Skerryvore ICAV (the ICAV)

Skerryvore ICAV – Global Emerging Markets Equity Fund (the Fund)

Sub-Fund Website Disclosure – EU Sustainable Finance Disclosure Regulation (SFDR)

SUMMARY

Skerryvore ICAV (the **ICAV**) is authorised by the Central Bank of Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and as an open-ended umbrella fund with segregated liability between sub-funds.

Skerryvore ICAV – Global Emerging Markets Equity Fund (the **Fund**) seeks to achieve its investment objective through investments in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure.

The Fund seeks to promote the environmental characteristic of transition to a low carbon economy by (1) investing in companies that are committed to lowering carbon emissions in order to contribute to the Fund aligning with the target of carbon neutrality by 2050; and (2) excluding companies that derive more than 25% of total revenue directly from the extraction of fossil fuels.

The Fund seeks to promote social characteristics through excluding companies that (1) manufacture tobacco; and (2) are involved in the manufacture, distribution and sales of controversial weapons such as anti-personnel landmines, cluster munitions, chemical and biological weapons, nuclear weapons and civil weapons.

While the Fund promotes environmental and social characteristics, the Fund does not have a sustainable investment objective.
The Fund is actively managed and seeks to achieve its investment objective through investments in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure.

A minimum of 90% of the Fund's investments are aligned with promoting environmental and social characteristics, with a maximum 10% held in cash, bank deposits, money market funds and listed or traded short term paper including treasury bills (issued or guaranteed by any government which are rated and may offer fixed or variable interest rates) for liquidity management purposes only.

The Fund may use Financial Derivative Instruments (**FDIs**) for purposes of efficient portfolio management (**EPM**) only. The Fund will not invest in FDIs for investment purposes, but may acquire warrants and rights on equities, indirectly as a result of corporate action activity on equity holdings. Warrants and rights on equities will only be acquired indirectly as a result of corporate actions on equities acquired by the Fund in the promotion of environmental or social characteristics. The Fund does not use FDIs to attain the environmental and social characteristics it promotes.

Sustainability indicators used to measure the attainment of the environmental characteristic promoted by the Fund are as follows:

- Total greenhouse gas emissions scope 1 & 2, 3;
- Relative carbon footprint; and
- Weighted Average Carbon intensity.

Sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are as follows:

- S&P Global Business Involvement screen (or equivalent); and
- Ad hoc independent Investment Manager analysis (0% of revenues).

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FUND

The Fund seeks to promote the environmental characteristic of transition to a low carbon economy by (1) investing in companies that are committed to lowering carbon emissions in order to contribute to the Fund aligning with the target of carbon neutrality by 2050; and (2) excluding companies that derive more than 25% of total revenue directly from the extraction of fossil fuels.

The Fund seeks to promote social characteristics through excluding companies that (1) manufacture tobacco; and (2) are involved in the manufacture, distribution and sales of controversial weapons such as anti-personnel landmines, cluster munitions, chemical and biological weapons, nuclear weapons and civil weapons.

PRINCIPAL ADVERSE IMPACT STATEMENT

The Investment Manager has elected to consider at Fund level the principal adverse impacts (**PAIs**) of investment decisions on sustainability factors in the manner contemplated by Article 4(1)(a) of the SFDR. Information on PAIs of investment decisions on sustainability factors will be made available in the periodic reports of the Fund.

The following PAIs are monitored and measured using all commercially reasonable efforts:

Climate and other environment-related indicators

(a) Total greenhouse gas emissions (broken down by scope 1, 2 and 3 carbon emissions - from January 2023);

(b) Carbon footprint;

(c) Greenhouse gas emissions intensity;

(d) Fossil fuel sector exposure;

(e) Share of non-renewable energy consumption and production;

(f) Energy consumption intensity per high impact climate sector;

(g) Activities negatively affecting biodiversity sensitive areas;

(h) Emissions to water;

(i) Hazardous waste ratio; and

(j) Investment in companies without water management policies.

Social and employee, respect for human rights, anti-corruption and anti-bribery matters

(a) Share of companies in violations of United Nations Global Compact principles and OECD Guidelines for Multinational Enterprises and Implementation of fundamental International Labour Organisation Conventions;

(b) Share of companies without policies or processes to monitor compliance with United Nations Global Compact and OECD Guidelines for Multinational Enterprises;

(c) Unadjusted gender pay gap;

(d) Board gender diversity;

(e) Exposure to controversial weapons (land mines and cluster bombs, chemical and biological weapons); and

(f) Lack of supplier code of conduct.

