

## 1 Summary

This Article 10 Statement should be read in conjunction with the latest prospectus of SEI Global Master Fund plc (the “Company”) (the “Prospectus”), including the SFDR annex of the Fund, which sets out in detail the investment policy of the Fund and its approach to sustainable investment.

|  |  |
|--|--|
| Classification   | The SEI Factor Allocation Global Equity Fund (the “Fund”) has been classified as an Article 8 fund under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (“SFDR”).  |
| No Sustainable Investment Objective                              | The Fund promotes environmental or social characteristics in accordance with Article 8 of SFDR, but does not have a sustainable investment objective as contemplated by Article 9 of SFDR.   |
| Environmental or social characteristics of the financial product | <ul style="list-style-type: none"> <li>• The Fund seeks to promote both environmental and social characteristics by utilising an Environmental Social and Governance (“ESG”) integration approach to portfolio construction which utilizes ESG scores and underlying issuer key issue scores, as a means of evaluating issuers’ exposure to and management of risks and opportunities relating to key environmental and social issues.</li> <li>• The characteristics promoted by the Fund include factors impacting climate change, pollution, human capital management, social opportunities, corporate governance and corporate behaviour.</li> <li>• The Fund considers good governance practices, including sound management structures, employee relations, remuneration of staff and tax compliance. Good governance is assessed at the security level in addition to the ESG scores utilized in portfolio construction.</li> </ul> |
| Investment Strategy  | <p>The Fund follows a quantitative-based investment strategy. The quantitative methods categorize and select securities based on certain Factors. Such Factors may include characteristics such as volatility, value, size, share price performance, ESG factors and other Factors. The process seeks to build a portfolio with high exposure to targeted Factor characteristics, including ESG factors, whilst managing investment and ESG risks.</p> <p>The investment strategy’s principal binding element from a sustainable finance perspective is ESG integration, wherein security-level third party ESG ratings and scores are incorporated into the security selection process.</p>   |
| Proportion of investments  | At least 80% of investments can be categorized as ‘#1 Aligned with E/S characteristics’. Of these investments, allocation to #1A Sustainable is 0% and allocation to #1B “Other E/S Characteristics” is 80%.   |
| Monitoring of environmental or social characteristics            | <p>The Investment Adviser has an integrated exposure measurement process, built into the portfolio construction process to help ensure the Fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes the monitoring of the environmental or social characteristics of the Fund in accordance with the methodology as described herein.</p> <p>As part of its effective and independent risk management activities, SEI Investments Management Corporation’s (the “Investment Adviser”) risk management team conducts an additional layer of sustainability risk oversight for funds that have been categorised as Article 8 under SFDR. The goal of the sustainability risk oversight process is to ensure that the funds are meeting expectations related to their environmental and social</p>   |

|                                       |  |
|---------------------------------------|--|
|                                       | characteristics.   |
| Methodologies                         | <p>The sustainability indicators used to measure attainment of the environmental and social characteristics promoted by the Fund are:</p> <ol style="list-style-type: none"> <li>1. The Fund's weighted average ESG score (from 0 to 10, where 10 is the most favourable score) relative to the MSCI All Country World Index (the "Benchmark"). The Fund strives to achieve, but cannot guarantee a more favourable ESG score over its Benchmark.</li> <li>2. The percentage of the Fund's market value with an ESG rating of CCC (worst in class relative to peers). The product strives to avoid, but cannot guarantee, exposure to CCC-rated companies.</li> <li>3. The percentage of the Fund's market value exposed to SFDR Violations of the UN Global Compact principles versus its Benchmark. The product strives to achieve, but cannot guarantee lower exposure to issuers with SFDR Violations of the UN Global Compact principles in comparison to its Benchmark.</li> </ol> |
| Data sources and processing           | Data sources used to attain environmental or social characteristics promoted may include both proprietary information and third party data providers as described in further detail below.   |
| Limitations to methodologies and data | Whilst it is recognised that data availability may impact the extent to which environmental or social characteristics promoted can be measured, this is managed through the use of both proprietary data and data sourced from third party data providers generally with broad capabilities and coverage.  |
| Due diligence                         | <p>The Investment Adviser applies a high standard of due diligence to achieve the investment objective whilst promoting environmental and social characteristics within the meaning of Article 8 of SFDR, including factors impacting climate change, pollution, human capital management, social opportunities, corporate governance and corporate behaviour.</p> <p>The Investment Adviser risk team also monitors the positions taken by the Fund on a post-trade basis to determine whether the Fund is performing as expected or if adjustments to the Fund's portfolio are required.</p> <p>In addition to the above, the Investment Adviser is subject to a "good governance" assessment that evaluates the relevant team's policy and approach to determining whether securities are issued by companies that exhibit "good governance" practices.</p>   |
| Engagement policies                   | SEI Investments Global, Limited ("SIGL") which acts as the UCITS management company of the Company, relies on the Investment Adviser, as its delegate, for investment stewardship. The Investment Adviser is responsible for ensuring that it has adequate and effective strategies for determining when and how ownership rights attached to the securities purchased by the Fund are exercised, to the benefit of the shareholders. In consultation with SIGL, the Investment Adviser has developed an investment stewardship strategy that seeks to support long-term management of sustainability risks and opportunities at the companies in which we invest through proxy voting and shareholder engagement.   |
| Designated reference benchmark        | The Fund does not have a 'Designated reference benchmark' to attain the environmental or social characteristics promoted.  |

