



EDMOND
DE ROTHSCHILD

ARTICLE 10 (SFDR)

Information for financial product as referred to Article 8 of SFDR

Financial product that promotes environmental or social characteristics

FORUM ONE - VINACAPITAL VIETNAM FUND

A SUB-FUND MANAGED BY VINACAPITAL FUND MANAGEMENT JSC (VIETNAM)



A. SUMMARY

The Sub-Fund promotes environmental, social and good governance characteristics (ESG) as per article 8 SFDR regulation (UE) 2019/2088.

The product promotes certain environmental and social characteristics within the meaning of article 8 of SFDR, namely Gender inclusion, Environmental and Energy management, and Climate Change mitigation. The Portfolio manager assigns ESG ratings to companies in the investment pipeline to identify those with acceptable standards and practices and integrates substantial ESG metrics into financial analysis and valuation models.

The Portfolio manager does not invest in companies involved in specific activities identified in the exclusion list, which was developed based on international best practice.

In addition, the securities selection process includes negative screening designed to exclude companies that contribute to the production of controversial weapons, in accordance with relevant international conventions, as well as companies exposed to thermal coal or tobacco activities, in accordance with the Edmond de Rothschild Group's exclusion policy, available on its website at <https://www.edmond-de-rothschild.com/en/Pages/Asset%20Management/Responsible-investment.aspx>.

In view of its ESG strategy, the Sub-Fund promotes environmental characteristics but does not invest in environmentally sustainable economic activities. The investments underlying this financial product do not take into account the European Union criteria relating to environmentally sustainable economic activities and the principle of "do no significant harm" will therefore not apply to the Sub-Fund.

B. NO SUSTAINABLE INVESTMENT OBJECTIVE

The financial product promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment.

C. ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

To promote Gender Inclusion, the product considers and invests in companies that meet our criteria. Specifically, companies representing at least 20% of our portfolio will have more than 20% of female in the board and 20% of female in the management team.

To promote Environmental and Energy management, the product follows the following roadmap:

- 1st - 3rd year: 30% of companies in the portfolio will measure energy and water consumption and have target for reduction.
- 3rd - 5th year: 50% of companies in the portfolio will measure energy and water consumption and have target for reduction.

To promote Climate Change, the product follows the following roadmap:

- 1st - 3rd year: 30% of companies in the portfolio will publish their GHG emission and have target for reduction.
- 3rd - 5th year: 50% of companies in the portfolio will publish their GHG emission and have target for reduction.

These characteristics are integrated into our ESG rating framework and we will use them to track the performance of our Portfolios.

D. INVESTMENT STRATEGY

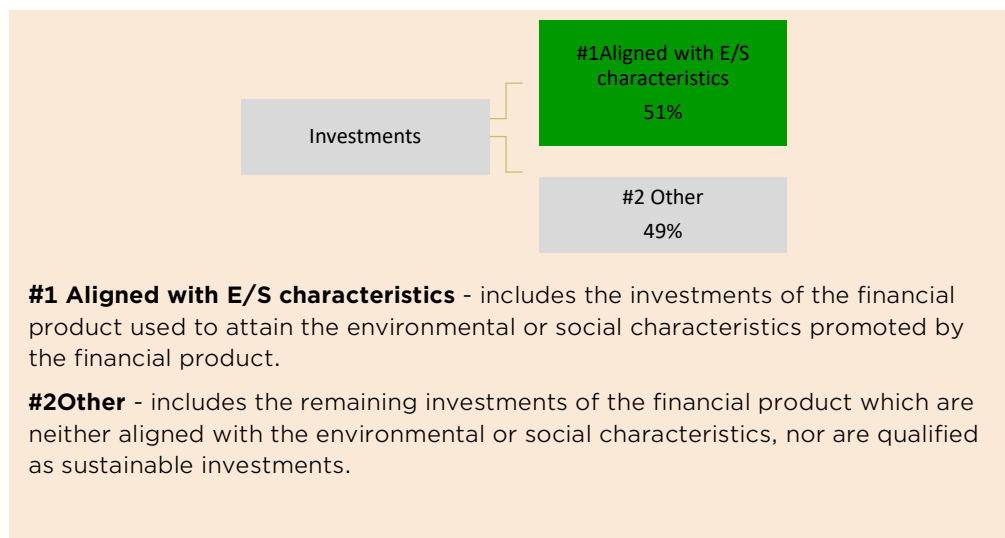
The product aims to deliver long-term sustainable alpha by focusing on finding the best growth opportunities in the Vietnam stock market. Companies that qualify for inclusion in the product's investment universe must satisfy both fundamentals criteria (profitability, financial strength, cash flows, growth, etc.) and ESG criteria (not within ESG exclusion list, good corporate governance, no adverse E and S effects).

