



## ECP Global Growth Fund

### Article 8 Disclosures

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# Article 8 Disclosures

## A. Summary

The ECP Global Growth Fund (the Fund) is an Article 8 Fund under the Sustainable Finance Disclosure Regulation (SFDR). The Fund aims to provide capital growth in excess of the Target Performance Benchmark (“MSCI World Index”) over a rolling five-year period, through investment in an actively managed, concentrated global share portfolio. EC Pohl & Co Pty Ltd (the Investment Manager) set out here, in summary, the key information with regards to the environment or social characteristics promoted by the Fund and the approach taken.

**This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.** A reference benchmark is not used for the purposes of attaining the environmental and social characteristics promoted by the Fund.

By precluding investment in certain sectors (including thermal coal, petroleum, logging, palm oil and pesticides) and prioritising investment in companies that the Investment Manager deems to be virtuous in environmental terms within their own sectors, the Fund promotes a reduction in greenhouse gas emissions.

The Investment Manager also excludes from investment those companies it does not deem to be socially responsible (such as those involved in gambling, tobacco, adult entertainment sectors or in the manufacturing and/or selling of controversial weapons) and in doing so the Fund seeks to foster the promotion of social responsibility and public health initiatives whilst also seeking to promote a reduction in the use of and exposure to controversial weapons.

The Fund also promotes the development of international human rights and labour standards by excluding from investment those companies that violate global environmental and social norms as evidenced through their infringement of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Finally, the Fund also seeks to promote the development of peaceful societies on a global basis by excluding from investment companies that are based in countries that have been rated by the Institute for Economics & Peace (“IEP”) through the Positive Peace Index (“PPI”) as being anything below a very high rating (“Very High”).

The Fund’s investment strategy is to invest in equities of companies that the Investment Manager believes are sustainable in nature and that responsibly grow their economic footprint. The Investment Manager’s proprietary, integrated framework (‘Pillars of a Quality Franchise’) places a material emphasis on sustainability and stewardship of companies. The result of this process means that the Investment Manager identifies sustainable companies which it defines as ‘Quality Franchises’. To be included within the Fund’s portfolio, target companies are required to exhibit specific characteristics, both qualitative and quantitative. Companies that do not exhibit those characteristics will not be classified as a Quality Franchise by the Investment Manager.

Due diligence processes are integral to the Fund's investment strategy, involving detailed internal and external assessments of potential investments. The Investment Manager's due diligence ensures that only companies meeting high standards of economic performance

and competitive advantage are considered. This includes a comprehensive evaluation of industry dynamics, business models, competitive environments, financial health, management capabilities, and sustainability factors. The goal is to construct portfolios that consist exclusively of high-quality franchises, thereby supporting the Fund's aim of generating superior long-term returns.

Engagement is a key aspect of the Fund's strategy, where the Investment Manager actively interacts with investee companies. This engagement is focused on understanding the companies' strategic directions, governance practices, and sustainability initiatives. By engaging deeply on these fronts, especially on material ESG issues, the Investment Manager aims to enhance the companies' long-term value and align their operations with the Fund's sustainability goals. In cases where companies do not meet the desired standards, the Investment Manager may opt to divest or intensify engagement efforts to encourage necessary improvements.

The Investment Manager intends that at least 80% of its net assets are invested in investments that are aligned with the promoted environmental and social characteristics described above.

The Investment Manager uses the sustainability indicators described under "Methodologies for environmental or social characteristics" to measure and monitor the attainment of the environmental and social characteristics that the Fund promotes on an ongoing basis.

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund are the percentage of holdings that comply with the exclusions detailed above under "Environmental or social characteristics of the financial product".

The Investment Manager uses both published company data and data provided by third-party providers, as mentioned above under "Environmental or social characteristics of the financial product", to measure attainment of the environmental and social characteristics promoted by the Fund. All data sources used are reviewed regularly by the Investment Manager. To ensure ongoing data quality, the Investment Manager conducts due diligence as appropriate on third-party data sources and providers.

Published company data and data provided by third-party providers is readily accessible by the Investment Manager either through direct sources, or financial data providers such as Bloomberg. Given the data mentioned above under "Environmental or social characteristics of the financial product", it is not expected that any significant proportion of the data is estimated.

As the Investment Manager relies on both published company data and data provided by third-party providers to measure attainment of the environmental and social characteristics promoted by the Fund, as mentioned above under "Environmental or social characteristics of the financial product", there may be instances whereby insufficient data is available from companies or third-party data providers. In such instances, the Investment Manager may make use of other sources of primary and secondary data. Given the aforementioned data and third-party providers, the Investment Manager does not expect the attainment of the environmental and social characteristics promoted by the Fund to be impacted.

