental agencies, academic journals) to generate estimates. For example, a company that makes medical devices may not report the number of devices sold nor the number of people who use its products. However, it does report the proportion of Tier 1 hospitals reached in the target markets. Combining this information with statistics on annual inpatient numbers and the likely proportion of these that are repeat admissions leads to an estimate of how many people are reached by the company's products. This estimate is then included within sustainability indicator (3).

As a general principle, the Investment Manager takes a prudent approach to estimation. Therefore, estimates are more likely to understate rather than overstate company-level impact. Every year, the Investment Manager will consider whether new data are available to improve the accuracy of estimates. If no reliable estimates can be made for a company, then it is excluded from the sustainability indicators.

The Master ICAV invests in some companies that produce one component in a value chain for an end product or service that generates positive impact e.g., a company that manufactures solar wafers which are a critical part of producing solar-powered electricity. There are no established frameworks for attributing impact along the value chain, so while there is a risk of double counting, the full positive impact of the end product is attributed to a component supplier.

For sustainability indicator (6), avoided GHG emissions are estimated by comparing the GHG emissions of the product or service sold by the investee company with average GHG emissions of the most common alternative. For example, for a company that builds and operates renewable energy plants, we would compare the GHG emissions of each MWh of electricity generated by the company with relevant country level grid electricity factors. Other than sustainability indicator (6), the figures are not measured with reference to a counterfactual.

The sustainability indicators are not adjusted for the Master ICAV's proportion of ownership in the investee companies. This is so that the indicators show year-on-year progress of the investee companies rather than reflecting changes in amount of assets under management.

Year-on-year progress of company-level will be monitored internally by the Research Team and Investment Committee. Significant discrepancies between actual and expected performance are investigated, which may include engaging with the investee company. The indicators are also reported to external stakeholders in an annual Impact Review, as well as in Periodic Disclosures required under the SFDR.

Website section ‘Data sources and processing’

(a) the data sources used to attain the sustainable investment objective of the financial product;

The primary sources of data are disclosures made by investee companies. These include annual reports, quarterly reports, investor presentations, earnings releases, sustainability/impact reports, and websites. If required data cannot be found from these primary sources, then secondary sources of data are used, such as: one on one written or verbal correspondence with investee companies, broker reports, statistical databases (e.g., World Bank, OECD, IMF), academic journals, and third party data providers which may include SP Global, the Upright Project, Sustainalytics and any other deemed appropriate.

(b) the measures taken to ensure data quality;

- Only reputable data sources are used such as those listed above;
- Source of each data point is recorded so that it can be assessed for reliability;
- Calculations/estimations are recorded within central database where impact data are stored so that they can be reproduced as part of accuracy checks;
- Any significant changes or unexpected results are investigated for accuracy by the Research Director (Impact & Engagement).

(c) how data are processed;

The impact data used for the sustainability indicators are collected in a central database by the analysts in the Investment Manager’s Research Team between April and June of each year. The Research Director (Impact & Engagement) reviews the data and checks for material discrepancies or inaccuracies. Company-level data are aggregated to produce portfolio-level data. The sustainability indicators are published as part of the Master ICAV’s Periodic Disclosures. The Periodic Disclosures are reviewed before publication by the Investment Manager’s Head of Research, Strategy Research Head for the Master ICAV, and Co-CEO.

(d) the proportion of data that are estimated.

For 2022, the proportion of sustainability indicators data that are estimated is 41%. Through engagement, the Investment Manager encourages holding companies to improve disclosure of impact-related data, so over time the proportion of estimated data should decrease.

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Website section ‘Limitations to methodologies and data’

Type of limitation	Explanation	Why it does not affect attainment of sustainable investment objective
Accuracy and availability of self-reported data	The primary data sources used are disclosures from the investee companies. The Investment Manager is not able to verify the accuracy of these data sources, and the underlying data are often not subject to audit. Therefore, there may be errors in the data.	Data directly from investee companies is likely to be the most reliable source available. The Investment Manager judges the data for reasonableness based on its knowledge of comparable data from peers.
Use of estimates	Figures which rely on secondary data sources and use of estimation/assumptions are more likely to be inaccurate.	The Investment Manager undertakes measures to protect data quality (see section above), which it believes are sufficient to result in reasonable and consistent estimates. Moreover, the final figures reported are subject to multiple internal reviews.
Reporting of outputs	The Master ICAV has a mandate to invest in companies that generate positive social or environmental impact. However, other than indicator (6), the sustainability indicators reported by the Investment Manager are ‘output’ metrics (e.g., number of students enrolled) rather than ‘outcome’ or ‘impact’ metrics (e.g., improvement in literacy or numeracy levels). Therefore, the indicators are not direct measurements of whether the Master ICAV is achieving its sustainable investment objectives.	The reason for relying on output metrics for portfolio-level reporting is availability of comparable data. Outcomes and impacts are harder to measure, collected using diverse methodologies, and reported in different ways by companies. While the Investment Manager seeks to collect outcomes/impact data at a company-level, it is impracticable to report these at a portfolio-level. Where a company does not report any of its own outcomes or impact data, the Investment Manager seeks robust secondary data to assess the company’s impact (e.g., studies published in academic journal which links company’s outputs with positive impact).
Potential double counting	In limited cases, the Master ICAV invests in multiple companies that sell related products/services in overlapping markets. Therefore, it is possible that an individual may be a customer of more than one of the holdings and is double counted in the sustainability indicators.	The impact of this is likely to be immaterial given the diversity of the investee companies and the markets they operate in. Moreover, the markets have large populations, so the likelihood of significant overlap is low.
Reporting year	Companies have different reporting calendars. Therefore, the underlying data for the sustainability indicators may cover slightly different timeframes.	Year-on-year variability tends to be small, so this is unlikely to have a material impact.

