

## **Informativa sul sito web SFDR per FP Foresight Global Real Infrastructure Fund**

### **Lussemburgo Sommario**

Le considerazioni relative alla sostenibilità rivestono un ruolo importante nel processo di selezione dei titoli da parte del Gestore degli investimenti.

Il Fondo ha l'obiettivo di effettuare investimenti sostenibili (ai sensi dell'articolo 2, paragrafo 17, dell'SFDR) e, di conseguenza, è qualificato come prodotto di cui all'articolo 9 dell'SFDR. Il Gestore degli investimenti cerca di evitare di investire in qualsiasi investimento che ritenga ragionevolmente possa danneggiare in modo significativo gli obiettivi di investimento sostenibile del Fondo. A scanso di equivoci, i derivati non sono utilizzati a fini di investimento e quindi non sono utilizzati per contribuire in alcun modo agli obiettivi di sostenibilità della Società.

Ai fini del Regolamento sulla tassonomia, il Gestore degli investimenti ha ritenuto che gli investimenti alla base di questo prodotto finanziario contribuiscano alla mitigazione dei cambiamenti climatici, all'adattamento ai cambiamenti climatici e alla prevenzione e al controllo dell'inquinamento. Il Fondo non ha una soglia massima specifica per l'esposizione ai combustibili fossili all'interno del portafoglio, tuttavia la natura dei Criteri di investimento sostenibile del Fondo (descritti in dettaglio di seguito) garantisce che l'esposizione a fattori dannosi per l'ambiente come la generazione di energia da combustibili fossili sia minima (>15%).

Il Fondo investirà nelle azioni di una società solo se il Gestore degli investimenti, a sua discrezione, ritiene che l'entità target offra un beneficio sociale o ambientale netto. Tale conclusione è raggiunta valutando la società potenziale rispetto ai criteri di investimento sostenibile del Fondo. Nell'ambito dei Criteri di investimento sostenibile del Fondo, il Gestore degli investimenti valuterà in primo luogo le azioni della società in base ai Dieci Principi del Global Compact delle Nazioni Unite per le imprese che coprono aree quali i diritti umani, i diritti dei lavoratori, le salvaguardie ambientali e la lotta alla corruzione. Il Gestore degli investimenti effettuerà quindi una valutazione qualitativa dell'entità target e concluderà se la sostenibilità è un obiettivo centrale e a lungo termine dell'entità target. Sebbene le partecipazioni del Fondo possano apportare benefici sia sociali che ambientali, questi due obiettivi sono considerati separatamente e valutati in modo uguale. Ciò significa che le considerazioni sociali o di governance non prevalgono sugli obiettivi ambientali del Fondo. Non è richiesta alcuna suddivisione preliminare all'interno del Fondo tra partecipazioni che forniscono benefici sociali o ambientali netti. Se il Gestore degli investimenti ritiene che una società partecipata non soddisfi più i criteri di investimento sostenibile, non effettuerà in tale società ulteriori investimenti e cercherà di realizzare il proprio investimento in essa in modo ordinato. Considerando gli investimenti allineati alla tassonomia dell'UE, il Fondo investe un massimo del 20% in contanti, rilevando che si ritiene che il denaro contribuisca e si adatti agli obiettivi ambientali e sociali complessivi del Fondo, poiché senza contanti, tali obiettivi non possono essere raggiunti. Il Fondo manterrà una percentuale di investimenti sostenibili superiore al minimo specificato sopra del 50%.

Il Gestore degli Investimenti esamina e valuta i potenziali rischi di sostenibilità ai sensi della SFDR nell'ambito dei propri processi decisionali in relazione agli investimenti che devono

essere effettuati dal Fondo e ha integrato tale esame all'interno delle proprie procedure e politiche interne. Tale esame viene effettuato dal team di gestione del Gestore degli investimenti su base continuativa, se e quando vengono effettuati investimenti. Il team di gestione del rischio della Società di gestione esegue anche una revisione periodica (ex-post) di tali rischi nell'ambito dell'adempimento dei propri compiti. Il Gestore degli investimenti ritiene che gli investimenti che devono essere effettuati dal Fondo possano essere influenzati in modo significativo dai rischi di sostenibilità e che, qualora uno qualsiasi di tali rischi si concretizzasse, è probabile che i rendimenti di tali investimenti ne risentirebbero. Gli investitori devono tenere presente che è molto difficile valutare con ragionevole certezza il probabile esito di qualsiasi rischio di sostenibilità sugli investimenti e/o il rischio che tale rischio si verifichi.

### **No significant harm to the sustainable investment objective**

The Investment Manager completes robust due diligence for every investment in the Fund and continually monitors the companies against the Ten Principles of the UN Global Compact. In addition, an in-house sustainability assessment involving detailed fundamental research for all holdings is done to ensure the sustainable investment objective of the Fund - the provision of a net social or environmental benefit- is achieved on an ongoing basis. The in-house sustainability assessment is both a qualitative and quantitative process and more information on this assessment and the use of metrics and targets is provided below in the '*Investment Strategy*' sector. If an investee company no longer meets the Sustainable Investment Criteria, the Investment Manager will re-evaluate the position and divest if needed.

