



Trinetra Investment Management LLP

**SFDR Article 8 (Sub-)Funds –
Website Disclosures Sections based on Articles 23 to 36
[SFDR Delegated Regulation \(EU\) 2022/1288](#)**

Full name of the Article 8 (sub-) fund:

Trinetra UCITS ICAV - Trinetra Emerging Markets Growth Fund

Legal entity identifier: 254900IGQZ4T7KUWKQ78

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Trinetra Investment Management LLP is incorporated in England and Wales under company number OC415873 with registered address at 7 Stratford Place London W1C 1AY and is authorised and regulated by the Financial Conduct Authority (Firm reference number: 772919).

SUMMARY

Trinetra Emerging Markets Growth Fund (“the Fund”)

The Fund **promotes** primarily **social issues** in Emerging Markets (“EMs”) and does not currently commit to investing in any “sustainable investments” with an environmental objective within the meaning of the Taxonomy Regulation. Accordingly, at present, the Fund’s investments do not take into account the EU criteria for environmentally sustainable economic activities.

The Fund invests on a long-only basis primarily in equity and equity-related securities that are listed, traded or dealt in on Regulated Markets and has an investment horizon of 3-5 years. There is no reference benchmark.

In identifying investments which allow the Fund to promote environmental or social characteristics, the Investment Manager (“IM”) adopts the following strategies:

1. Immersions Research:

The IM uses ethnographic research to identify consumption trends that can provide growth opportunities in EMs. The IM calls these studies “immersions” because it allows it to immerse itself in the lives of consumers. During the immersions research, the IM meets with consumers in EMs in their homes, in their villages and towns to understand the social and environmental issues they face as well as solutions they see to their own problems. From these discussions, the IM forms a universe of companies that can provide solutions to these problems, and which will be researched during the security selection process.

2. Security Selection:

Firstly, the IM will block from investment any company for which it cannot get a clear understanding of and quantify its environmental, social and governance (ESG) risks. Secondly, the IM’s risk assessment scores for each company are used to risk adjust returns. The risk assessment includes ESG as well as operational, strategic and financial risks. Companies with higher ESG risks will result in a higher risk score and lower risk adjusted returns, which will result in reduced position sizing in the portfolio.

3. Active Engagement and Escalation:

Firstly, the IM brings to the management’s attention the risks and opportunities as articulated by consumers during immersions research. Secondly, the IM engages with management on its assessment of the risks they face (ESG, financial, operational and strategic) and discusses the significance and likelihood of each risk as well as any preventive or detective controls that their management has put in place. In the event that an issue has not been adequately dealt with by management, the IM will escalate the matter by addressing it more formally, including with the chair or with other members of the senior management team.

4. Voting:

The IM exercises all its voting rights and has a voting policy publicly available on its website. The summary of all votes is published on the website on a quarterly basis. In addition, details on any Abstentions or Against votes are provided to clients through the IM’s monthly reporting.

5. UN Sustainable Development Goals:

The IM maps each stock to at least one of the 17 United Nations Sustainable Development Goals (“SDGs”) that relate to the investment case for owning the specific security. For every goal, the analyst takes at least one relevant measurable parameter that can potentially be tracked over multiple years to engage with management. The parameters are specific to each company, material to the respective company’s core operations and to the impact on external stakeholders. The aggregated information provides a profile of the Fund’s exposure to the various SDGs.

The Fund's investment focus is on EMs. Investee companies in those countries may not routinely report data required under SFDR. The IM engages with investee companies to overcome this limitation and to obtain the data on the environmental or social characteristics promoted by the Fund.

During its engagement, the IM focusses on risks that the business is facing, such as ESG, operational, strategic and financial risks. The IM seeks to understand from management the methodology by which they manage all of their ESG risks. The IM also looks to identify areas for improvement in their risk management processes. The IM tries to match its understanding with that of management for two key parameters for each risk: likelihood and impact. This can help to identify risks that either the IM or management may not have considered. The IM engages with companies' management to understand both the detective and preventive controls that they put in place to manage those risks. This process gives the IM a deeper understanding of how well management undertakes its role, not only in terms of growth, but also in terms of protecting and sustaining the assets and operations of the business.

