

## Financial product to which these disclosures relate:

**Sands Capital Global Shariah Fund** (the "*Fund*") (LEI: 549300QT8O77EY5RXL44)

### (a) Summary

This financial product (i.e., the Fund) promotes environmental or social characteristics but does not have as its objective sustainable investment. The environmental and social characteristics promoted by the Fund consist of: (1) reducing the aggregate level of greenhouse gas emissions of portfolio companies relative to constituent companies of the S&P Global BMI Shariah Index (the "*Index*"); (2) routine engagement with portfolio companies that may promote transparency, change and awareness with respect to environmental, social, and governance ("*ESG*") considerations; and (3) excluding investments in issuers that are not aligned with certain environmental and/or social ("*E/S*") characteristics. A summary of the investment strategy employed to attain the E/S characteristics that the Fund promotes is as follows: (1) Sands Capital Management, LLC (the "*Investment Manager*") will manage the Fund such that the overall weighted average Carbon Intensity (or "*WACI*") of its portfolio companies is less than half of the Index's WACI, as measured on a quarterly basis (the "*Maximum Relative Carbon Intensity Commitment*"); (2) the Investment Manager will undertake ESG Engagement (meaning engagement focused on a company's ESG risks and opportunities with its management team or board of directors) with at least 35% of the Fund's portfolio companies each year; and (3) the Fund will not hold investments in any issuers to which the Revenue Exclusions, Controversial Weapons Exclusions, Tobacco Exclusions or Human Rights Exclusions (as described in section (d) below and together the "*ESG Exclusions*") apply. The Investment Manager will assess the good governance practices of the investee companies of the Fund.

At least 90% of the Fund's Net Asset Value ("*NAV*") will be aligned with any one or more of the environmental and/or social characteristics of the Fund. The Fund does not commit to making sustainable investments. Other investments of the Fund include investments and other instruments of the Fund that cannot be aligned with the E/S characteristics of the Fund. These can include, for example cash and cash equivalents. The Fund's investments have 0% EU Taxonomy-alignment. The Fund will primarily have direct exposure but may have some indirect exposure to companies.

The following sustainability indicators are used to measure the attainment, respectively, of each of the E/S characteristics described above: (1) the ratio of the WACI of the Fund's portfolio companies relative to that of the Index; (2) the percentage of the Fund's portfolio companies with which the Investment Manager attained ESG Engagement; and (3) the percentage of the Fund's total assets that consists of portfolio companies that fall within each of the ESG Exclusions. The Investment Manager (through a combination of its centralized stewardship and compliance teams and a decentralized approach employed by investment professionals, as appropriate) will measure compliance with the E/S characteristics at the frequencies referred to above.

The following methodologies are used to calculate, respectively, each of the sustainability indicators: (1) at the end of each quarter, (x) the then-current WACI of the Fund's portfolio companies for which data is available will be divided by (y) the Index's then-current WACI to calculate the percentage of WACI. So long as the percentage is less than 50%, the Fund will be

deemed to be attaining the environmental characteristic promoted; (2) at the end of each calendar year, (x) the total number of portfolio companies with which the Investment Manager attained ESG Engagement in the previous 12 months will be divided by (y) the total number of portfolio companies held by the Fund in the previous 12 months to calculate the percentage of portfolio company ESG Engagement. So long as the percentage is greater than 35%, the Fund will be deemed to be attaining the environmental and social characteristics promoted; and (3) on an ongoing basis the Investment Manager will monitor the portfolio companies in which the Fund is invested against the ESG Exclusions thresholds/criteria set out in detail in the section (g) below and for so long as these are respected, the Fund will be deemed to be attaining the relevant E/S characteristics.

Data obtained from MSCI ESG Research ("*MSCI*") (including a relatively low proportion of estimated data) will be used to attain the E/S characteristics related to the Maximum Relative Carbon Intensity Commitment and ESG Exclusions. The Investment Manager relies primarily on its internal research notes database (the "*IRN Database*") to attain the E/S characteristics related to the ESG Engagement Commitment. The Investment Manager may take measures such as engagement with MSCI or portfolio companies to ensure data quality.

In relation to the Maximum Relative Carbon Intensity Commitment, MSCI does not cover, and therefore does not provide a WACI for, all issuers. Thus, issuers not covered by MSCI are excluded from the calculation of the Fund's WACI. In calculating the Fund's WACI, non-covered companies are excluded and non-excluded portfolio weights are then normalized to 100% and in this way this limitation is not considered to affect how the attendant environmental characteristics promoted by the Fund are met.

In relation to the ESG Exclusions, MSCI does not cover, and therefore does not provide relevant data for, all issuers in which the Fund may invest. For any such issuers not covered by MSCI, the Investment Manager considers data obtained from other sources the Investment Manager deems to be reliable and/or the Investment Manager's internal research processes and/or reasonable assumptions.