## B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective, sustainable investment.

## C. Environmental or social characteristics of the financial product

The Fund promotes both environmental and social characteristics.

By precluding investment in certain sectors (including thermal coal, petroleum, logging, palm oil and pesticides) and with the Fund's investment process favouring investment in capital-light sectors (such as 'software as a service' and data analytics) that typically have less environmental impact as compared to heavy industry, the Fund promotes a reduction in greenhouse gas emissions.

The Investment Manager also excludes from investment those companies it does not deem to be socially responsible (such as those involved in gambling, tobacco, adult entertainment sectors or in the manufacturing and/or selling of controversial weapons) and in doing so the Fund seeks to foster the promotion of social responsibility and public health initiatives whilst also seeking to promote a reduction in the use of and exposure to controversial weapons.

The Fund also promotes the development of international human rights and labour standards by excluding from investment those companies that violate global environmental and social norms as evidenced through their infringement of the UNGC principles or OECD Guidelines for Multinational Enterprises.

Finally, the Fund also promotes the development of peaceful societies on a global basis by excluding from investment companies that are based in countries that have been rated by the Institute for Economics & Peace ("IEP") through the Positive Peace Index ("PPI") as being anything below a very high rating ("Very High").

## D. Investment strategy

The Fund's investment strategy is to invest in equities of companies that the Investment Manager believes are sustainable in nature and that responsibly grow their economic footprint. The Investment Manager's proprietary, integrated framework ('Pillars of a Quality Franchise') places a material emphasis on sustainability and stewardship of companies. The result of this process means that the Investment Manager identifies sustainable companies which it defines as 'Quality Franchises'. To be included within the Fund's portfolio, target companies are required to exhibit specific characteristics, both qualitative and quantitative. Companies that do not exhibit those characteristics will not be classified as a Quality Franchise by the Investment Manager.

Quality Franchises exhibit the following qualitative characteristics:

- a sustainable business with a growth profile and defensible market position;
- managed by a team who have been able to execute on their stated strategic objectives over time; and

→ the business has maintained a strong financial position.

Such companies also generally exhibit the following accounting-based measures:

→ they are highly profitable, and exhibit sustained high returns on equity and invested capital;

→ consistently grow revenues above system growth; and

→ are not leveraged - they do not hold large amounts of debt on their balance sheet.

The Investment Manager's investment philosophy is built on the belief that the economics of a business drives long-term investment returns. As part of its investment strategy, the Investment Manager believes that investing in high quality growing businesses that can generate predictable, above average economic returns will produce superior investment performance over the long-term and this sees the Fund invest in high-Quality Franchises operating within high Positive Peace countries.

The Investment Manager's processes are designed to construct portfolios from only the highest quality franchises, excluding those companies who do not have a sustainable competitive advantage or are unable to generate above average economic returns. Adherence to this philosophy supports the Investment Manager's ability to consistently price and source the correct investments, to understand what value the Investment Manager can add to target companies where desirable, and crucially, the Investment Manager's ability to generate outsized returns.

In following the investment strategy, the Fund promotes investments in companies that demonstrate a low risk of macro-environmental factors affecting future operating performance whilst demonstrating strong ESG practices and holding a capacity to mitigate potential ESG issues. Furthermore, the Fund will target investee companies that hold dynamic capabilities to sustainably renew their competitive advantage through time.

Sustainability is one of the six pillars in the Quality Franchise framework further described in the section of the Supplement headed "Investment Process" and has been developed by the Investment Manager to better mitigate the portfolio against ESG and sustainability risks. The investment strategy places a material emphasis on an investee company's sustainability, management, and firm competitiveness which leads to superior sustainability and stewardship of companies (i.e. those that meet the Investment Manager's definition of a Quality Franchise').

Quality Franchises generally demonstrate industry-leading environmental and/or social practices and are usually carbon-light business models with capable, experienced, and trustworthy leadership. Specifically, the investment strategy precludes certain sectors from investment due to their unsustainable nature (including: thermal coal, petroleum, logging, palm oil, pesticides, gambling, adult entertainment, tobacco and controversial weapons). Moreover, the product excludes investments based in countries that have been rated by the Institute for Economics & Peace ("IEP") through the Positive Peace Index ("PPI") as being anything below a very high rating ("Very High").

The Investment Manager believes that by investing in countries with such a rating of 'Very High', the capital investment is made in sustainable investments in regions that have economic structures that drive peaceful and more inclusive societies.