The **Engagement Policy** can be found on Trinetra's website here:

<https://www.trinetra-im.com/responsible-investing>

Every company identified during Immersions that the IM believes is positioned to provide solutions to consumers' issues, must pass through 3 filters:

- **Compounding Growth:** The company must be growing quickly enough to enable the research team to construct a portfolio with a 15% IRR.
- **Competitive Edge:** The company is one of the growth leaders in a fast-growing sector.
- **ESG:** All ESG risks should be quantifiable so that the research team can incorporate them in a risk assessment. This is NOT about negative or exclusionary screening. It is about enabling the team to calculate a valid cost of equity for the company. This is best illustrated through the below example.

If the stock passes these filters, the team undertakes further in-depth analysis at the company level, including analysis of financial statements, engaging with management, market assessment, assessing the competitive environment, and capital requirements.

The IM uses a premortem process to identify and quantify the risks that the company faces. The team imaginatively projects itself three years into the future and assumes that the company has had no growth in earnings. The team works backwards to identify the risks that could have caused this event. Every risk is rated from 1-10 based on 3 factors:

- What is the probability that the risk materialises?
- How materially can the risk affect earnings?
- To what extent is the risk priced in?

The top 10 risks are then classified into four different categories (Strategic, Operational, Financial, ESG). Through a proprietary method, for every investment, ESG risks are quantified and reflected in the projected risk-adjusted returns. At the end of this process the team holds a stock review that primarily helps to refine the risk assessment and costs of equity.

The management of sustainability risk forms an important part of the due diligence process implemented by the IM.

When assessing the sustainability risk associated with underlying investments, the IM is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition.

NO SUSTAINABLE INVESTMENT OBJECTIVE

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

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The environmental and/or social characteristics promoted by the Fund comprise primarily social issues in Emerging Markets such as health and wellness and equality for the people at the bottom of the pyramid as well as migrants, women, youth and older adults, and those in less developed lower-tier cities and rural areas. While the Fund promotes environmental and/or social characteristics in the manner described above, it does not currently commit to investing in any “sustainable investments” with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy Regulation and with social objective. Accordingly, it should be noted that the investments underlying the Fund do not currently take into account the EU criteria for environmentally sustainable economic activities.

INVESTMENT STRATEGY

The Fund will invest on a long-only basis primarily in equity and equity-related securities that are listed, traded or dealt in on Regulated Markets. The Fund has an investment horizon of three to five years.

In identifying investments which allow the Fund to promote environmental or social characteristics, the IM adopts the following strategies:

1. Immersions Research:

During the immersions research, the IM meets with consumers in EMs in their homes, in their villages and towns to understand the social and environmental issues they face as well as solutions they see to their own problems. From these discussions, the IM forms a universe of companies that can provide solutions to these problems, and which will be researched during the security selection process.

2. Security Selection:

Firstly, the IM will block from investment any company for which it cannot get a clear understanding of and quantify its environmental, social and governance (ESG) risks. Secondly, the IM's risk assessment scores for each company are used to risk adjust returns. The risk assessment includes ESG as well as operational, strategic and financial risks. Companies with higher ESG risks will result in a higher risk score and lower risk adjusted returns, which will result in reduced position sizing in the portfolio.

3. Active Engagement and Escalation:

Firstly, the IM brings to the management's attention the risks and opportunities as articulated by consumers during immersions research. Secondly, the IM engages with management on its assessment of the risks they face (ESG, financial, operational and strategic) and discusses the significance and likelihood of each risk as well as any preventive or detective controls that their management has put in place. In the event that an issue has not been adequately dealt with by management, the IM will escalate the matter by addressing it more formally, including with the chair or with other members of the senior management team. The IM's engagement policy is publicly available on its website.

4. Voting:

The IM exercises all its voting rights and has a voting policy publicly available on its website. The summary of all votes is published on the website on a quarterly basis. In addition, details on any Abstentions or Against votes are provided to clients through the IM's monthly reporting.

5. UN Sustainable Development Goals:

The IM maps each stock to at least one of the 17 United Nations Sustainable Development Goals ("SDGs") that relate to the investment case for owning the specific security. For every goal, the analyst takes at least one relevant measurable parameter that can be tracked over multiple years to engage with management.

The IM assesses and monitors the governance and purpose of its investee companies by examining and engaging with the company's board, gauging its effectiveness and alignment with the firm's values and strategy and with the interests of its stakeholders, which include employee relations, remuneration of staff and tax compliance, between others.

The IM further considers board composition, expecting that the board comprises a combination of skills, experience and knowledge. This includes diversity, and while the IM takes into account the norms and convention of the countries where it invests, if women are unrepresented on boards, it encourages a shift in attitude, supporting actions that promote greater equality between women and men. Such actions sometimes need to start at board level.