By way of summary of the due diligence undertaken on investments to achieve each of the E/S characteristics in turn: (1) if investment in a company from an industry known for emitting significantly higher carbon emissions than others is ever being considered, the Investment Manager will analyse the potential impact on the Fund portfolio's overall WACI before investing in order to ensure that the Maximum Relative Carbon Intensity Commitment will not, as a result of the investment, be breached. The WACI of the Fund is otherwise analysed on a quarterly basis against that of the Index; (2) The Investment Manager considers all sustainability risks that it deems relevant (taking a materiality-based approach) when making investment decisions and evaluates these on an ongoing basis. This informs whether an investment will be made by the Fund in a company that has certain sustainability risks and if so, which ESG issues are relevant for engaging the company; and (3) the Investment Manager's compliance team screens all investments against the ESG Exclusions criteria pre-investment by the Fund and on an ongoing basis post-investment.

The Investment Manager will undertake ESG Engagement with at least 35% of the Fund's portfolio companies each year. The Investment Manager does not establish an engagement template that is applied across all portfolio businesses. Instead, the Investment Manager makes judgements about the issues that could have a material impact on investments. When merited, the Investment Manager may seek commitments for improved disclosure or policy changes. Additionally, the Investment Manager may reduce or exit the Fund's position in a portfolio

company if the company is unable or unwilling to address the Investment Manager's ESG concerns.

When a material sustainability-related controversy is reported for one of the Fund's investee companies, the covering analyst will typically conduct a review and assessment of the controversy to determine if it impacts the Investment Manager's investment thesis or conviction in the business.

**(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 environmental and social characteristics promoted by the Fund consist of (1) reducing the aggregate level of greenhouse gas emissions of portfolio companies relative to constituent companies of the Index; (2) routine engagement with portfolio companies that may promote transparency, change and awareness with respect to environmental, social, and governance ESG considerations; and (3) excluding investments in issuers that are not aligned with certain environmental and social characteristics.

**(d) Investment strategy**

The investment strategy used by the Fund to attain the environmental and social characteristics it promotes includes: (1) the application of the Investment Manager's six investment criteria, as described in the sub-section of this Supplement entitled "*Investment Policy*", which tends to lead to investment in companies that are in less carbon-intensive industries; (2) routine engagement with portfolio companies, which is an integral aspect of the Investment Manager's deep, business-focused approach and provides a platform to promote ESG-related changes, where appropriate; and (3) the application of exclusionary criteria to identify issuers that are not aligned with certain environmental and social characteristics that may negatively affect a business's long-term value creation.

The following binding elements of the investment strategy are used to attain the environmental and social characteristics described above:

**(1) Maximum Relative Carbon Intensity Commitment**

The Investment Manager will manage the Fund such that the overall portfolio weighted average Carbon Intensity of its portfolio companies is less than half of the Index's weighted average Carbon Intensity, as measured on a quarterly basis. This metric indicates the Fund's exposure to portfolio companies with significant carbon emissions relative to that of the Index. Accordingly, this commitment will promote the environmental characteristic of reducing the impact of greenhouse gas emissions as it will ensure that the Fund's holdings (excluding cash and cash equivalents) remain in portfolio companies that, in the weighted aggregate, emit less than half as much carbon per revenue US Dollar as compared to the constituent companies of the Index.

The Fund's weighted average Carbon Intensity is provided by MSCI ESG Climate Change Metrics and is a measure of a portfolio's exposure to carbon-related potential market and regulatory risks, translated into the sum product of the portfolio companies' carbon intensities and weights. MSCI ESG Climate Change Metrics is provided by MSCI. Carbon Intensity measures the carbon

efficiency of a company by comparing the total carbon emissions of a portfolio company (using either company disclosure or, where MSCI deems it appropriate, MSCI's estimated Scope 1 and 2 greenhouse gas emissions for the relevant company) against its sales (i.e., emissions per US Dollar of sales). Utilising a weighted average allows a comparison of emissions across companies of different sizes and in different industries. The calculation involves taking, at a business level, the carbon emissions per US Dollar of sales for each portfolio company and multiplying this against the portfolio weight of the investment. The portfolio-level weighted average Carbon Intensity is then the sum product of all the investment businesses' weights and their Carbon Intensities. MSCI does not cover, and therefore does not provide a weighted average Carbon Intensity for, all issuers. Thus, issuers not covered by MSCI are excluded from the calculation of the Fund's weighted average Carbon Intensity. In calculating the Fund's weighted average Carbon Intensity, non-covered companies are excluded and non-excluded portfolio weights are then normalized to 100%.