The investment manager will focus on the best in class companies in their respective sectors, characterised by attractive macro-economic and industry outlook, strong management, solid business fundamentals and favourable near- to medium-term catalysts. The investment manager will select stocks for the portfolio when valuation is reasonable and conviction level is high.

ESG rating is performed using the asset manager's own rating methodology focusing on 20 areas of E, S and G using data collected on each company through a 200-question questionnaire by investment team and ESG team members.

E. PROPORTION OF INVESTMENTS

Investments classified as “#1 Aligned with E/S characteristics”: The Sub-Fund aims to be at a minimum 51% exposed to investments with good E/S characteristics. It will thus seek to limit to 51% the investments offering no alignment to these environmental and social characteristics



#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.

100% of portfolio (cash and cash equivalents for liquidity purposes and derivatives for hedging) in line with the fund's responsible investment policy and strategy

- 20% of our portfolio to have more than 20% of female in the board and 20% of female in the management team
- By 2026, 30% of companies in our portfolio will measure energy and water consumption and have target for reduction
- By 2028, 50% of companies in our portfolio will measure energy and water consumption and have target for reduction
- By 2026, 30% of companies in our portfolio will publish their GHG emission and have target for reduction.
- By 2028, 50% of companies in our portfolio will publish their GHG emission and have target for reduction.

Investments classified as “#2 Other”: include equities not aligned to the environmental and/or social characteristics promoted by this Sub-Fund, cash and cash equivalents for liquidity purposes and derivatives for hedging.

As a minimum environmental and social safeguard, the Sub-Fund will adhere to the Exclusions.

F. MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

Companies representing at least 20% of the portfolio will have more than 20% of female in the board and 20% of female in the management team.

To promote Environmental and Energy management, the product follows the following roadmap:

- 1st – 3rd year: 30% of companies in the portfolio will measure energy and water consumption and have target for reduction.
- 3rd – 5th year: 50% of companies in the portfolio will measure energy and water consumption and have target for reduction.

To promote Climate Change, the product will set up a roadmap:

- 1st – 3rd year: 30% of companies in the portfolio publish their GHG emission and have target for reduction
- 3rd – 5th year: 50% of companies in the portfolio publish their GHG and have target for reduction

G. MÉTHODOLOGIES

The Portfolio manager does not invest in companies involved in specific activities identified in the exclusion list, which was developed based on international best practice.

Funds covered do not invest in companies involved in the following activities:

- a. Production or trade in any product or activity deemed illegal under Vietnam laws or regulations or international conventions and agreements, or subject to international bans.
- b. Production, trade or use of weapons and munitions.
- c. Production or, trade of radioactive materials, except in respect to the purchase and use of medical equipment, quality control (measurement) equipment, and any equipment where the IFC considers the radioactive source to be trivial and/or adequately shielded.
- d. Production or, trade in unbonded asbestos fibers, except the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- e. Drift net fishing in the marine environment using nets in excess of 2.5 km in length.
- f. Commercial logging operations for use in primary tropical moist forest.
- g. Production or trade in wildlife products or other forestry products other than from sustainably managed forests.

The Portfolio manager assigns ESG ratings to companies in the investment pipeline to identify those with acceptable standards and practices and integrates substantial ESG metrics into financial analysis and valuation models.

Moreover, Edmond de Rothschild Asset Management has established a formal exclusion policy that includes controversial weapons, thermal coal and tobacco.