In addition, board remuneration should be aligned to the firm's purpose and culture and be clearly linked to the successful delivery of its long-term strategy as well as stakeholders' value.

The IM conducts a risk assessment for each company in its investment universe. The IM's risk assessment scores for each company are used to risk-adjust returns. The risk assessment includes ESG as well as operational, strategic and financial risks. Companies with higher ESG risks will be given higher cost of equity, and so will offer lower risk-adjusted returns, which will result in reduced position sizing in the portfolio, outright sale, or no purchase at all. The IM undertakes in-depth analysis of the material ESG issues of an issuer it has identified through its own proprietary research or raised through in the proxy research by its proxy research provider. It engages with investee companies on ESG matters in the following way:

1. The IM brings to management's attention the risks and opportunities as articulated by consumers during Immersions research.
2. The IM engages with management over the analysts' assessment of the material risks the investee company faces (ESG, financial, operational, and strategic) and discusses the significance and likelihood of each risk, as well as any preventive or detective controls that management has put in place.
3. In the event that an issue has not been adequately dealt with by management, the IM will escalate the matter by addressing it more formally, including with the chair or with other members of the senior management team. The IM may express its concerns through voting against the appointment of certain directors, or against other proposals, and in writing to explain its voting actions.

PROPORTION OF INVESTMENTS

The Fund invests only in Emerging Markets equity, resulting in direct exposure in investee companies. All investee companies within the Fund are monitored for the social and/or environmental characteristics promoted by the Fund.

An Emerging Market Issuer is an issuer that is located in an Emerging Market Country, or an issuer deriving at least 50% of its revenues or profits or growth in profits from goods produced or sold, investments made, or services performed by the issuer in one or more Emerging Market Countries or an issuer that has at least 50% of its assets in one or more Emerging Market Countries, that is listed, traded or dealt in on Regulated Markets. Emerging Market Countries include any country included by the International Monetary Fund in its list of Emerging and Developing Economies, any country which is considered a low-income, lower-middle-income, or upper-middle-income economy by the World Bank and all countries represented in any widely-recognised index of emerging market securities.

MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The IM monitors the social and/or environmental characteristics promoted by the Fund on a regular basis. In the way outlined above, the IM collects its own ESG data through its Immersions (ethnographic research) where it can get first-hand accounts of the impact that investee companies' actions have on people's lives. The investment universe is created from companies that provide solutions to social and environmental issues highlighted by the IM's Immersions research. The IM maps each stock in its portfolio to at least one of the 17 United Nations Sustainable Development Goals ("SDGs") that relate to the investment case for owning the specific security. For every goal, the analyst takes at least one relevant measurable parameter that can potentially be tracked over multiple years to engage with management. The parameters are specific to each company, material to the respective company's core operations and to the impact on external stakeholders. The aggregated information provides a profile of the Fund's exposure to the various SDGs. For example, a microfinance company can be mapped to SDG 5 – Gender Equality, and the parameters that can potentially be tracked are the absolute number of women that received loans from the company and the average loan size in the reporting period.

As part of the ongoing engagement process, the IM explains to investee companies the outcomes that they are being measured against, and how those outcomes are expected to evolve.

METHODOLOGIES FOR ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

One of the IM's purposes is to give emerging market consumers a voice, and we relay those voices directly to management. The IM identifies social issues during its Immersion studies (ethnographic studies of consumers, giving valuable insight into the problems, needs, aspirations and future trends of specific groups of emerging market consumers. That also provides the IM with insight into potential solutions for their problems. The IM seeks to invest in companies that are able to supply those consumers with what they are looking for, and to solve their problems.

In its engagement activities, the IM provides evidence to investee companies' management, including video recordings of consumers discussing their issues, as well as the impact of specific products on their lives. This makes the viewpoints more tangible for management. The IM explains to investee companies the outcomes that they are being measured against, and how those outcomes are expected to evolve. Ongoing engagement with investee companies provides the data to assess if the environmental or social characteristics are being met.

When companies appear to be behaving unfairly towards their consumers, to exploit them or otherwise profiteer from unduly onerous terms or disingenuous claims, The IM's engagement aims to help them to understand that there are significant risks that firms are not incorporating in their risk assessment framework in the short term, which could be detrimental to the company in the long term.