**(2) ESG Engagement**

The Investment Manager views engagement focused on a company's ESG risks and opportunities with its management team or board of directors ("*ESG Engagement*") as a valuable tool and an integral aspect of the investment strategy. The Investment Manager will undertake ESG Engagement with at least 35% of the Fund's portfolio companies each year.

ESG Engagement provides both an opportunity to learn more about portfolio companies' ESG initiatives and, when merited, a forum for the Investment Manager to proactively express its views regarding, among other stakeholder issues, ESG considerations. Examples of ESG considerations that may be raised during ESG Engagement include:

<b>Environmental</b>	<b>Social</b>	<b>Governance</b>
<ul style="list-style-type: none"> <li>• Environmental policy and strategy</li> <li>• Energy use and efficiency</li> <li>• Pollution and waste management</li> <li>• Water use and efficiency</li> <li>• Greenhouse gas emissions or climate change strategy</li> <li>• Materials use and sourcing</li> <li>• Compliance with applicable law and regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Data security and privacy</li> <li>• Human capital management</li> <li>• Human rights</li> <li>• Labour rights</li> <li>• Product safety and impact</li> <li>• Diversity and inclusion</li> <li>• Compliance with applicable law and regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership and control</li> <li>• Audit and accounting</li> <li>• Board structure or composition</li> <li>• Capital structure</li> <li>• Executive compensation</li> <li>• Employee relations</li> <li>• Related-party transactions</li> <li>• Shareholder protection and rights</li> <li>• Management accountability</li> <li>• Increasing transparency and disclosure</li> <li>• Compliance with applicable law and regulation</li> </ul>

The Investment Manager uses information learned through ESG Engagement to inform investment decisions with respect to the Fund's holdings. When merited, the Investment Manager may seek commitments for improved disclosure or policy changes. Additionally, the Investment

Manager may reduce or exit the Fund's position in a portfolio company if the company is unable or unwilling to address the Investment Manager's ESG concerns.

Through regular ESG Engagement, the Investment Manager leverages the Fund's assets to promote positive environmental and social characteristics among its portfolio companies, in addition to encouraging good governance.

There may be no ESG Engagement with up to 65% of the Fund's portfolio companies each year. This is to account for the natural cycle of engagement topics among portfolio companies and the Fund's strategy of long-term investment. The Investment Manager does not apply a standard slate of engagement topics or themes across all portfolio businesses each year. Rather, portfolio company engagement topics are dynamic and will therefore differ from company to company and from year to year.

### **(3) Excluded Investments**

#### *Revenue Exclusions*

The Fund will not hold investments in any issuers that derive more than:

- (i) 10% of their annual revenues (either reported or estimated) from the mining of thermal coal and its sale to external parties;
- (ii) 30% of their annual revenues (either reported or estimated) from thermal coal-based power generation although exceptions may be made where a company can demonstrate a credible transition plan and/or significant commitments to renewable energy sources and clean technologies; or
- (iii) 20% of their recent-year revenue, or maximum estimated percent, from retail sales or distribution of tobacco products or from supplying products essential to the tobacco industry; (the "Revenue Exclusions").

#### *Human Rights, Controversial Weapons and Tobacco Exclusions*

The Fund will not hold investments in any issuers that:

- (i) are in breach of the principles of the United Nations Global Compact, including those in relation to the use of forced or child labour (the "Human Rights Exclusions") (see further below);
- (ii)
  - manufacture biological and chemical weapons, including weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties to kill, injure, or incapacitate;
  - manufacture weapons utilising laser technology that causes permanent blindness to the target;
  - manufacture components that were developed or are significantly modified for exclusive use in cluster munitions;
  - are involved in the production of depleted uranium ("DU") weapons, ammunition, and armour, including companies that manufacture armour piercing, fin stabilised, discarding sabot tracing rounds (APFSDS-T); Kinetic Energy Missiles made with DU penetrators; and DU-enhanced armour, including composite tank armour;
  - manufacture incendiary weapons using white phosphorus;

- manufacture components that were developed or are significantly modified for exclusive use in anti-personnel landmines; or
- manufacture weapons that use non-detectable fragments to inflict injury to targets;

(the “*Controversial Weapons Exclusions*”); or

(iii) manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco (including companies that grow or process raw tobacco leaves) (the “*Tobacco Exclusions*”).

The Investment Manager will measure compliance with binding elements (1) and (2) quarterly and annually, respectively.

Compliance with binding element (3) will be monitored on an ongoing basis by the Investment Manager.

In order to assess compliance with the Revenue Exclusions, Controversial Weapons Exclusions and Tobacco Exclusions, the Investment Manager places significant weight on revenue data collected and analysed by MSCI. MSCI analyses the financial statements of each company invested in by the Fund and categorises revenues in a manner that allows the Investment Manager to evaluate whether any of the Revenue Exclusions, Controversial Weapons Exclusions or Tobacco Exclusions should apply. MSCI does not, however, cover and therefore does not provide such data for, all issuers in which the Fund may invest. For any such issuers not covered by MSCI, the Investment Manager considers data obtained from other sources the Investment Manager deems to be reliable and/or the Investment Manager's internal research processes and/or reasonable assumptions.