The PAIs will be assessed formally at each quarter end and reviewed by the Investment Manager's Performance & Investment Risk Committee which monitors all investment related risks for the Fund. This governance process will inform what, if any, actions are to be taken in relation to the PAIs which will be reported annually.

Further details, including information relating to the Investment Manager's policies to identify, prioritise and monitor principal adverse sustainability impacts, are set out in the Fund's supplement (the **Supplement**).

NB: Under Article 4 of the SFDR, the ICAV must publish information about its consideration of the principle adverse impacts of investment decisions on sustainability factors. Sustainability factors mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Manager of the ICAV has appointed the Investment Manager as its delegate. As part of this delegation arrangement, the Manager expects that the consideration and management of sustainability factors and sustainability risks are performed by the underlying portfolio management teams responsible for investment decision making at each delegate. Due to the nature of its business model and depending on the particular investment strategy, the Investment Manager may apply different approaches to the integration of sustainability risks into its investment decision-making process.

The remuneration policy of the Investment Manager is consistent with its approach to the integration of sustainability risks. The Investment Manager has established policies and procedures in relation to remuneration which, in its opinion, are proportionate and consistent with sound and effective risk management in respect of all relevant risks, and which are compliant with applicable requirements.

INVESTMENT STRATEGY

The Fund will invest in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure.

The Fund will seek to create a concentrated portfolio of 30 or more reasonably valued, high-quality companies with emerging market exposure.

Companies that may be considered to have emerging market exposure are companies that have their registered office in emerging market countries, companies with their registered office in another country but which carry out their business activities in emerging market countries, companies that hold participations (being subsidiaries or investments) in emerging market countries or companies whose business is otherwise exposed to such emerging market countries, as determined by the Investment Manager. This may include shares of companies that are listed on exchanges in developed markets.

Emerging market countries are those countries that are: (i) characterised as developing or emerging by any of the World Bank, the United Nations, the International Finance Corporation, or the European Bank for Reconstruction and Development, and which may or may not be included in an emerging markets index by a recognised index provider; or (ii) countries with similar developing or emerging characteristics as countries classified as emerging market countries pursuant to sub paragraph (i) above, in each case determined by the Investment Manager.

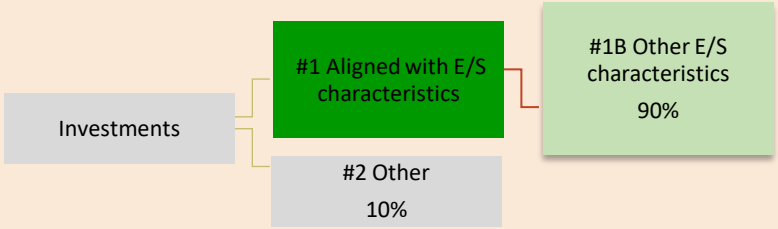
A proprietary bottom-up methodology for stock selection is used focusing on individual companies rather than on the broader market. As bottom-up investors, the Investment Manager views the emerging markets opportunity set from a different perspective than a more traditional index aware strategy. The investment universe covers over 2,600 stocks. The Investment Manager's research process helps to narrow this universe down to an investable watch list of approximately 300-350 emerging market exposed companies, by assessing the quality of companies in certain key areas of importance, including but not limited to, corporate history (assessment of ownership, management and culture), franchise strength (consideration of industry background and competitive position), financial position (assessment of income statement and balance sheet analysis), the future growth opportunity, sustainability positioning, investment risks and valuation analysis**.**

Please refer to section 2 of the Fund Supplement for further details.

The Investment Manager will review the management and controlling shareholders of a company focusing on their governance records, track record of delivering over the long term and their risk tolerances. The Investment Manager will also consider factors in relation to the market in which the company operates and whether significant barriers to entry exist. The Investment Manager will review financial information, seeking to identify companies with a conservative attitude to debt and positive cash flow over successive accounting periods. The Investment Manager will identify and assess the sustainability positioning of a company. This involves analysis of each company's environmental and social characteristics and includes consideration of its contribution towards climate change and upholding the fundamental principles of human rights. The Investment Manager believes poor sustainable behaviour reflects a lack of alignment between the people controlling the business and minority shareholders and is factored into the valuation and required rate of return of the investment over the long term. These considerations and the Investment Manager's binding criteria for the promotion of environmental and social characteristics are key determinants of whether a company is or remains investible for the Fund. Please refer to section 2.6.4 of the Supplement.