During its engagement, the IM focusses on risks that the business is facing, such as ESG, operational, strategic and financial risks. The IM seeks to understand from management the methodology by which they manage all of their ESG risks. The IM also looks to identify areas for improvement in their risk management processes. The IM tries to match its understanding with that of management for two key parameters for each risk: likelihood and impact. This can help to identify risks that either the IM or management may not have considered. The IM engages with companies' management to understand both the detective and preventive controls that they put in place to manage those risks. This process gives the IM a deeper understanding of how well management undertakes its role, not only in terms of growth, but also in terms of protecting and sustaining the assets and operations of the business.

The IM maps each stock to at least one of the 17 United Nations Sustainable Development Goals ("SDGs") that relate to the investment case for owning the specific security. For every goal, the analyst takes at least one relevant measurable parameter that can be tracked over multiple years to engage with management.

In identifying investments which allow the Fund to promote environmental or social characteristics, the IM adopts the monitoring strategies set out above.

DATA SOURCES AND PROCESSING

As described above, the IM uses a proprietary research process, which includes Immersion studies (visits to peoples' homes in order to conduct in-depth research), engagement with companies and fundamental research. The investment team is responsible for the entire data sourcing process and no ESG data is sourced from third parties.

IM's immersions fieldwork is designed to collect this data. It involves the collection of ESG information in 5 different ways:

- **Pre-fieldwork:** Working with ethnographic research firms and field researchers, the IM commissions respondents to document their daily lives, routines, values, dreams, anxieties and what is important to them in a diary.
- **Fieldwork:** The IM captures data by recording on video, audio and then transcribing discussions held with respondents. During these discussions we may ask about experiences of their friends and relatives who may work for potential investee companies to help us to independently ascertain the level of adherence to the Principle of the UN Global Compact ("UNGC").
- **Post-fieldwork 4 I process:** The research team analyses the data captured in ethnographic research using a process referred to as 4 Is to drive the transformation of Information to Inference to Insight to Impact:
 - **Information:** Purely factual information captured in the field, e.g., "We observed respondent X doing Y". This is an observation of "what" is happening.
 - **Inference:** This is the IM's understanding "why" something is happening.
 - **Insight:** A much deeper understanding of "why" can be gained by interconnecting different pieces of Immersions information from different respondents. This is an "aha moment" for the research team.
 - **Impact:** How can the IM drive returns or manage risk in the portfolio from these insights?
- **Post-fieldwork social media follow-ups:** The IM maintains discussions with respondents, facilitated by an ethnographer, after completion of the fieldwork. This allows the research team to study peoples' lives longitudinally, and to capture data to understand how their lives are evolving.
- **Periodic discussions with field ethnographers:** The IM hosts conference calls at least quarterly with field ethnographers from the ethnographic research firms with which it works closely to discuss any changes to trends or new trends that they are picking up in their fieldwork.

For the risk management process, the IM analysts use the data from ethnographic research, together with information from annual reports, discussion with management and raw ESG data from Bloomberg.

The data sources used by the IM is from information provided by the investee firms directly, which the IM considers to be reliable.

None of the data is based on estimates done by the IM.

LIMITATIONS TO METHODOLOGIES AND DATA

The environmental or social characteristics promoted by the Fund comprise primarily social issues in Emerging Markets. The IM uses Immersions studies, ethnographic research where it meets consumers in their homes in Emerging Markets, in villages and towns to understand the social and environmental issues that they face, as well as solutions to their own problems. This is the main source of data to determine the environmental and social characteristics promoted by the Fund.

The Fund's investment focus is on Emerging Markets. Investee companies in those countries may not routinely report numbers on the data required under SFDR. The IM engages with investee companies to overcome this limitation and to obtain the data on the environmental or social characteristics promoted by the Fund.

Where investee companies in Emerging Markets are not familiar with applicable ESG regulation, the IM will engage with them in order to increase awareness and facilitate the process to make relevant data available in future reporting periods.

DUE DILIGENCE

Every company identified during Immersions that the IM believes is positioned to provide solutions to consumers' issues, must pass through 3 filters:

- **Compounding Growth:** The company must be growing quickly enough to enable the research team to construct a portfolio with a 15% IRR.
- **Competitive Edge:** The company is one of the growth leaders in a fast-growing sector.
- **ESG:** All ESG risks should be quantifiable so that the research team can incorporate them in a risk assessment. This is NOT about negative or exclusionary screening. It is about enabling the team to calculate a valid cost of equity for the company. This is best illustrated through the below example.