With respect to the Human Rights Exclusions, the Investment Manager places significant weight on MSCI’s Global Norms Screening to provide assessments of whether companies are in breach of UN Global Compact Principles. MSCI does not, however, cover and therefore does not provide such data for, all issuers in which the Fund may invest. For any such issuers not covered by MSCI, the Investment Manager considers data obtained from other sources the Investment Manager deems to be reliable and/or the Investment Manager's internal research processes and/or reasonable assumptions. In relation to companies which are covered by MSCI, MSCI monitors company disclosures, government, media, and NGO sources to determine if a company has faced a significant controversy related to the UN Global Compact Principles. MSCI provides the Investment Manager an overall pass, fail or watch list assessment of each company based on the severity of any related alleged violations in which a company is implicated. The Investment Manager will give significant weight to MSCI’s findings but will ultimately make its own final determination as to whether a company is currently in breach of UN Global Compact Principles for the purposes of applying the Human Rights Exclusions based on additional analysis of a range of relevant publicly available information, discussion of any "fail" assessment with MSCI and engagement with the company in question in relation to the controversy giving rise to that assessment. If the Investment Manager ultimately determines that the company is currently in breach of UN Global Compact Principles, the Fund will divest from that company within 180 days of the first reported breach.

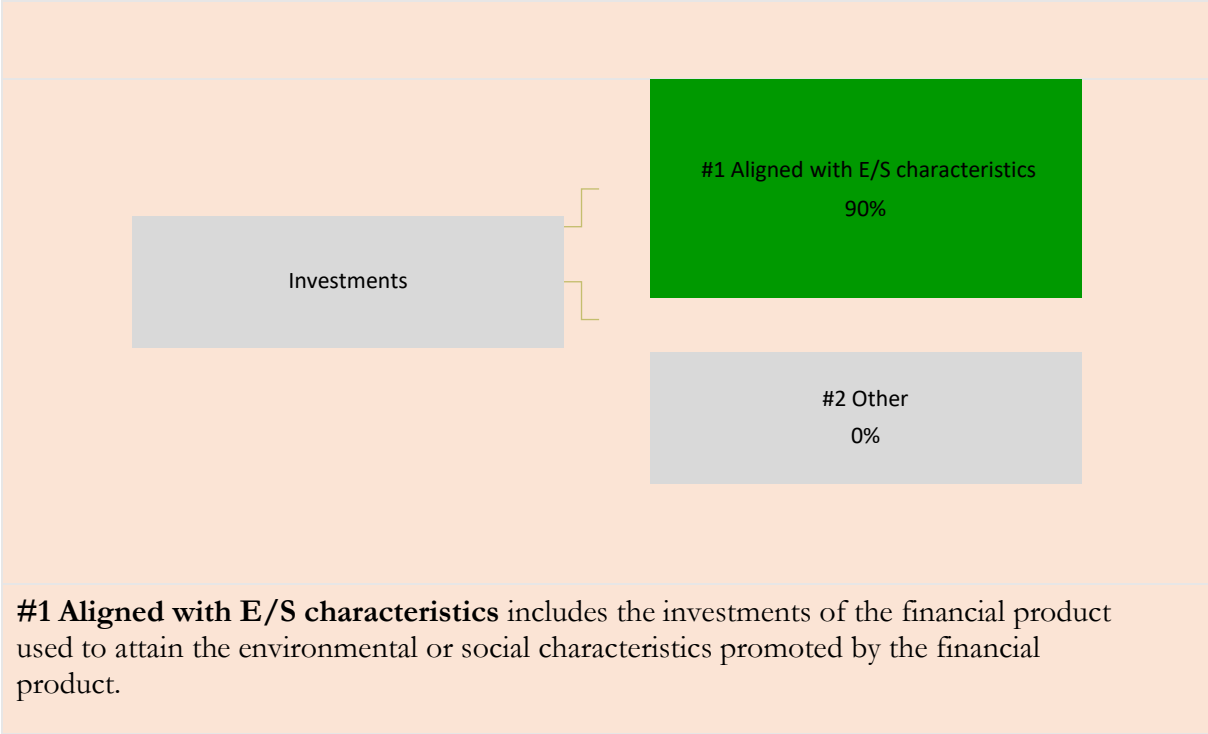
The Investment Manager will assess the good governance practices of portfolio companies, which will involve assessing for issues relating to: ownership and control, audit and accounting, board structure or composition, capital structure, executive compensation, employee relations, related-

party transactions, shareholder protection and rights, management accountability, increasing transparency and disclosure, and the company’s history of compliance with applicable regulations.