## **2 No Sustainable Investment Objective**

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

The Manager, the Investment Adviser, and any delegate portfolio managers (“Portfolio Managers”) do not currently consider the principal adverse impacts of investment decisions on sustainability factors.

## **3 Environmental or social characteristics of the financial product**

The characteristics promoted by the Fund include but are not limited to factors impacting climate change, pollution, human capital management, social opportunities, corporate governance and corporate behaviour, referred to collectively as “ESG Characteristics”. The Fund promotes these environmental and social characteristics by utilizing an ESG integration approach to portfolio construction, which uses ESG scores as a means of evaluating issuers’ exposure to, and management of, risks and opportunities relating to key environmental and social issues.

The ESG scores acknowledge that the significance of specific environmental and social issues varies depending on the activities of the issuer by assigning different weights to underlying key issues within the data provider’s scoring framework. The standard ESG scores, as produced by the data provider, are an input into the security selection and disposal process, together with the Investment Adviser’s dynamic assessment of the relative risk of the underlying key issues which constitute ESG scores, including environmental and social issues. Examples of key issues relating to environmental and social characteristics include: carbon emissions, product carbon footprint, financing environmental impact, climate change vulnerability, water stress, biodiversity & land use, raw material sourcing, toxic emissions & waste, packaging material & waste, electronic waste, clean technology, green building, renewable energy, labour management, health & safety, human capital development, supply chain labour standards, product safety & quality, consumer financial protection, privacy & data security, responsible investment, chemical safety, controversial sourcing, community relations, access to finance, access to health care and opportunities in nutrition & health.

The Fund may seek to promote other ESG characteristics not included in the list above if they are considered both financially material and/or support the international norms and standards as defined by the SFDR.

The Fund does not have a reference benchmark designated for the purpose of attaining the environmental or social characteristics promoted, however, the Fund’s ESG characteristics are measured relative to a benchmark, namely the MSCI All Country World Index (the “Benchmark”). ESG characteristics are measured utilizing issuer Environmental, Social and Governance scores provided by third party vendors.

## **4 Investment Strategy**

### **4.1 What is the investment strategy used to meet the environmental or social characteristics promoted?**

The Fund follows a quantitative-based investment strategy. The quantitative methods categorize and select securities based on certain Factors. Such Factors may include characteristics such as volatility, value, size, share price performance, ESG factors and other Factors. The process seeks to build a portfolio with high exposure to targeted Factor characteristics, including ESG factors, whilst managing investment and ESG risks.