If the stock passes these filters, the team undertakes further in-depth analysis at the company level, including analysis of financial statements, engaging with management, market assessment, assessing the competitive environment, and capital requirements.

The IM uses a premortem process to identify and quantify the risks that the company faces. The team imaginatively projects itself three years into the future and assumes that the company has had no growth in earnings. The team works backwards to identify the risks that could have caused this event. Every risk is rated from 1-10 based on 3 factors:

- What is the probability that the risk materialises?
- How materially can the risk affect earnings?
- To what extent is the risk priced in?

The top 10 risks are then classified into four different categories (Strategic, Operational, Financial, ESG). Through a proprietary method, for every investment, ESG risks are quantified and reflected in the projected risk-adjusted returns.

At the end of this process the team holds a stock review that primarily helps to refine the risk assessment and costs of equity.

The management of sustainability risk forms an important part of the due diligence process implemented by the IM. When assessing the sustainability risk associated with underlying investments, the IM is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition.

Using qualitative processes, sustainability risk is identified, monitored and managed by the IM in the following manner:

- i. The IM uses sustainability criteria when selecting investments for the Fund. As outlined before, the IM uses Immersions studies, ethnographic research, to form a universe of potential investments that can provide solutions to the problems identified during Immersions. The process screens for companies providing solutions to primarily social but also environmental needs of consumers in Emerging Markets. In addition, the IM conducts fundamental analysis on each potential investment in order to assess the adequacy of risk management programs of an issuer to manage the material sustainability, operational, strategic and financial risk it faces. The IM will block from investment any company for which it cannot get a clear understanding of and quantify its ESG risks. The IM's risk assessment scores for each company are used to risk adjust returns. The risk assessment includes ESG as well as operational, strategic and financial risks. Companies with higher ESG risks will result in a higher risk score and lower risk adjusted returns, which will result in reduced position sizing in the portfolio.

The IM invests in companies when it believes it has an edge to generate excess returns through its ethnographic research. These companies provide solutions to the social issues highlighted by our Immersions research. Examples of companies that we would not invest in fall in three broad categories:

- (1) Consumer demand is not a major driver for the overall product demand: Consumers might want to buy petrol for their commute, electricity for their home and steel to build their home, but consumer demand for these products is a very small part of the overall demand. For such companies, immersion research provides no edge in understanding how demand trends for these companies will evolve. Therefore, the IM has no investments in extractive industries or energy producers. Similarly, it would not invest in industries like defence as these are driven by government not consumer demand.
- (2) Consumers do not see the company's product or service as a solution to an issue they face: For example, tobacco consumption. Despite the claims of the tobacco industry that smokers are looking for more premium products, almost all the smokers we study during our ethnographic studies view smoking as an expensive, unhealthy, addictive habit and would like to stop it. We don't consider smoking as a solution to any social issue.
- (3) Companies with unquantifiable ESG risks: This would be the case where the company is operating in breach of legislation such as using child labour or in a grey area within the country's legal framework for example finding ways to charge more than it is legally allowed in consumer financing.

If a company is materially misaligned with our ESG policy, we will attempt to engage with management on this particular matter. We will not buy a position, or will consider selling it, if the engagement does not adequately address the issue concerned.

- ii. During the life of the investment, sustainability risk is monitored through fundamental analysis by the investment team to determine whether the level of sustainability risk has changed since the initial assessment was conducted. This review is generally conducted when the issuer reports. Where the sustainability risk associated with a particular investment has increased, this will result in a reduction of risk adjusted returns and the IM will consider selling or reducing the Fund's exposure to the relevant investment, taking into account the best interests of the Shareholders of the Fund.

ENGAGEMENT POLICIES

The analyst will bring to management's attention the risks and opportunities as articulated by consumers during Immersions research. This is done by the same team members who are directly involved in the ethnographic studies and who understand the issues raised by consumers.

We also engage with management over our assessment of the risks they face (ESG, financial, operational, and strategic) and discuss the significance and likelihood of each risk, as well as any preventive or detective controls that management has put in place.

If a material issue has not been adequately dealt with by management, we will escalate the matter by addressing it more formally, including with the Chair or with other members of the senior management team. We may express our concerns through voting against the appointment of certain directors, or against other proposals, and in writing to explain its voting actions.

The Engagement Policy can be found on Trinetra's website here:

<https://www.trinetra-im.com/responsible-investing>

DESIGNATED REFERENCE BENCHMARK

No index has been designated as a reference benchmark.