

The logo features a large red square on the left and a smaller red square on the right, positioned higher than the top-right corner of the larger square. The text 'LarrainVial' is centered within the larger square in a white, sans-serif font, with a small white square to its right. Below it, the words 'ASSET MANAGEMENT' are written in a smaller, white, all-caps, sans-serif font.

LarrainVial 

ASSET MANAGEMENT

WEBSITE DISCLOSURE UNDER ARTICLE 10 OF SFDR

Product Name	LarrainVial Asset Management Sicav - Latin American Equity Fund
Legal Entity Identifier	5493002TRBDM8U7SH395

A. SUMMARY

Environmental or social characteristics of the financial product

The financial product promotes the following environmental and social characteristics:

Environmental:

- Energy & Carbon: by assessing the scope 1 and 2 carbon emissions of investee companies, their fossil fuel use and their management of related negative externalities.
- Water use and consumption: by assessing investee companies' water consumption and use.

In addition to this, the Compartment will promote the use of external audits or internationally recognized certifications to provide independent assurance of each investee company's internal management of carbon emissions and water consumption, and commitments with environmental best practices.

Social:

- Respect of the UN Global Compact Principles
- Respect of Human Rights Norms
- Respect of Labour Norms

Investment strategy and proportion of investments

The Compartment shall invest in equity and equity-linked securities such as stocks, depository receipts, ETFs, and derivatives of Latin American companies or those that conduct most of their operations in the region. Hedging is allowed using financial derivatives, while loans and short-selling are prohibited. The portfolio may include short-term cash equivalents and fixed income holdings. The Compartment promotes environmental and social characteristics, including carbon emissions and water consumption management, and adherence to human rights and labour norms. At least 98.5% of assets are invested in issuers aligned with these characteristics, determined through a proprietary ESG Scoring Process based on MSCI ESG Research and internal research. The strategy also employs an Exclusion Criteria.

Designated reference benchmark

There is no reference benchmark designated for the purpose of attaining the sustainable investment objective of the Compartment.

Monitoring of environmental or social characteristics and due diligence

All prospective investments undergo the Investment Manager's ESG Scoring Process and the ESG due diligence questionnaire to evaluate the issuer's compliance with the environmental and social criteria advocated by the Compartment, while also ensuring adherence to sound governance practices. This comprehensive assessment can be applied to individual assets or a portfolio of assets, depending on the nature and structure of the potential investment.

Data sources, methodologies and limitations

The Compartment uses two main sources for gathering and analysing sustainability information: data from our third-party research provider, MSCI ESG Research, and in-house ESG research. These data sources feed the Investment Manager's ESG Scoring Process, which is based on a proprietary ESG questionnaire that measures issuers' sustainability performance against material factors specific to each industry sector that results in an ESG score for each issuer based on their historical and current performance. The primary limitation to both the methodology and the data sources is the lack of reliable and quality corporate disclosure around sustainability issues and the amount of issuers in the investment universe covered by our third-party provider.

Engagement policies

The Investment Manager, following its Responsible Investment Policy, will use engagement activities to promote better ESG performance from the Compartment's investee companies and increase corporate disclosure on sustainability issues to enhance the investment analysis. This will be done through an active participation in shareholders' meetings, direct engagements with issuers, and collaborative initiatives.

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 investment methodology employed by this Compartment fosters the integration of ESG considerations into securities analysis and portfolio construction, in alignment with the Investment Manager's Responsible Investment Policy. In the case of new investments, the Compartment diligently conducts enhanced due diligence to assess the ESG characteristics of issuers, aiming to incentivize the promotion of these specific ESG attributes as elaborated below.

Environmental:

- Energy & Carbon:

1. by assessing the scope 1 and 2 carbon emissions and the fossil fuel use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to scope 1 and 2 carbon emissions and fossil fuel use, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmentally damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

- Water Use and Consumption:

1. by assessing the water consumption and use and management of negative externalities;
2. by promoting the use of external audits or certification processes to provide independent assurance of the issuer's internal processes with respect to water consumption, to signal commitment with environmental best standards in this respect, and/or to signal a strategy to capture market trends opportunities and expectations in this area; and
3. by reviewing the commitment of the companies to prevent environmentally damaging events and in the case of past events the measures taken to repair the damage and avoid another event.

Social:

- Respect of the UN Global Compact Principles
- Respect of Human Rights Norms
- Respect of Labour Norms

D. INVESTMENT STRATEGY

The Compartment is actively managed and seeks to invest in equity and equity linked securities of companies that are incorporated in Latin America through holding instruments such as stocks, depository receipts, ETF, UCITS and other UCIs, convertible securities, equity linked notes and derivatives. The Compartment may use financial derivative instruments for hedging purposes only. Cash equivalents and fixed income may be held in the portfolio on a short-term basis.

The acquisition of warrants and other rights attached to the financial instruments here above mentioned in the first and second paragraphs is authorized. Loans and short selling are not allowed, and the first five holdings should not represent more than 40% of the portfolio.

The Compartment will promote environmental and social characteristics such as carbon emissions management, water use and consumption management, and the respect of human rights norms, labour norms and UN Global Compact principles. The Compartment will invest a minimum of 98.5% of its assets in issuers that are aligned with these environmental and social characteristics through the use of a proprietary ESG Scoring Process based on MSCI ESG Research and internal research as explained in the Methodology.