The investment strategy’s principal binding element from a sustainable finance perspective is ESG integration, wherein security-level third party ESG ratings and scores are incorporated into the security selection process. ESG criteria are assessed at the security level, alongside additional quantitative characteristics (as set out in the description of the Fund’s investment strategy above). Additionally, the dynamic key issue assessment process evaluates the underlying key issues constituting standard ESG scores by quantitatively assessing the risks pertaining to issuers exposed to key issues. The process dynamically penalizes issuers adversely exposed to key issues where expected performance does not

outweigh its bearing of related ESG risks. The process favours securities with more favourable ESG scores, all other things being equal as in such circumstances the Investment Adviser will have a preference for securities which are ranked higher from an ESG perspective, on the basis that the investment strategy strives for, but cannot guarantee, a favourable weighted-average ESG score over its Benchmark.

In addition, as detailed in the “Investment Screens” section of the Prospectus, the Investment Adviser has determined that investments in Controversial Weapons and Thermal Coal may pose sustainability risks to the performance of the Fund and has implemented a policy to exclude securities of issuers involved in the sale, production, research or development of Controversial Weapons, as well as an exclusion of securities of issuers that generate more than 10% of annual revenue from Thermal Coal exploration, mining, production and support services. This screen does not include coal-fired power generation.

The Investment Adviser also excludes companies not adhering to good governance principles, subject to data availability, as outlined further below.

#### **4.2 What is the policy to assess good governance practices of the investee companies?**

Prior to making an investment the Investment Adviser will assess that the issuer of a security exhibits “good governance” practices as defined by SFDR, including sound management structures, employee relations, remuneration of staff and tax compliance. As part of its effective and independent risk management activities, the Investment Adviser’s Risk Management Team conducts oversight of the Fund, in order to ensure that the Investment Adviser’s approach to assessing “good governance” has been adequately applied across the portfolio of the Fund. Companies not adhering to one or more measures are excluded subject to data availability.

## 5 Proportion of Investments

At least 80% of investments can be categorized as '#1 Aligned with E/S characteristics' which covers investments of the Fund used to attain the environmental or social characteristics promoted. Of these investments, allocation to #1A Sustainable is 0%, which covers sustainable investments with environmental or social objectives, and allocation to #1B "Other E/S Characteristics" is 80%, which covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

The Fund does not make use of derivatives to attain the environmental or social characteristics promoted. The Fund may use derivatives for investment/portfolio management purposes.

The Fund does not commit to make sustainable investments. Accordingly, the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852.

## 6 Monitoring of environmental or social characteristics

The Investment Adviser utilises an integrated exposure measurement process which measures and monitors individual and Fund-level environmental and social characteristics on at least a monthly basis. This monitoring process is built into the portfolio construction process to help ensure the Fund is managed in accordance with its stated investment guidelines and applicable regulatory requirements. This includes the monitoring of the environmental or social characteristics of the Fund in accordance with the methodology as described in Section 7. The measurement and monitoring process is ongoing over the full lifecycle of the Fund.

As part of its independent risk management activities, the Investment Adviser's risk management team conducts an additional layer of sustainability risk oversight for the Fund, being an Article 8 fund. The goal of the sustainability risk oversight process is to ensure that the Fund is meeting expectations related to its environmental and social characteristics. The process also ensures that the Fund meets the requirements set out in the prospectus and investment guidelines of the Fund.

At least monthly, the Investment Adviser's Risk Management team evaluates the Fund's alignment with its stated environmental and social characteristics and sustainability indicators. In the event the Fund is determined to be misaligned with its stated environmental and social characteristics, this will be escalated appropriately.

## 7 Methodologies for environmental or social characteristics

The indicators used to measure the attainment of the environmental and social characteristics promoted by the Fund are calculated according to the following methodologies:

1. The Fund's ESG score (from 0 to 10, where 10 is the most favourable score) is calculated as a weighted average of the individual ESG scores of the issuers of the securities held by the Fund. ESG scores are determined by the Investment Adviser's third-party data provider, being MSCI Inc. Further information on the MSCI ESG scoring methodology are available at: <https://www.msci.com/our-solutions/esg-investing/esg-ratings>
2. The Fund's market value with an ESG rating of CCC (worst in class relative to peers) as a percentage of the Fund's total portfolio value invested in securities from issuers rated CCC by the Investment Adviser's third-party data provider.
3. The Fund's market value exposed to violations of the UN Global Compact principles is calculated as a percentage of the Fund's total portfolio value invested in securities from issuers flagged as non-compliant with international norms set forth in the UN Global Compact Principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions, as determined by the Investment Adviser's third-party data provider.