**(e) Proportion of investments**

The Maximum Relative Carbon Intensity Commitment described above applies in respect of the Fund's investments in any companies in respect of which MSCI ESG Research holds the relevant data and all such investments will therefore be used to attain the associated environmental characteristics promoted by the Fund. The ESG Engagement commitment described above requires that in any given year, the Investment Manager will attain ESG Engagement with at least 35% of the Fund’s portfolio companies. Therefore, at least 35% of the Fund’s portfolio companies will contribute towards the attainment of the associated environmental and social characteristics promoted by the Fund (the percentage of the Fund’s assets this corresponds to will vary). None of the Fund’s assets can be invested in portfolio companies to which the Revenue Exclusions, the Human Rights Exclusions, the Controversial Weapons Exclusions or the Tobacco Exclusions described above apply. Therefore, all of the Fund’s assets (excluding cash and cash equivalents) seek to promote the associated environmental and/or social characteristics. At least 90% of the Fund's NAV is accordingly aligned with any one or more of the environmental and/or social characteristics of the Fund.

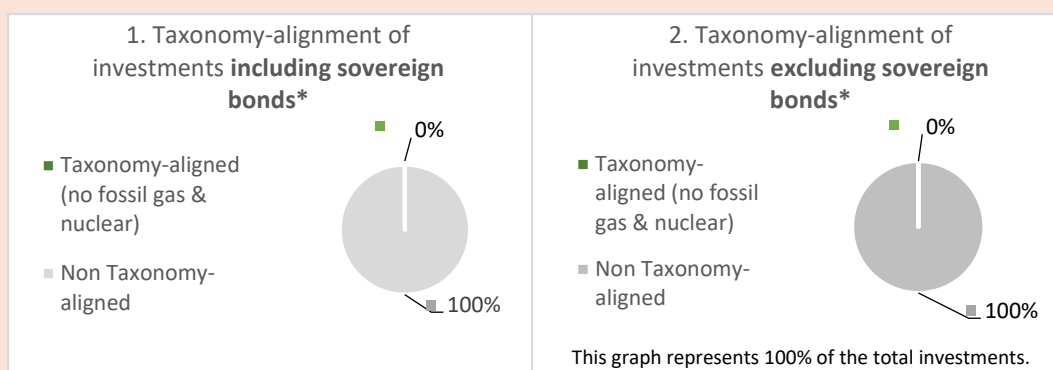
The Fund does not commit to making sustainable investments. Investments in the "#2 Other" category include investments and other instruments of the Fund that cannot be aligned with the environmental and/or social characteristics of the Fund. These can include, for example cash and cash equivalents. The Fund does not make a minimum commitment to making investments that fall within the "#2 Other" category and therefore 0% is included for that category in the graphic below. This means that between 0% and 10% of the Fund's NAV might at any point in time qualify as "#2 Other" investments.



**#2Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

“#2 Other” may include other investments and instruments of the Fund that cannot be aligned with the environmental and/or social characteristics of the Fund. These can include cash and cash equivalents. The Fund does not make a minimum commitment to making investments that fall within the “#2 Other” category and therefore 0% is included in the ‘What is the asset allocation planned for this financial product?’ section above.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures*

*Distinction between direct exposures in investee entities and all other types of exposures to those entities.*

The Fund will primarily invest directly in equity securities of investee companies but may have some indirect exposure to companies through investment in equity-related securities, such as global depositary receipts (“GDRs”), American depositary receipts (“ADRs”) and participatory notes (“P-Notes”).

#### **(f) Monitoring of environmental or social characteristics**

The Investment Manager monitors the attainment of the environmental and social characteristics of the Fund by reference to the sustainability indicators referred to above. The Investment Manager will measure compliance with the Maximum Relative Carbon Intensity Commitment and the ESG Engagement Commitment quarterly and annually, respectively, by way of assessment against the relevant sustainability indicators (as set out above). The Excluded Investments Commitment will be monitored against the relevant sustainability indicators (as set out above) on an ongoing basis by the Investment Manager.



Relevant internal processes may change from time to time but currently the Investment Manager's resources and personnel include a centralized stewardship team, a centralized compliance team, and a decentralized approach employed by investment professionals, as described below.

The stewardship and the compliance teams use data provided by MSCI to monitor compliance with the Maximum Relative Carbon Intensity commitment, the Revenue Exclusions, the Tobacco Exclusions, the Controversial Weapons Exclusions and the Human Rights Exclusions. In addition to reviewing the Fund's weighted average Carbon Intensity relative to the Index, the Investment Manager uses more granular data provided in MSCI Carbon Portfolio Analytics reports to identify individual portfolio companies that are driving trends in the portfolio-level carbon metrics. That information is also shared by the stewardship team with the relevant investment professionals.