The Investment Manager has also developed a proprietary ESG Policy and adheres to this in its management of the Fund's portfolio. As such, ESG and sustainability are core considerations when the Investment Manager makes investment decisions for the Fund and these considerations are made at both the issuer level and the country level. The Fund will be precluded from investing in those companies or sectors that are identified for exclusion within the Investment Manager's ESG Policy (as outlined below in response to the next question) and as the Investment Manager deems appropriate from time to time.

Additionally, the Investment Manager will engage with investee companies on sustainability matters deemed relevant or material by the Investment Manager, and will vote in accordance with its investment process and voting policy.

Up to 10% of the Fund's portfolio may comprise companies that do not immediately meet the above criteria at the point of acquisition, but which will be expected to meet the criteria within five years of such date.

It is the Investment Manager's belief that businesses that demonstrate inadequate corporate governance will deliver poor investment outcomes. Ensuring operations are fair, respectful, and honest, should be a priority and will permeate through the whole organisation. For any company, having strong corporate governance is a prerequisite to deliver on strategic plans and business outcomes.

As part of the assessment of good governance practices of investee companies, the Investment Manager undertakes a qualitative assessment of the investee firm's governance practices. This analysis is conducted by the Investment Manager as part of their initial and ongoing due diligence on investee companies which includes direct engagement and interviews with key executives to make determination around relevant governance practices, including:

- Foundations for management and oversight;
- Structure of the board to be effective and add value;
- Culture of acting lawfully, respectfully, and responsibly;
- Timely and balanced disclosures;
- Respect for all stakeholders with adequate stakeholder interaction;
- Effective internal controls and risk management frameworks;
- Fair and responsible remuneration;
- Alignment of interest and appropriate incentives to deliver the strategy;
- Board structure, size, diversity of thought, skills and independence; and
- Executive capability and skill set

If the Investment Manager determines that the investee company exhibits inadequate corporate governance then the Investment Manager will engage with management of the company in order to correct the practices. Where this intervention fails to address the issues identified, the Fund will divest itself of the position.

## E. Proportion of investments

The Investment Manager intends that at least 80% of its net assets are invested in investments that are aligned with the promoted environmental and social characteristics described above.

## F. Monitoring of environmental or social characteristics

The Investment Manager uses the sustainability indicators described under “Methodologies for environmental or social characteristics” to measure and monitor the attainment of the environmental and social characteristics that the Fund promotes on an ongoing basis.

## G. Methodologies for environmental or social characteristics

The sustainability indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund are the percentage of holdings that comply with the exclusions detailed above under “Environmental or social characteristics of the financial product”.

## H. Data sources and processing

The Investment Manager uses both published company data and data provided by third-party providers, as mentioned above under “Environmental or social characteristics of the financial product”, to measure attainment of the environmental and social characteristics promoted by the Fund. All data sources used are reviewed regularly by the Investment Manager. To ensure ongoing data quality, the Investment Manager conducts due diligence as appropriate on third-party data sources and providers.

Published company data and data provided by third-party providers is readily accessible by the Investment Manager either through direct sources, or financial data providers such as Bloomberg. Given the data mentioned above under “Environmental or social characteristics of the financial product”, it is not expected that any significant proportion of the data is estimated.

## I. Limitations to methodologies and data

As the Investment Manager relies on both published company data and data provided by third-party providers to measure attainment of the environmental and social characteristics promoted by the Fund, as mentioned above under “Environmental or social characteristics of the financial product”, there may be instances whereby insufficient data is available from companies or third-party data providers. In such instances, the Investment Manager may make use of other sources of primary and secondary data. Given the aforementioned data and third-party providers, the Investment Manager does not expect the attainment of the environmental and social characteristics promoted by the Fund to be impacted.



## J. Due diligence

The Investment Manager's processes are designed to construct portfolios from only the highest-quality franchises, excluding those companies that do not have a sustainable competitive advantage or are unable to generate above-average economic returns.

All companies are required to exhibit specific characteristics, both qualitative and quantitative for inclusion. Companies that do not exhibit those characteristics are not included in the portfolio. The characteristics the Investment Manager believes that quality franchises exhibit are discussed in more detail above under "Investment Strategy".

In selecting investments for the Fund, all research is carried out in-house by the investment team. The Investment Managers proprietary research report looks at the following factors and how they combine through our six pillar framework to ensure sustainable excess returns over time: Industry, Business, Competitive Environment, Financials, Management, and Sustainability.

Through in-depth, detailed analysis, the Investment Manager concludes whether a business is a Quality Franchise, has a sustainable competitive advantage, is operating in a favourable industry and has the appropriate management in place to execute an appropriate strategy.