PROPORTION OF INVESTMENTS

The Fund promotes environmental and social characteristics. The Fund is not aligned with EU taxonomy, does not make sustainable investments nor have a sustainable investment objective. A minimum of 90% of the Fund's investments are aligned with promoting environmental and social characteristics, with a maximum 10% held in cash, bank deposits, money market funds and listed or traded short term paper including treasury bills (issued or guaranteed by any government which are rated and may offer fixed or variable interest rates) for liquidity management purposes only.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund will invest directly in equities and/or equity related securities issued by (or the value of which is linked directly to equity securities issued by) primarily large and mid-capitalisation companies across sectors with emerging market exposure.

The Fund may use financial derivative instruments (**FDIs**) for purposes of efficient portfolio management (**EPM**) only. The Fund will not invest in FDIs for investment purposes, but may acquire warrants and rights on equities, indirectly as a result of corporate action activity on equity holdings. Warrants and rights on equities will only be acquired indirectly as a result of corporate actions on equities acquired by the Fund in the promotion of environmental or social characteristics. The Fund does not use FDIs to attain the environmental and social characteristics it promotes.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Monitoring of Environmental Characteristics:

The Investment Manager monitors investee companies on an ongoing basis relative to the metrics detailed in section 2.6.1 of the Supplement. This is achieved through independent research and analysis by the Investment Manager, including the use of S&P Business Involvement (or equivalent) screening (methodology outlined in section 2.6.2 of the Supplement) and data (incorporating future estimates) from third party providers.

Where an investee company is not, in the assessment of the Investment Manager, on track to reduce its carbon emissions, in absolute and/or intensity per its target, and the engagement process has been deemed unsuccessful over a 5-year period at most, the Investment Manager will divest.

Sustainability indicators used to measure the attainment of the environmental characteristic promoted by the Fund are derived from the Principal Adverse Impact (**PAI**) indicators outlined at Table 1 of Annex 1 of the SFDR Regulatory Technical Standards and are as follows:

- Total greenhouse gas emissions scope 1 & 2, 3;
- Relative carbon footprint; and
- Weighted Average Carbon intensity.

The aggregate portfolio is assessed quarterly by the Investment Manager using ISS (or equivalent) Climate Impact Assessment data which incorporates Scope 1 & 2 and 3 emissions exposure (tCO2e), relative carbon footprint (tCO2e/invested), carbon intensity (tCO2e/revenue) and weighted average carbon intensity.

This includes assessing the top 10 most emissions intense contributors in the portfolio (tCO2e Scope 1 & 2 / revenue millions) against the peer group average for each; and the Fund's climate scenario (or equivalent) alignment analysis, in order to monitor and manage progress in aligning with the target of carbon neutrality by 2050.

These assessments, in addition to queries arising from the quarterly consideration of all identified PAI data across the underlying portfolio, are reviewed by the Investment Manager's independent Performance & Investment Risk Committee. They also support prioritisation for engagement and proxy voting to promote investee companies' progress towards their climate related targets and reduction of carbon emissions on an ongoing basis. Action taken as a result is reported annually in the mandatory periodic disclosure.

Monitoring of Social Characteristics

Sustainability indicators used to measure the attainment of the social characteristics promoted by the Fund are as follows:

- S&P Global Business Involvement screen (or equivalent); and
- Ad hoc independent Investment Manager analysis (0% of revenues).

S&P Global Business Involvement screening allows the Investment Manager to measure a company's direct and indirect exposures to specific products and services (for example, tobacco products), quantified as percentages of total company revenue and total company ownership. It also allows the Investment Manager to generate a list based on the percentage revenue a company derives from pre-determined business activities for exclusion. It allows precise calculation of the specific level of involvement for each company including differentiation between activities such as production, distribution and operation. Overall company coverage is comprehensive across all major equity indices and analysis is refreshed on an annual basis. The screen for companies involved in the manufacture, distribution and sales of controversial weapons is also addressed through analysis of the PAI indicator of the same nature.

Where there is an absence of data from the S&P Global Business Involvement (or equivalent) screen, an independent check will be performed by the Investment Manager's individual analyst responsible for the assessment of the company (whether it is being considered for the watchlist or is an existing holding). Assessment is undertaken using all commercially reasonable efforts and may be via further third-party information and engagement with the company. There is zero tolerance (0% of revenues allowable) for the exclusion criteria.