The Compartment will also apply an Exclusion Criteria that includes:

- Military Armament - Controversial weapons
- Tobacco
- Spirits
- Civilian firearms
- Adult entertainment
- Gambling
- Coal fired power generation: 30% exclusion threshold (% of the energy mix)
- Thermal coal mining: 30% exclusion threshold (% of the energy mix)

Furthermore, the Investment Manager shall actively engage with the underlying issuers in maintaining and improving their ESG performance and their promotion of the E/S characteristics promoted by the Compartment.

The Investment Manager's proprietary ESG questionnaire, and part of the ESG Scoring Process, includes a section on good governance that assesses board structure, independence and diversity, ownership and control, bribery and corruption, and executive pay. The assessment of these issues impact the issuer's scoring and the final analysis as to whether to proceed or not with making an investment in the issuer.

E. PROPORTION OF INVESTMENTS

The Compartment is classified as an Article 8 fund under the EU disclosure regulation which promotes E/S characteristics, but does not commit to making sustainable investments. Based on the investment strategy, the Compartment seeks a minimum of 98.5% exposure to investments that are aligned with the E and S characteristics explained above and does not currently use derivatives in order to attain the environmental or social characteristics that it promotes.

F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The following indicators are used to measure the attainment of the E/S characteristics promoted by the Compartment and are periodically monitored:

1. Compartment's weighted average carbon intensity (scope 1 & 2).
2. Percentage of Compartment's market value exposed to companies that own fossil fuel reserves.
3. Percentage of Compartment's market value exposed to companies that own high impact fossil fuel reserves. High impact fossil fuel reserves include Thermal Coal, Oil Sands, and Shale Oil and Shale Gas.
4. Percentage of Compartment's market value exposed to companies with operations in lines of business that are typically highly water intensive.
5. Percentage of Compartment's market value exposed to companies with a Water Stress Exposure Score greater than 6.6 as per MSCI's ESG Research. Scores combine the geographic and business segment components and range from 0 to 10.
6. Percentage of Compartment's market value exposed to companies in violation of the U.N. Global Compact principles.
7. Percentage of Compartment's market value exposed to companies in violation of the U.N. Global Compact principles, or on MSCI's "Watch List" for potential violations.
8. Percentage of Compartment's market value exposed to companies in violation of the International Labour organization's broader set of labour standards.
9. Percentage of Compartment's market value exposed to companies in violation of the International Labour organization's broader set of labour standards, or on MSCI's "Watch List" for potential violations.

G. METHODOLOGIES

The Compartment first screens its investment universe against its Exclusion Criteria using companies' public information to determine if their operations fall under any of the listed activities.

Then, the Investment Manager employs an internally developed proprietary questionnaire that incorporates inputs from MSCI ESG Research, an external ESG data provider, as well as the Investment Manager's sector-specific analysis. These questionnaires follow standardized criteria and include a materiality assessment, adjusting sector weights to ensure relative comparability of scores. Subsequently, an ESG Score is assigned to each investment based on a combination of MSCI data, proprietary data, and thorough analysis, which aids the Investment Manager in determining whether to pursue a given investment opportunity.

H. DATA SOURCES AND PROCESSING

The Investment Manager uses two main data sources for gathering information used to attain the E/S characteristics promoted by the Compartment, both internal and external. Internally, the Investment Manager employs uses in-house ESG research that is fed from corporate disclosure and direct communications with investee companies. Externally, the Investment Manager is contracted with different third-party providers to update its ESG knowledge of investee companies, but inputs used to attain E/S characteristics comes from the data provided by MSCI ESG Research.

To avoid data handling risks, the preference is always to have data acquisition and processing from MSCI as automated as possible. No proportion of data is expected to be estimated.

I. LIMITATIONS TO METHODOLOGIES AND DATA

The main limitation to data and methodology is the dependence on corporate sustainability information and the quality and accessibility of such information. ESG data disclosure from Latin American companies, although improving in recent years and continues to evolve, is still low. A similar limitation arises from the use of third-party research providers since not all issuers in the investment universe are covered by MSCI ESG Research. However, these constrains do not affect how the E/S characteristics promoted by the Compartment are met since the vast majority of issuers are under coverage and most of them have adequate corporate sustainability disclosures.

J. DUE DILIGENCE

All potential investments go through the ESG Scoring Process and the ESG due diligence questionnaire in order to measure the issuer's attainment of environmental and social characteristics promoted by the Compartment while ensuring that the issuer follows good governance practices. Both individual assets or a portfolio of assets can be assessed through this process depending on the potential investment and its structure.

In the selection of the investments, the Investment Manager shall first apply the Exclusion Criteria and maintain the list of issuers that shall be excluded from the investment universe and periodically update this list. After these exclusions being applied, the Investment Manager shall apply to the retained investments - for each E/S characteristics that is being promoted - the ESG questionnaire as well as the ESG Scoring Process based on MSCI data and proprietary data and analysis. An ESG score shall be determined for each issuer based on their historical and current performance.

K. ENGAGEMENT POLICIES

Portfolio sustainability-related information is the main aspect the Investment Manager examines when identifying targets for engagement, analysing those issuers that present a low ESG score or performance and that it believes are able to improve it by adopting certain ESG practices given their business model and management character. These engagements have the objective of improving an issuer's ESG performance in the medium and long term and the robustness of the investment analysis. This will be done through an active participation in shareholders' meetings, direct engagements with issuers, and collaborative initiatives.

Events that entail controversies and/or non-compliance with commonly accepted standards of good business conduct (such as the principles of the United Nations Global Compact, OECD guiding principles for multinational companies and ILO principles) in investee companies will be addressed on a case by-case basis to determine their severity and scope and further steps, beginning with engagement activities.

Designated reference benchmark

There is no reference benchmark designated for the purpose of attaining the sustainable investment objective of the Compartment.

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