## 8 Data sources and processing

The sustainability indicators used to measure attainment of the environmental and social characteristics promoted by the Fund are drawn from third-party data sets overseen by the Investment Adviser. At this time, estimated data is not used to measure attainment of the environmental and social characteristics promoted by the Fund.

1. The Fund's ESG score is derived from MSCI ESG Ratings.
2. The Fund's market value with an ESG rating of CCC is derived from MSCI ESG Ratings.
3. The Fund's market value exposed to violations of the UN Global Compact principles is derived from Sustainalytics Global Standards data.

All third-party data providers are overseen by the Investment Adviser and subject to the Investment Adviser's due diligence and vendor management policies. Data accuracy and coverage has historically been a challenge in ESG research, and the Investment Adviser continuously evaluates the quality and comprehensiveness of the third-party data utilised. The Investment Adviser has deemed the issuer coverage of the sources utilised as sufficient and comprehensive enough to cover the investment opportunity set.

ESG data received from third parties is delivered daily via the Investment Adviser's existing infrastructure, checked for completeness, and then processed for incorporation into the portfolio construction process.

## 9 Limitations to methodologies and data

Third-party ESG ratings and scores, as described above, are used as indicators to measure attainment of the environmental and social characteristics promoted by the Fund. Third-party ESG ratings and scores follow a methodology determined by the data provider that are based on certain assumptions, forecasts, projections, views and opinions which may be based on current market trends or anticipated future events. While each ESG metric has its unique challenges, general data limitations can include, but are not restricted to:

- Variations in Disclosure: disclosure norms across different issuers, industries, and regions vary. This includes disparities in the level of environmental, social, and governance disclosure, which can range from detailed reporting to minimal or no information at all. Such variations can pose challenges in accurately assessing a company's ESG performance.
- Data Standardization and Benchmarking Challenges: The process of standardizing diverse data types, including those related to environmental and social targets set by companies, is complex and requires judgement.
- Subjectivity in Key Issue Selection and Weighting: The selection of ESG key issues relevant to each industry and the weighting of these issues involve a degree of subjectivity. Although based on a review of underlying data and expert analysis, these decisions may affect the comparability and fairness of ratings or scores across different industries.
- Use of Estimates: In cases where company-disclosed figures are not available, the data provider may use estimates derived from industry averages or other criteria. While necessary, reliance on estimated data can introduce uncertainty into the ratings or scores.
- Controversy and Event-Based Key Metrics: The severity and types of controversies an issuer faces can significantly impact its governance scores. The evaluation of controversies is inherently subjective and dependent on available information, which may change over time.

The abovementioned limitations do not affect how the environmental or social characteristics promoted by the Fund are met. This is because the data provider's methodology accounts for the above-mentioned data limitations to mitigate the impact of these limitations on the quality of the key ESG data utilized in the portfolio construction process. These limitations are addressed through:

- Comprehensive and Adaptive Methodology: Despite the challenges of varying disclosure norms and the need for data standardization, the data provider's methodology is designed to be comprehensive and adaptive. It accounts for the broad spectrum of ESG factors and can adjust to new information or changing market dynamics, maintaining the relevance and accuracy of its ratings or scores.
- Relative Performance Assessment: the data provider's ESG ratings or scores are industry-

relative measures, meaning they assess a company's ESG performance in relation to its industry peers. This approach mitigates the impact of absolute data limitations by focusing on comparative performance, which is a valuable indicator of ESG risk and opportunity management.

- **Expert Analysis and Sector Teams:** The data provider employs expert analysts and sector teams who review and interpret data, including using estimates where necessary, to ensure that ratings or scores reflect a nuanced understanding of each issuer's ESG risks and opportunities. This expertise helps to counterbalance the limitations inherent in the data.
- **Ongoing Review and Feedback:** The data provider conducts an annual review of its data and methodology and incorporates client and industry feedback into its process, allowing for continuous improvement and refinement of its methodology. This process helps ensure that the ESG ratings, scores and data utilized in the portfolio construction process remain accurate, relevant, and reflective of current ESG considerations.

