

## **Sustainability-related disclosures**

**under Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 (“SFDR”) in respect of**

**Alger SICAV - Alger Emerging Markets Fund (the “Sub-Fund”)**

**a sub-fund of Alger SICAV (the “Fund”)**

*The following statement is made in accordance with the requirements under Article 10 of SFDR and Section 1 of Chapter IV of the Delegated Regulation supplementing SFDR with regard to regulatory technical standards (the “RTS”). This document is prepared to meet the regulatory requirements only and should not be considered an offer or solicitation to invest in the Fund.*

This Article 10 Transparency Statement (the “Statement”) is published by Redwood Investments, LLC, the sub-portfolio manager of the Sub-Fund (the “Sub-Portfolio Manager”), which has been delegated investment management of the Fund by Alger Management, Ltd., the portfolio manager of the Fund.

Words and expressions in this Statement shall have the same meaning as in the prospectus of the Fund unless otherwise defined in this Statement.

### **a) Summary**

The Sub-Fund is an Article 8 Fund pursuant to the SFDR and promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Sub-Portfolio Manager intends to invest a minimum of 80% of the Sub-Fund’s net assets in investments that promote each of the following three primary environmental characteristics (the “Sustainability Characteristics”)

- Carbon efficiency (tonnes of Scope 1 & 2 carbon emissions per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index;
- Waste efficiency (tonnes of waste generated per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index;
- Water efficiency (thousand cubic meters of fresh water used per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index.

The Sub-Portfolio Manager uses data provided by third party ESG research providers to assess a company’s carbon efficiency, waste efficiency, and water efficiency.

In addition to the Sustainability Characteristics described above, the Sub-Fund will also impose the following restrictions:

- At least 90% of the portfolio will be invested in companies that (at the time of purchase) are in compliance with the principles of the UN Global Compact (the “UNGC Principles”). The UNGC Principles consist of principles guiding corporate behaviors in human rights, labor, the environment, and anti-corruption practices. The Sub-Portfolio Manager will rely on third party data sources for the data utilized with respect to the UNGC Principles and the determination that a company is in compliance with the UNGC Principles. The third-party data provider assesses that a company has failed to be in compliance with the UNGC principles if the provider’s research and assessment of controversies relating to the UNGC Principles indicates that a company is implicated in one or more controversy cases where there are credible allegations that the company or its management inflicted serious large scale harm in violation of the UNGC principles.
- At least 95% of the portfolio will be invested in companies that (at the time of purchase) do not derive 5% or more of their revenue from (i) thermal coal, (ii) coal mining, or (iii) oil sands production (“Fossil Fuel Activities”). The Sub-Portfolio Manager relies upon third-party sources to determine the percentage of annual revenue attributable to Fossil Fuel Activities for each company in the portfolio.

The Sub-Fund also excludes the following companies from its investment universe (the “Exclusions List”):

- Companies involved in the manufacture or selling of controversial weapons. Controversial weapons include anti-personnel mines, cluster munitions, chemical weapons, and biological weapons, and
- Companies which earn more than 5% of their annual revenues from adult tv and video production and adult nightclubs.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

**b) No Sustainable Investment Objective**

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

**c) Environmental or Social Characteristics of the Fund**

The Sub-Fund’s investments promote three Sustainability Characteristics:

- Carbon efficiency (tonnes of Scope 1 & 2 carbon emissions per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index;
- Waste efficiency (tonnes of waste generated per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index;
- Water efficiency (thousand cubic meters of fresh water used per USD 1 million of annual revenue (on a rolling quarterly basis)) better than those investments that comprise the MSCI Emerging Markets Index.

**d) Investment Strategy**

The objective of the Sub-Fund is to achieve capital appreciation by investing at least two thirds of its net assets in equity securities, including common stocks, American Depositary Receipts and Global Depositary Receipts, of emerging country issuers. Emerging countries primarily include, but are not limited to, the countries that comprise the MSCI Emerging Markets Index. In addition, the investment adviser may consider classifications including those of the World Bank, the International Finance Corporation, or the United Nations (and its agencies) in determining whether a country is an emerging country. Currently, most Central and South American, African, Asian and Eastern European nations, among others, are considered emerging countries. The Fund may invest up to 10% of its net assets in “China-A Shares” via the Stock Connect.