With respect to ESG engagement, the lead analyst for a given portfolio company has primary responsibility for engaging with the business, but investment professionals generally are responsible for evaluating portfolio businesses on ESG-related attributes based on the Investment Manager's six investment criteria. Investment team members have access to an IRN Database which contains internally generated ESG-related information as well as third-party research reports. Analysts are expected to report regularly on relevant ESG factors affecting businesses under their coverage and produce proprietary ESG reports that are saved to the IRN Database and are accessible to all members of the investment team. Additionally, ESG Engagements are tracked through the IRN Database. Through these tools, the stewardship team and compliance team can monitor environmental and social characteristics attained by the Fund, along with positive and negative contributions of portfolio companies.

## **(g) Methodologies**

### *(1) Maximum Relative Carbon Intensity Commitment*

At the end of each quarter, the Investment Manager will divide (x) the then-current weighted average Carbon Intensity of the Fund's portfolio companies for which data is available by (y) the Index's then-current weighted average Carbon Intensity to calculate the percentage of weighted average Carbon Intensity. So long as the percentage is less than 50%, the Fund will be deemed as attaining the environmental characteristic promoted.

### *(2) ESG Engagement*

At the end of each calendar year, the Investment Manager will divide (x) the total number of portfolio companies with which the Investment Manager attained ESG Engagement in the previous 12 months by (y) the total number of portfolio companies held by the Fund in the previous 12 months to calculate the percentage of portfolio company ESG Engagement. So long as the percentage is greater than 35%, the Fund will be deemed as attaining the environmental and social characteristics promoted.

### *(3) Excluded Investments*

On an ongoing basis, the Investment Manager will monitor the portfolio companies in which the Fund is invested against:

- the Revenue Exclusions thresholds identified above. So long as no such portfolio company crosses these revenue thresholds, the Fund will be deemed to be attaining the environmental and social characteristics promoted (subject, in respect of the 30% annual revenue (either reported or estimated) threshold in respect of thermal coal-based power generation, to the caveat that exceptions may be made where a company can demonstrate a credible transition plan and/or significant commitment(s) to renewable energy sources and clean technologies,);
- the Controversial Weapons Exclusions criteria, a breach of which would be indicated by any of the following (positive) results in respect of the relevant MSCI screening factors:

<b>MSCI screening factor</b>	<b>Result</b>
Weapons - Bio/chem Systems	True
Weapons – Blinding Laser	True
Cluster Munitions - Intended Use Components	Any
Weapons - Depleted Uranium Manufacturer	True
Weapons - White Phosphorous	True
Landmines - Intended Use Components	Any
Weapons - Non-Detectable Fragments	True

So long as no such portfolio company is in breach, the Fund will be deemed to be attaining the environmental and social characteristics promoted;

- the Tobacco Exclusions criteria, a breach of which would be indicated by a "True" result in respect of the MSCI screening factor "Tobacco Producer". So long as no such portfolio company is in breach of the Tobacco Exclusions, the Fund will be deemed to be attaining the social characteristic promoted; and
- the Human Rights Exclusions criteria, a breach of which will be indicated by a breach of the principles of the UN Global Compact, including those in relation to the use of forced or child labour (i.e., a "Fail" result for the MSCI screening factor "Global Compact Compliance"). The Investment Manager will give significant weight to this result but will ultimately make its own final determination as to whether a company is currently in breach of UN Global Compact Principles for the purposes of applying the Human Rights Exclusions based on additional analysis (as explained further above). So long as no such portfolio company is determined by the Investment Manager to be in breach or the Fund divests of a breaching investment within the time period considered prudent by the Investment Manager (and within 180 days of the first reported breach), the Fund will be deemed to be attaining the social characteristic promoted.

## **(h) Data sources and processing**

### *(1) Maximum Relative Carbon Intensity Commitment*

The Fund's weighted average Carbon Intensity is provided by MSCI ESG Climate Change Metrics and is a measure of a portfolio's exposure to carbon-related potential market and regulatory risks, translated into the sum product of the portfolio companies' carbon intensities and weights. MSCI ESG Climate Change Metrics is provided by MSCI. Carbon Intensity measures the carbon efficiency of a company by comparing the total carbon emissions of a portfolio company (using either company disclosure or, where MSCI deems it appropriate, MSCI's estimated Scope 1 and 2

greenhouse gas emissions for the relevant company) against its sales (i.e., emissions per US Dollar of sales). Utilising a weighted average allows a comparison of emissions across companies of different sizes and in different industries. The calculation involves taking, at a business level, the carbon emissions per US Dollar of sales for each portfolio company and multiplying this against the portfolio weight of the investment. The portfolio-level weighted average Carbon Intensity is then the sum product of all the investment businesses' weights and their Carbon Intensities. MSCI does not cover, and therefore does not provide a weighted average Carbon Intensity for, all issuers. Thus, issuers not covered by MSCI are excluded from the calculation of the Fund's weighted average Carbon Intensity. In calculating the Fund's weighted average Carbon Intensity, non-covered companies are excluded and non-excluded portfolio weights are then normalized to 100%.