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Website section ‘Due diligence’

All investments in the Master ICAV are subject to the Investment Manager’s due diligence procedures. There are three parts to this:

1. **Universe construction:** To reach a universe list, a combination of top-down and bottom-up analyses are conducted:
    a. Market of risk filter: exposure to scalable emerging and frontier markets;
    b. Business category filter: businesses that offer multi-decade double digit growth potential and have characteristics which allow them to capture this growth, including compounding nature of moats, strong economics, protection from external factors, and positive impact;
    c. Company specific filter: businesses that meet our expectations with regards to growth, quality, and alignment.
2. **Research due diligence:** The second step is the most resource intensive. Each potential investment company is subject to a three-stage research funnel. Across each of the three stages, the Investment Manager uses ‘360 degree’ evidencing to obtain a holistic view of the company. In addition to desktop research, the Research Team’s due diligence typically includes site visits, meeting with management, and interviews with various company stakeholders (customers, suppliers, distributors, industry experts, ex-employees). The Investment Manager uses in-house tools for financial modelling and long-term valuations. ESG risk assessment and impact assessment are also integrated throughout due diligence. Final findings are documented in an Investment Case Report, which is designed to generate objective analysis with a focus on long-term fundamentals.

    Impact due diligence: For the Master ICAV, all potential investments are subject to the Investment Manager’s in-house impact due diligence processes, which is part of the overall IMM framework. This involves creating a theory of change, undertaking an impact questionnaire and impact scoring, and finally preparing a full impact assessment. The entire Research Team is trained on the Investment Manager’s impact due diligence requirements. The Research Director (Impact & Engagement) provides guidance and expertise on specialist subjects.
3. **Translation:** This refers to utilising completed research in portfolio decision-making. The Investment Case Report contains the pertinent information which will form the basis of Investment Committee decisions.

More details are available in our Research Excellence Approach document (available on request from the Investment Manager).

Website section 'Engagement policies'

The Investment Manager targets to engage directly with approximately 60% of assets under management every year, which is monitored on a quarterly basis. For this target, engagement is defined as purpose-driven communication with a deliberate objective to influence corporate behaviours or practices and is distinct from the normal course of investment analysis and monitoring (e.g. earnings updates).

The Investment Manager uses an in-house engagement tracking tool to record interactions and monitor progress against milestones. Where an engagement appears to have stalled (e.g. no progress for over 12 months), the Investment Manager employs a range of escalation approaches:

- If the issue is time sensitive, the Investment Manager may seek to collaborate with fellow shareholder to improve negotiating position. This can also include discourse with other stakeholders such as the stock exchanges.
- In some cases, it may be possible to seek direct dialogue with a board member on the issue.
- If no other methods have been successful, the Investment Manager can vote against director appointments.
- If the company is still unwilling to respond on what the Investment Manager considers a material business risk that would affect the company's long-term growth prospects, divestment is the final option.

The Investment Manager continuously monitors holdings for significant negative ESG incidents, such as lawsuits, regulatory fines, allegations of human rights abuses, or supply chain disruptions. All such incidents are reviewed to determine the scope and severity of the issue. The following escalation rules are then applied:

Trigger	Question	Action if yes	Action if no	Timeline
ESG incident	Is the issue systemic?	**Sell out** as alignment of interests is broken	Understand causes of issue and **engage** the company on how it will respond	3 months
Company takes mitigative action	Is the company responding to the issue appropriately	Track activities and assess whether sufficient to remediate issue	**Escalate** with company before deciding whether to sell out	6 months
Verification of change	Is there meaningful evidence of change such that the issue is unlikely to be repeated?	Consider **topping up** position if this has added conviction in management quality	**Escalate** with company before deciding whether to sell out	12 – 18 months

<u>Proxy voting</u>
Exercising voting rights is an important engagement mechanism. The Investment Manager votes on all available shareholder resolutions. Each vote is cast in line with the Investment Manager's Proxy Voting Policy (available on its website).

Website section ‘Attainment of the sustainable investment objective’

No index has been designated as a reference benchmark for the Master ICAV In respect of its sustainable investment objective.