## 10 **Due Diligence**

The Investment Adviser applies a high standard of due diligence in the initial selection and ongoing monitoring of investments made by the Fund for the purpose of compliance with investment, liquidity and risk guidelines, as well as sustainability risks, ESG criteria and general financial performance. Portfolio Managers utilize the portfolio construction platform where the Fund integrates sustainability considerations into the investment process. The Fund is periodically reviewed within the Investment Adviser to ensure the guidelines as mentioned above are met.

The Investment Adviser risk team also conducts due diligence engagement with the Investment Adviser and monitors the positions taken by the Fund on a post-trade basis to determine whether the Fund is performing as expected or if adjustments to the Fund's portfolio are required.

In addition to the above, the Investment Adviser is subject to a "good governance" assessment that evaluates the relevant team's policy and approach to determining whether securities are issued by companies that exhibit "good governance" practices.

## 11 **Engagement Policies**

The Investment Adviser may engage certain companies held by the Fund with respect to sustainability risks and opportunities in order to gain insight into and encourage improvement in the issuer's long-term sustainability strategy and ESG management practices. Additionally, the Investment Adviser may incorporate ESG information into proxy research and voting decisions where it is determined to be in the best interest of the Shareholder to do so.

In this respect, the Investment Adviser has developed an adequate and effective strategy for determining when and how voting rights attached to instruments held in the Fund are to be exercised. The Investment Adviser maintains a proxy voting committee (the "Committee") comprised of representatives of the Investment Adviser's investment and compliance personnel. The Committee provides oversight of the Investment Adviser's proxy voting policy (the "Proxy Policy") and activities and meets as necessary to perform its oversight function. The Investment Adviser has elected to retain a third-party proxy voting service to vote proxies on behalf of its clients in accordance with guidelines approved by the Committee, with certain limited exceptions as outlined in its Proxy Policy. The guidelines set forth the manner in which the Investment Adviser shall vote, or the manner in which the Investment Adviser shall determine how to vote, with respect to matters that may come up for shareholder vote. So long as the proxy voting service provider votes proxies in accordance with the guidelines provided by it, the Investment Adviser believes that there is an appropriate presumption that the manner in which the Investment Adviser votes was not influenced by, and did not result from, a conflict of interest.

The Investment Adviser has also engaged third-party vendors to assist with shareholder engagement on behalf of the Fund, with the goal of increasing corporate accountability with respect to sustainability

risk by companies whose shares are held by the Fund. The Investment Adviser believes that proactive, professional and constructive engagement with companies may lead to a general improvement in standards with respect to sustainability risks, thus leading to an overall reduction in sustainability risk.

In certain circumstances, a shareholder engagement vendor will provide to the Investment Adviser a proxy voting recommendation with respect to a proxy matter that bears on the subject of the vendor's engagement with that issuer. In the event that the shareholder engagement vendor's recommendation conflicts with the Investment Adviser's proxy voting guidelines, the Committee will convene to consider the recommendation, in accordance with the conflict of interest policies set forth in the Proxy Policy. For any proposal where the Committee determines that the Investment Adviser does not have a material conflict of interest, the Committee may follow the recommendation of the shareholder engagement vendor if the Committee reasonably determines that doing so is in the best interests of the Shareholders.

## **12 Designated Reference Benchmark**

No index has been designated as a reference benchmark to meet the environmental or social characteristics promoted by the Fund.



### 13 **Pre-contractual disclosures**

The pre-contractual disclosures for the Fund, for the purposes of Article 8 SFDR, are provided at the link below:

<https://www.sei.com/en-gb/fund-documents>

### 14 **Periodic reports**

The latest periodic disclosures for the Fund, for the purposes of Article 11 SFDR, are available in the link below:

<https://www.sei.com/en-gb/fund-documents>

FUND: The SEI Factor Allocation Global Equity Fund (the "Fund")

LEI: 549300946OJYQB1H5W23

MANAGEMENT COMPANY: SEI Investments Global, Limited (the "Management Company" / the "AIFM")

INVESTMENT ADVISER: SEI Investments Management Corporation (the "Investment Adviser")

PUBLISHED: September 27, 2024