Given the binding nature of this promoted social characteristic, this process aims to avoid investment in companies involved in these activities, or retention of investee companies where operations have changed resulting in exposure to excluded activities being added, either organically or through M&A, after initial investment.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Investment Manager considers an investee company's climate-related targets to determine the company's commitment to lowering its carbon emissions and its methods to reduce and remove carbon from the atmosphere. These methods may include, among other things, strategies to improve energy efficiency, transition to renewable energy, optimise supply chains, and incorporate sustainable practices into the investee company's business strategy. The Investment Manager seeks to invest in companies that are transparent about their strategies and processes to achieve their targets, and the Investment Manager monitors investee companies' progress on an ongoing basis. Investee companies are also regularly reviewed for change to business mix due to strategic initiatives, M&A or product launches which may have a material effect on the company's carbon footprint.

With respect to the Fund's promoted environmental characteristic 'transition to a low carbon economy', the Investment Manager uses an approach based on qualitative and quantitative data, as outlined in section 2.6.7 of the Supplement, to understand a company's position on reducing emissions and tackling climate change.

The Investment Manager analyses information disclosed by a company on its Scope 1, 2 and 3 emissions, to gain insight into the source of these, the challenges involved, specific emission reduction strategies or targets in place and any progress achieved. This includes examining the governance of any initiatives and targets, and linkages to compensation and organisational culture.

The Investment Manager will review the management and controlling shareholders of a company focusing on their governance records, track record of delivering over the long term and their risk tolerances. The Investment Manager will also consider factors in relation to the market in which the company operates and whether significant barriers to entry exist. The Investment Manager will review financial information seeking to identify companies with a conservative attitude to debt and positive cash flow over successive accounting periods. The Investment Manager will identify and assess the sustainability positioning of a company. This involves analysis of each company's environmental and social characteristics and includes consideration of contribution towards climate change and upholding the fundamental principles of human rights. The Investment Manager believes poor sustainable behaviour reflects a lack of alignment between the people controlling the business and minority shareholders and is factored into the valuation and required rate of return of the investment over the long term. These considerations and the Investment Manager's binding criteria for the promotion of environmental and social characteristics are key determinants of whether a company is or remains investible for the Fund.

DATA SOURCES AND PROCESSING

The Investment Manager sources data from third party providers, such as ISS, Auquan, Bloomberg and S&P Capital IQ, as well as company publications including annual reports, presentations, specific disclosures such as the Task Force on Climate-Related Financial Disclosures (TCFD) (as applicable), and sustainability reports. The Investment Manager will also consider appropriate sell-side research on sustainability issues and reports produced by Non-Governmental Organisations. PAI indicator analytics sourced from third parties combined with the Investment Manager's own research is used in the ongoing analysis and to inform the corporate engagement processes and expected outcomes of that process. The Investment Manager may also refer to standards bodies such as the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB) and the Carbon Disclosure Project Worldwide (CDP) during the research process.

Ongoing data quality is analysed at third-party review and internally with underlying raw data considered where appropriate. Where data is lacking or unclear, the Investment Manager will engage with a company to encourage greater disclosure and to better understand its strategy to improve its emissions profile. The Investment Manager will look to constructively challenge failure to show progress in relation to published targets and industry peers through engagement, in accordance with the Investment Manager's engagement procedures outlined at section 2.6.8 of the Supplement, with the aim to influence more positive outcomes. Where unsuccessful, in the case of an investee company this will result in divestment by the Fund as detailed in section 2.6.1 of the Supplement.

Source data is processed through third party provider proprietary systems and digital platform tools. Sourced data is incorporated into the Investment Manager's company sustainability assessment reports as appropriate. These assessments and the Periodic Principal Adverse Indicator (PAI) data for the portfolio are stored securely in a central directory, accessible on a permissioned basis.

As part of its investment approach, the Investment Manager sources data from third-party providers, which may be based on assumptions, forecasts, projections, estimations and opinions of such third-party providers. Use of estimated data generated by the Investment Manager is limited. If an investee company does not, in the Investment Manager's view, disclose sufficient ESG data, the Investment Manager engages directly with the investee company to obtain more detailed disclosure. The Investment Manager undertakes assessment of companies using all commercially reasonable efforts.

LIMITATIONS TO METHODOLOGIES AND DATA

ESG information from third-party data providers and/or obtained directly from the investee companies may be incomplete, inaccurate, outdated or unavailable. As a result, there is a risk that the Fund may incorrectly assess an investee company. This in turn can result in the incorrect inclusion or exclusion of a company in the portfolio of the Fund. Incomplete, inaccurate or unavailable ESG data may also act as a methodological limitation to a non-financial investment strategy (such as the application of ESG risk and opportunity characteristics). Where identified, the Investment Manager will seek to mitigate this risk through its own assessment using all commercially reasonable efforts.

DUE DILIGENCE

The Fund will seek to create a concentrated portfolio of 30 or more reasonably valued, high-quality companies with emerging market exposure.