## *(2) ESG Engagement*

ESG Engagements are tracked by the Investment Manager using its IRN Database where analysts are able to tag their research notes as an ESG Engagement and highlight the specific type of engagement (e.g., shareholder rights, board structure, human capital management). This tool allows members of the investment team to record and track the qualitative outcomes of individual engagements and serves as a reporting record to inform future engagements to measure progress. Data are processed from the IRN Database to a Power BI dashboard, which displays engagements metrics and can be filtered by time period, covering analyst, and specific type of engagement. Methods to ensure data quality include quarterly review by analysts and dedicated communication channel. With respect to the ESG Engagement indicator, no data are estimated.

## *(3) Excluded Investments*

In order to assess compliance with the Revenue Exclusions, the Tobacco Exclusions and the Controversial Weapons Exclusions, the Investment Manager places significant weight on data collected and analysed by MSCI. MSCI analyses the financial statements of each portfolio company and categorises revenues according to several criteria. These categories allow the Investment Manager to determine whether a portfolio company complies with the thresholds set in respect of the Revenue Exclusions, the Tobacco Exclusions and the Controversial Weapons Exclusions as outlined above.

With respect to the Human Rights Exclusions, the Investment Manager places significant weight on MSCI's Global Norms Screening to provide assessments of whether companies are in breach of UN Global Compact Principles. MSCI monitors company disclosures, government, media, and NGO sources to determine if a company has faced a significant controversy related to the UN Global Compact Principles. MSCI provides the Investment Manager an overall pass, fail or watch list assessment of each company based on the severity of any related alleged violations in which a company is implicated. The Investment Manager will give significant weight to MSCI's findings but will ultimately make its own final determination as to whether a company is currently in breach of UN Global Compact Principles for the purposes of applying the Human Rights Exclusions based on additional analysis of a range of relevant publicly available information, discussion of any "fail" assessment with MSCI and engagement with the company in question in relation to the controversy giving rise to that assessment.

The Investment Manager's methodologies and data with respect to weighted average Carbon Intensity, the Human Rights Exclusions, Revenue Exclusions, Tobacco Exclusions and Controversial Weapons Exclusions are each limited by the accuracy of the data the Investment Manger receives from third-party sources. For these indicators, the Investment Manager relies on third parties to collect and analyse ESG-related data, and those third parties in turn rely on

self-reported or estimated data. The percentage of estimated data may change at any time depending on portfolio construction and data availability from MSCI, although the Investment Manager believes the proportion of estimated data at any given time to be relatively low.

Additionally, with respect to Carbon Intensity, the Investments Manager's methodologies and data may be limited due to the cadence at which MSCI updates issuers' carbon metrics, which may lag the official company reporting. With respect to the Human Rights Exclusions, the methodology for determining UN Global Compact compliance is developed by MSCI and subject to MSCI data, which may be limited as it is a proxy for UN Global Compact Compliance through MSCI, not the UN Global Compact itself. With respect to the Revenue Exclusions, Controversial Weapons Exclusions, and Tobacco Exclusions, revenue metrics provided to the Investment Manager by MSCI may lag the official company reporting and are dependent on the granularity of the company's revenue and segment reporting or estimations by MSCI.

While the Investment Manager cannot ensure the accuracy of the data it receives, it is the Investment Manager's belief that the potential for inaccuracies does not affect the overall attainment of environmental and social characteristics promoted by the Fund because the data will still provide a reasonable estimation of the relevant indicators. The Investment Manager may take measures such as engagement with MSCI or the portfolio company to ensure data quality but this will not necessarily remedy the relevant data limitations.

**(i) Limitations to methodologies and data**

In relation to the Maximum Relative Carbon Intensity Commitment, MSCI does not cover, and therefore does not provide a weighted average Carbon Intensity for, all issuers. Thus, issuers not covered by MSCI are excluded from the calculation of the Fund's weighted average Carbon Intensity. In calculating the Fund's weighted average Carbon Intensity, non-covered companies are excluded and non-excluded portfolio weights are then normalized to 100% and in this way this limitation is not considered to affect how the attendant environmental characteristics promoted by the Fund are met.

In relation to the Excluded Investments, MSCI does not cover, and therefore does not provide relevant data for, all issuers in which the Fund may invest. For any such issuers not covered by MSCI, the Investment Manager considers data obtained from other sources the Investment Manager deems to be reliable and/or the Investment Manager's internal research processes and/or reasonable assumptions.