**e) Proportion of Investments**

The Sub-Fund has zero exposure to taxonomy aligned investments, does not make sustainable investments or have a sustainable investment objective.

At least 80% of the Sub-Fund’s assets will promote the Sustainability Characteristics of this financial product. The remaining proportion of the Sub-Fund's portfolio includes cash investments and other investments not promoting Environmental/Social (E/S) characteristics

**f) Monitoring of Environmental or Social Characteristics**

The Sub-Portfolio Manager uses data provided by third party ESG research providers to assess a company’s carbon efficiency, waste efficiency, and water efficiency and the data and assessments used to compile the Exclusions List. The Sub-Portfolio Manager relies on the information provided to it by the third-party provider in respect of the ESG information received. The Sub-Portfolio Manager has conducted due diligence in respect of the selection of its service providers, including that of the third-party provider. Under the terms of its agreement with the third-party provider, the third-party provider has an obligation to provide information which it believes to be reliable to the Sub-Portfolio Manager. The Sub-Portfolio Manager will monitor the services provided to it by the third-party provider in line with its obligations as a professional discretionary asset manager.

## **g) Methodologies**

The Sub-Portfolio Manager integrates Sustainability Risks into its investment decisions in respect of the Sub-Fund. The Sub-Portfolio Manager takes account of certain Sustainability Risks arising and the potential financial impact of such risks on the return of an investment. The Sub-Portfolio Manager believes that Sustainability Risks can impact a company's financial performance, competitive positioning and brand equity, among other determinants of long-term shareholder value. When conducting the fundamental research necessary to build earnings estimates for individual companies, the Sub-Portfolio Manager considers, as an intrinsic element of its process, the material risks and opportunities of various factors, including both traditional fundamental factors and Sustainability Risks. The Sub-Portfolio Manager's investment team integrates Sustainability Risk analysis into both the quantitative and qualitative components of their investment process.

The foundation of the Sub-Portfolio Manager's investment process is bottom-up, fundamental research that seeks engagement with management about the most relevant and critical ESG variables to help identify opportunities and avoid risk. The Sub-Portfolio Manager seeks to understand what is material and what can positively or negatively influence investment performance. The Sub-Portfolio Manager analyses ESG qualities of a company at the fundamental level – material factors that the Sub-Portfolio Manager believes can impact an investment thesis and improve risk adjusted returns for client portfolios. The Sub-Portfolio Manager considers the composition of a company's executive management and board of directors, including the percentage of female executive and board members and the percentage of the board comprised of independent board members. During the course of conducting fundamental research and monitoring of investee companies, the Sub-Portfolio Manager engages with investee companies through various means, including direct communication with company management and exercise of proxy voting, with the intention of understanding perspectives about the company's approach to risks and opportunities, including those related to environmental practices and corporate governance, which could potentially affect the investment case.

The Sub-Portfolio Manager's investment process relies on various sources of information to analyze and monitor potential investments, including company executives, industry experts, third-party research and market data providers.

## **h) Data Sources and Processing**

The Sub-Portfolio Manager's investment process relies on various sources of information to analyze and monitor potential investments, including company executives, industry experts, third-party research and market data providers.

Under the terms of its agreement with the third-party provider, the third party provider has an obligation to provide information which it believes to be reliable to the Sub-Portfolio Manager. The Sub-Portfolio Manager will monitor the services provided to it by the third-party provider in line with its obligations as a professional discretionary asset manager.

## **i) Limitations to Methodologies and Data**

The Sub-Portfolio Manager relies on third-party sources for the data and assessments used to assess a company's carbon efficiency, waste efficiency, and water efficiency and the data and assessments used to compile the Exclusions List and does not independently verify such data and assessments provided by such third-party sources. Such data is subject to change by such third-party data sources without notice. 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 Sub-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 Sub-Fund.

## **j) Engagement Policies**

During the course of conducting fundamental research and monitoring of investee companies, the Sub-Portfolio Manager engages with investee companies through various means, including direct communication with company management and exercise of proxy voting, with the intention of understanding perspectives about the company's approach to risks and opportunities, including those related to environmental practices and corporate governance, which could potentially affect the

investment case.

**k) Designated Reference Benchmark**

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

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