A proprietary bottom-up methodology for stock selection is used focusing on individual companies rather than on the broader market. As bottom-up investors, the Investment Manager views the emerging markets opportunity set from a different perspective than a more traditional index aware strategy. The investment universe covers over 2,600 stocks. The Investment Manager's research process helps to narrow this universe down to an investable watch list of approximately 350-400 emerging market exposed companies, by assessing the quality of companies in certain key areas of importance, including but not limited to, corporate history (assessment of ownership, management and culture), franchise strength (consideration of industry background and competitive position), financial position (assessment of income statement and balance sheet analysis), the future growth opportunity, sustainability positioning, investment risks and valuation analysis**.**

The investment process from this point follows a three key stage approach.

Firstly, the Investment Manager researches and analyses companies within the broad universe to develop an "opportunity set". This normally involves conducting meetings with the management of the relevant company and research visits to identify those who share the Investment Manager's long-term approach and qualitative values. The Investment Manager will also gather relevant financial data, which will be sourced from the company's audited financial statements and from any financial market intelligence platforms that the Investment Manager may utilise, such as Bloomberg and S&P Capital IQ.

The second phase is to conduct quality analysis. The Investment Manager will review the management and controlling shareholders of a company focusing on their governance records, track record of delivering over the long term and their risk tolerances. The Investment Manager will also consider factors in relation to the market in which the company operates and whether significant barriers to entry exist. The Investment Manager will review financial information seeking to identify companies with a conservative attitude to debt and positive cash flow over successive accounting periods. The Investment Manager will identify and assess the sustainability positioning of a company. This involves analysis of each company's environmental and social characteristics and includes consideration of contribution towards climate change and upholding the fundamental principles of human rights. The Investment Manager believes poor sustainable behaviour reflects a lack of alignment between the people controlling the business and minority shareholders and is factored into the valuation and required rate of return of the investment over the long term. These considerations and the Investment Manager's binding criteria for the promotion of environmental and social characteristics are key determinants of whether a company is or remains investible for the Fund.

Finally, after applying the first two stages of the investment process to the companies on the watch list, the Investment Manager will seek to build a concentrated portfolio of 30 or more investments which the Investment Manager believes that, based on a five-year view, a combination of its valuation and growth potential are sufficiently attractive as an investment opportunity. The Fund aims to keep portfolio turnover low but may dispose of its investment in a company if the Investment Manager can no longer justify the company's valuation, or if the Investment Manager's growth expectations for that company have been revised downwards.

ENGAGEMENT POLICIES

The Investment Manager engages with investee companies to get a thorough understanding of the company's activities and ESG policies, environmental considerations, social impact, governance practices and treatment of shareholders. The Investment Manager also engages with companies to provide feedback and to add value to the investment process.

The Investment Manager partakes in meetings with companies in which the Investment Manager is considering and/or holding an investment on behalf of the Fund, to discuss potential and ongoing investment opportunities. Preparation for these meetings includes the posing of several key questions focusing on the company's ESG performance and covers any incidents that the Investment Manager has become aware of. The Investment Manager seeks to engage with the leaders of a company to increase understanding as to their attitude towards their specific sustainability challenges. The Investment Manager looks to identify management teams that continually assess the threats that their business faces including competitive, industry, societal or environmental threats. The Investment Manager has a forward-looking approach and looks at the direction of travel of an investment opportunity over the long-term.

The Investment Manager also engages with investee companies as part of the voting process on matters for approval by a company's shareholders. Where a particular issue arises as part of the voting process, the Investment Manager will typically engage with the company to better understand the rationale if it is not apparent. The Investment Manager seeks not just to vote against, but to discuss the issue in detail where the Investment Manager believes the resolution is potentially not in the interest of minority shareholders and ultimately the Fund.

Where adverse sustainability impacts are identified as part of the Investment Manager's assessment of investee companies, the Investment Manager shall engage with investee companies. Engagement may be undertaken directly or as part of collaborations with other investment institutions. Where engagement is unsuccessful in mitigating or reducing adverse sustainability impacts, the Investment Manager shall consider escalating the issue by:

(a) Writing to or meeting with the chairperson or lead independent director;
(b) Voting against directors who, in the opinion of the Investment Manager, are not providing appropriate oversight;
(c) Wider engagement with other investors;
(d) Making the Investment Manager's views public; or
(e) Reducing and/or divesting the holding in the issuer.

DESIGNATED REFERENCE BENCHMARK
No reference benchmark has been designated to determine whether this Fund is aligned with the environmental and social characteristics that it promotes.