**(j) Due diligence**

As investment discretion of the Company has been delegated to the Investment Manager, ESG-related due diligence on portfolio companies is integrated at the level of the investment decisions made by the Investment Manager, in accordance with the Investment Manager's ESG policy.

- (1) If investment in a company from an industry known for emitting significantly higher carbon emissions than others is ever being considered, the Investment Manager will analyse the potential impact on the Fund portfolio's overall weighted average carbon intensity before investing in order to ensure that the Maximum Relative Carbon Intensity Commitment will not, as a result of the investment, be breached. The weighted average Carbon Intensity of the Fund is otherwise analysed on a quarterly basis against that of the Index, as described above.

- (2) The integration of ESG factors into the Investment Manager's investment due diligence process informs whether an investment will be made by the Fund in a company that has certain sustainability risks and if so, which ESG issues are relevant for engaging the company on.

The Investment Manager takes a fundamental, business-focussed research approach in its investment process with respect to analysing each potential investment. As part of this investment process, the Investment Manager considers all financial and non-financial risks that it deems relevant in its investment decisions and evaluates these on an ongoing basis. In doing so, all sustainability risks that it deems relevant are also taken into account. As such, when considering sustainability risks, its approach is materiality-based. The Investment Manager places emphasis on the risks that it considers to be most important to each portfolio company and its stakeholders, which may depend on the region, country, or industry in which the portfolio company operates. The Investment Manager's analysts may leverage external frameworks, such as the Sustainability Accounting Standards Board standards, as a reference to identify financially-material sustainability risks or may consult ESG ratings and research provided by specialised rating agencies, such as Sustainalytics and MSCI, though the Investment Manager's analysts will always maintain independence in the execution of their research.

Examples of sustainability risks that the Investment Manager may consider in its due diligence process include:

- Environmental risks, particularly in energy intensive industries that are particularly sensitive to changing environmental regulations;
- Social risks, including in relation to human capital management, supply chain management, and product safety and impact;
- Governance risks, including in relation to the quality of the management team, executive compensation and alignment of incentive structures with stated long-term objectives, board composition, quality of disclosures and capital structure, ownership control and shareholder protections and rights.

This is an indicative list only, and the Investment Manager recognises that the universe of relevant sustainability risks will evolve and grow over time and adjusts its due diligence procedures accordingly.

- (3) The Investment Manager's compliance team screens all investments against the Revenue Exclusions, the Human Rights Exclusions, the Controversial Weapons Exclusions and the Tobacco Exclusions pre-investment by the Fund.

### **(k) Engagement policies**

The Company maintains an Engagement Policy that is compliant with SRD II. Engagement activities are carried out by the Investment Manager on behalf of the Fund.

The Investment Manager engages with portfolio companies, or potential portfolio companies, to advance the following primary objectives: (1) to inform the investment case; (2) to exchange perspectives on matters that are relevant to the interests of long-term shareholders, including ESG considerations (examples of which are included in the section above "Investment Strategy"); (3) to advocate for corporate change when in the best interest of shareholders, including with respect to ESG considerations; and (4) to discuss ballot proposals and inform proxy voting decisions. As the Investment Manager collectively advises clients that, in the aggregate, are frequently among a

portfolio company's largest shareholders, this enables the Investment Manager to engage constructively on ESG and other issues that can impact a company's long-term strategy and stakeholder stewardship. With respect to ESG Engagement, the Investment Manager seeks to:

- understand the ESG issues that impact companies in which the Fund is invested;
- evaluate a company's particular policies and practices in relation to relevant ESG considerations;
- encourage companies to align with best practice on ESG considerations, where appropriate;
- enter into constructive dialogue and engagement where a company's approach or practices on relevant ESG matters is below investor expectations;
- leverage investor rights to push for desired outcomes from portfolio companies; and
- align votes at general meetings with stated engagement objectives.

Engagements may take the form of in-person meetings, conference calls, or written correspondence, and are company-specific. The Investment Manager does not establish an engagement template that is applied across all portfolio businesses. Instead, the Investment Manager makes judgements about the issues that could have a material impact on investments. When merited, the Investment Manager may seek commitments for improved disclosure or policy changes. Additionally, the Investment Manager may reduce the Fund's position in a portfolio company if the company's management is unable or unwilling to address ESG-related concerns.

In line with applicable UCITS rules, the Company also has in place a policy on the exercise of voting rights, which sets out the mechanism for: (i) monitoring relevant corporate events; (ii) ensuring the exercise of voting rights is consistent with the investment objective and policies of the Company's sub-funds; and (iii) preventing or managing conflicts of interest that arise from the exercise of voting rights.

When a material sustainability-related controversy is reported for one of the Fund's investee companies, the covering analyst will typically conduct a review and assessment of the controversy to determine if it impacts the Investment Manager's investment thesis or conviction in the business.

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