H. DATA SOURCES AND PROCESSING

The Investment team will review ESG parameters applicable to the company based on VinaCapital in-house ESG rating framework to assess any material risks that arise and their potential impact on future performance.

For the companies covered by the internal research team, analysts will assign an ESG performance rating to companies covered using a proprietary framework incorporating 100+ data points. This is based on relevant information available from company disclosures, third party research, in-house research analysis and information gathered from direct engagement with the company. This rating will be updated annually by the research team, or more frequently in cases of any significant new disclosure by the company or information about any material incident in the public domain. The investment team will review and incorporate this rating in their investment decisions.

Companies are then classified into groups according to their final score:

ESG Score \geq 75%. Group 1 company with best ESG performance

ESG Score \geq 50%. Group 2 company with good ESG performance which will need engagement or encouragement to improve some aspects.

ESG Score $<$ 50%. Group 3 company with poor ESG performance. Special attention needed for buy/hold decision. Strong engagement with company is strongly recommended to improve their ESG practice.

Compare with scores in previous reporting periods to track the company progress.

I. LIMITATIONS TO METHODOLOGIES AND DATA

Limitations on methodologies may arise from:

- data availability;
- the need to rely partially on estimated data;
- the underlying hypothesis of the methodologies and the preferred analytical perspective,
- evolution of the methodologies over time that may impact comparability of data.

These limitations do not have any impact on the attainment of each of the environmental or social characteristics promoted by this financial product.

J. DUE DILIGENCE

Each target company's activities are screened against the exclusion lists by the investment team of the fund and the Research team. If a target company's activities are included in the Exclusion List, the investment team will cease any further evaluation of the investment opportunity.

However, a reasonableness test are applied in cases where the investment team believes the activities of the target company have a significant positive development impact (for e.g., to the local community) that outweighs any issues due to activities in the VinaCapital Exclusion List. In such cases, when the development impact is seen to materially offset other concerns, specific approval from the Risk Management Committee or Investment Committee would need to be sought prior to further investment evaluation.

K. ENGAGEMENT POLICIES

VinaCapital is an engaged shareholder and believes in influencing corporate behaviour through engagement and responsible voting to improve investor outcomes. VinaCapital uses best efforts to ensure ESG related matters are highlighted, discussed, or voted upon at the board of directors and/ or shareholder meetings as relevant.

The core indicator of its engagement is proxy voting at shareholder meetings of portfolio companies. VinaCapital always vote in the best interest of the sub-funds, which entails maximising long-term value creation. VinaCapital believes considering ESG issues while voting is fully aligned with this objective. VinaCapital typically communicates with companies prior to the vote in cases where it does not agree with the management recommendation.

VinaCapital believes initiating systematic disclosure on ESG matters is often the first step to prioritising ESG matters and can influence the manner in which companies operate and make decisions. VinaCapital therefore inspires and encourages the portfolio companies on ESG disclosures in its interactions, especially in its fact-finding discussions with its research team. This also helps the investment teams integrate ESG information into the decision-making process.

The investment team and the research team actively track information in public domain about any material ESG incidents in relation to the portfolio companies and prioritise engagements with senior management in case of any serious incident.

VinaCapital considers the management of environmental, social and governance issues as managing investment risks and important to the generation of long-term returns. Thus, improving the ESG performance of companies in the portfolio is an essential value-creating activity for the investments. VinaCapital will communicate with and encourages companies in the portfolio to enhance their ESG performance. VinaCapital will also conduct internal audits to review ESG performance and establish action plan to improve these.

One of VinaCapital objectives is to drive ESG awareness in the ecosystem. The investment team conduct and support educational initiatives which promote best practices.

VinaCapital will sell investments where there is ongoing evidence of major ESG violations and/or the continuing failure to address identified ESG risks despite the efforts spent for communication and engagement

More product-specific information can be found on the website:

- *Fund documents:* <https://vinacapital.com/investment-solutions/offshore-funds/vvf/>
- *Corporate ESG policy docs:* <https://vinacapital.com/wp-content/uploads/2022/09/VCAM-RC-2022-Responsible-Investment-policy-public.pdf>

L. DESIGNATED REFERENCE BENCHMARK

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics.

Disclaimer:

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