



Premium Selection UCITS ICAV

ABRDN Emerging Markets Corporate Bond – a sub fund of Premium Selection UCITS ICAV– SFDR Disclosures Summary Document– 29/11/2023

Sustainable Investment Objective – This Fund does not have as its objective a sustainable investment. It promotes Environmental & Social characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 15% of sustainable investments.

Social and Environment Characteristics of the Fund – The Fund promotes environmental and social characteristics by investing in securities with themes and characteristics that promote certain objectives. The themes are climate change, environment, labour management and human rights. A number of characteristics are applied to assess each theme. The Fund promotes these environmental and social characteristics by aiming to invest in issuers that:

- avoid severe, lasting or irremediable harm;
- appropriately address adverse impacts on the environment and society; and
- support a decent standard of living for their stakeholders

The first point is achieved using ESG screening criteria and the latter two using ESG assessment criteria. The Fund aims to promote environmental and social characteristics holistically. In doing so, the Investment Manager does not consider all characteristics for all investments, but rather focuses on the most relevant characteristics for each of the Fund's positions based on the nature of the investment's/issuer's activities, areas of operation, and products and services. The Investment Manager uses its proprietary research framework to analyse the foundations of each business to ensure proper context for the Fund's investments. This includes the durability of an issuer's business model, the attractiveness of its industry, the strength of its financials and the sustainability of its economic moat. An economic moat is a distinct advantage a company has over its competitors that allows it to protect its market share and profitability.

Fund Investment Strategy - The Fund aims to achieve its investment objective by investing primarily (and at all times at least 67% of its Net Asset Value (NAV)) in debt securities and debt-related securities issued by corporate issuers (including government-owned corporate issuers) with their registered office or principal place of business in an emerging market and/or which carry out the preponderance of their business activities (as determined by the Investment Manager) in an emerging market, and/or by holding companies that have the preponderance of their assets invested in corporations with their registered office in an emerging market and/or by holding companies that carry out a preponderance of their business activities (as determined by the Investment Manager) in an emerging market as at the date of investment (together, "Emerging Market Corporate Issuers"). The Fund may invest up to 100% of its NAV in debt securities and debt-related securities, specifically bonds, emerging market bonds, high yield bonds, convertible bonds, green bonds, social bonds, sustainability bonds, sustainability-linked bonds, hybrid bonds (specifically perpetual bonds, and contingent convertible securities, including AT 1 and Tier 2 bonds ("CoCos")), and distressed/defaulted debt.

The minimum proportion of the investments used to meet the environmental and social characteristics promoted by the Fund in accordance with the binding elements of the investment strategy will be 57%. This includes the minimum proportion of sustainable investments, which will be 15% of the Fund's NAV. The remaining portion the Fund's NAV will be invested in cash and ancillary liquid assets for liquidity purposes (no more than 10% of the NAV), and FDIs for EPM and/or hedging purposes and sovereign bonds. The minimum extent to which sustainable investments with an environmental objective are aligned with the EU Taxonomy is 0%. The minimum share of sustainable investments with an environmental objective is 5%, of which 100% will not be aligned with the EU Taxonomy. The minimum share of sustainable investments with a social objective is 5%.

Binary exclusions are applied to particular areas of investment. The Fund excludes issuers with the highest ESG risks, as identified by the Investment Manager's proprietary ESG score. The 5% of issuers in the Benchmark with the lowest ESG scores are also excluded from consideration.

Methodology and Data Limitations -The sustainability indicators used to measure the attainment of each of the environmental or social characteristics promoted by the fund are ESG assessment criteria; ESG screening criteria and the Fund's weighted carbon footprint compared to its Benchmark.

The Investment Manager's approach to evaluating the ESG profiles of securities within its eligible investment universe may be constrained by the availability, quality and relevance of sustainability related data available to the Investment Manager.

Principal Adverse Impacts - The Investment Manager does consider PAIs within the investment process for the Fund. This may include considering whether to make an investment, or for use as an engagement tool. For example, where there is no policy in place and one would be beneficial, or where carbon emissions are considered to be high, the Investment Manager may engage to seek the creation of a long-term target and reduction plan. The Investment Manager assesses PAIs by using, amongst others, the PAI indicators provided in Commission Delegated Regulation (EU) 2022/1288.

Due Diligence and Engagement - Investee companies are assessed for good governance, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This will be undertaken via the Investment Manager utilising its proprietary central ESG scores within its investment process, and screen investments with low governance scores. The Investment Manager also utilises active engagement and seeks to interact with company management before the Fund invests. This is typically on a one-to-one basis, keeping in regular contact, aiming to build a meaningful, long-term relationship which ensures the Investment Manager will have access to the company management, even in times of stress.

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

The Fund is actively managed by the Investment Manager with reference to the JP Morgan CEMBI Broad Diversified Index (USD) (the "**Benchmark**") in that it will use the Benchmark as a reference point for portfolio construction and as a basis for setting risk constraints. It will also aim to outperform the Benchmark before charges. It is not, however, constrained by reference to the Benchmark or any index.

The Investment Manager has broad discretion to deviate from the Benchmark's constituents, weightings and risk characteristics within the Fund's objective and investment policy. The degree to which the Fund may resemble the composition and risk characteristics of the Benchmark will vary over time and the Fund's performance, composition and risk characteristics may be meaningfully different from, or more closely aligned with, that of the Benchmark

Further details on the investment strategy employed by the Investment Manager to achieve the Fund's sustainable investment objective can be found at – <https://www.threerockcapital.com/sfdr-disclosure/>