The investment process ensures that the Investment Manager takes a procedural approach to ensuring the investment companies are of the highest quality, with predictable earnings streams over time. The Research Report draws upon several stakeholder engagements, desktop research, and other qualitative research methods to ensure enough evidence is compiled to either prove or disprove the relevant characteristics expected of any Quality Franchise. There are three characteristics per pillar, and any investment must achieve a minimum 90% Quality Franchise score to be included in our portfolio.

Once a research report has been completed, it requires Investment Committee signoff. Every team member reviews the research report, challenging the evidence and conclusion made and whether they satisfy the pillar characteristics. Every team member must sign off on this document and whether they agree with the conclusions made as to whether the company is a Quality Franchise. Once the committee reaches consensus that the investment meets our 90% threshold, it is approved, and the investment will progress for inclusion into the model portfolio.

The final stage of the research process is financial modelling and valuation. Once a company is deemed to be a quality franchise, we then proceed to the financial modelling and valuation component. In this part of the process, the team builds 3-way financial statements, which look to forecast 10 years earnings and dividends which form the basis for our 5 year IRR calculation.

The Investment Manager has also developed a proprietary ESG Policy and adheres to this in its management of the Fund. As such, ESG and sustainability are core considerations when the Investment Manager makes investment decisions for the Fund and these considerations are made at both the issuer level and the country level. The Fund will be precluded from investing in those companies or sectors that are identified for exclusion within the Investment Manager's ESG Policy and as the Investment Manager deems appropriate from time to time.

Notably, when an ESG issue arises, the lead analyst investigates the issue, circulating notes from engagement activities, whether with the company or other. Since our investment process relies upon our forecasts and long-term investment thesis, understanding and quantifying the issues presented within our financial models is essential.

ESG issues that arise are investigated by the lead analyst. Meetings with various stakeholders on the issue are recorded and noted within our cloud-based document system.

## K. Engagement policies

Engaging with investee companies is a core part of the Investment Manager's active ownership and stewardship strategy. This approach is deeply integrated into our long-term investment philosophy. Our investment team routinely connects with investee companies to deeply understand any material issues impacting their operations. The primary objective is to engage in meaningful dialogue to thoroughly understand the business opportunities, material issues, and risks.

The Investment Manager's engagement strategy extends beyond traditional voting mechanisms, allowing us to engage with companies to address and challenge their actions, strategies, and overall governance. This dialogue focuses on all areas relevant to the long-term economics of their business, including ESG-related factors that impact shareholder value.

Regarding ESG factors, the Investment Manager prioritises ESG issues that are material to the financial and operational performance of the companies, including issues of systemic influences, or 'PESTLE' issues, and other related items of public disclosures on ESG factors.

As part of the Investment Manager's initial research process, the investment team actively explores key issues aligned with our Sustainability and Management Pillars, as detailed in our ESG & Sustainability Policy. This engagement typically addresses ESG-related challenges, including Climate Change, Modern Slavery, and governance structures, among others. These are in addition to our ESG-related exclusionary screens.

For ongoing engagement, the Investment Manager engages with companies identified as underperforming or failing to meet certain criteria. These criteria may include the publication of a modern slavery policy, the implementation of the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, or adequate reporting of greenhouse gas (GHG) emissions. The Investment Manager aims to foster improvements in these areas to ensure that investment companies maintain 'Quality Franchise' standards.

In some instances, the Investment Manager will directly engage with the boards of our investee companies before their Annual General Meetings (AGM) to address and discuss any concerns we might have concerning proxy items. If, despite the Investment Manager's efforts, our concerns remain unaddressed or the responses from the company are unsatisfactory, we are prepared to exercise our voting rights against the specific proposals at stake.

The Investment Manager's stewardship policy includes clear escalation procedures to address situations where initial engagement efforts with investee companies do not achieve

the desired outcomes. In line with the PRI, these procedures are designed to intensify our efforts progressively.

The Investment Manager believes engaging in constructive dialogue with our portfolio companies is more effective than excluding them from our investment universe. Should concerns raised with these companies' executive and non-executive representatives remain unresolved over time, the Investment Manager will take decisive action by reducing or eliminating our exposure to the relevant company.

In certain situations, the Investment Manager's escalation strategies may include collaborating with other investors for joint engagement efforts or publicly engaging through open letters. However, such strategies are seldom employed, as the Investment Manager's investment philosophy is centred on identifying high-quality companies. This approach underscores our commitment to active stewardship and responsible investment practices.

#### L. Designated reference benchmark

N/A.