### **Sustainable investment objective of the financial product**

The primary objective of the Fund is to grow, over any 5-year period, by more than 3% per annum above the rate of UK inflation (as measured by the UK Consumer Prices Index). The Fund is managed by an experienced team with a strong track record in investing in the publicly traded shares of companies that own or operate real infrastructure or renewable energy assets anywhere in the world. Sustainability considerations play an important role in the Investment Manager's stock selection process, where the Fund will only invest in the shares of a company if the Investment Manager considers that the company aligns with the Fund's "Sustainable Investment Criteria". The Sustainable Investment Criteria means that the Fund will only invest in the shares of a company if the Investment Manager in its discretion considers that the company delivers a net social or environmental benefit. In determining whether a company delivers a net social or environmental gain, the Investment Manager will assess company shares based on the Ten Principles of the United Nations Global Compact for business which cover areas including human rights, labour rights, environmental safeguards and combating bribery and corruption. In addition, the Investment Manager conducts an in-house sustainability assessment involving detailed fundamental research for all current and future holdings to ensure alignment with the sustainable investment objective of the Fund.

There is no external reference benchmark in place for the purpose of attaining the required sustainable investment objective. High-quality benchmarks must be unambiguous, investable and measurable, and the Investment Manager does not believe that an appropriate external benchmark to measure the Fund's sustainable investment objectives is available.

## Investment strategy

The Fund aims to grow, over any 5-year period, by more than 3% per annum above the rate of UK inflation (as measured by the UK Consumer Prices Index). The Fund will invest directly in the shares of companies (including listed Investment Trusts, Real Estate Investment Trusts (REITs), ETFs and other investment company structures depending on the relevant jurisdictions) or units of master limited partnerships that, in each case, are publicly traded (listed) on stock exchanges in developed markets (meaning North America, Western Europe and Asia Pacific); and that own or operate real infrastructure or renewable energy assets anywhere in the world.

The sustainable investment objective of the Fund involves a rigorous due diligence process where an investment's social and environmental benefit is assessed, as well as evaluated against the ten principles of the United Nations Global Compact.

The Fund will only invest in the shares of a company if the Investment Manager in its discretion considers that the relevant company delivers a net social or environmental benefit. Further, the Investment Manager has a policy that the Fund's sustainable investments do not cause significant harm (DNSH) to any sustainable investment objective. To come to the conclusion whether a company delivers a net social or environmental benefit, companies are evaluated against each of the Ten Principles of the UN Global Compact and an in-house sustainability assessment involving detailed fundamental research for all holdings is done to ensure alignment with the sustainable investment objective of the Fund on an ongoing basis. The in-house sustainability assessment is both a qualitative and quantitative process. The qualitative assessment addresses whether a company's strategy, economic activity, and fundamental purpose helps create environmental and/or social benefits. Furthermore, the qualitative process addresses whether, on the basis of detailed due diligence and discussion with the prospective company's management, the Investment Manager believes that sustainability is a core and long-term focus of the company's portfolio and strategy. Metrics used to conclude whether sustainability is a core and long-term focus of a company's portfolio and strategy includes the company's climate-related targets such as emission reduction targets, the roles, responsibilities and accountability of individuals within the company to hit climate-related targets, and Board oversight of the company's progress against climate-related targets. As part of FCM's quantitative assessment, FCM have developed a proprietary scoring system which evaluates holdings across 5 sustainable investment pillars. These 5 sustainable investment pillars have 14 separate sustainability metrics split across them. The 14 separate sustainability metrics are supported by 60 individually weighted KPIs that each holding is scored against. The 5 sustainable investment pillars include: environmental impact, social impact, governance, third-party interactions, and adherence to the Fund's Sustainable Investment Criteria. Examples of the KPIs that each holding is scored against include science-based target policies (environmental footprint), community spending (social impact), % of independent Board directors (governance), PRI signatory status (third-party interactions), and UN Global Compact Alignment (Sustainable Investment Criteria). Additional metrics and targets via which companies are assessed by are outlined in the "sustainability indicators" table in the below sector titled '*Monitoring of Social or Environmental Characteristics*'. Fund holdings do not have minimum required scores necessary to be held within the fund portfolio however the scoring system is primarily used as a tool through which to highlight weaknesses and to channel effective engagement with holdings. Highlighting weaknesses within a company is an efficient way of seeing the performance of a security across different sustainable investment themed metrics and if

these scores change for the worse a decision to sell out of a security may be made. Ongoing monitoring and engagement is a further important pillar of FCM's investment process. FCM will engage with the Fund's portfolio holdings to improve climate-related practices such as climate-related data disclosures. FCM will undergo continued communication with key stakeholders to ensure that business models, investment strategies and risk policies are all aligned to a global decarbonisation trajectory.

If the Investment Manager's opinion on an investee company no longer meets the Sustainable Investment Criteria, the Investment Manager will not make any further investments in the company and will seek to realise in an orderly fashion, its investment in such a company.

### **Proportion of investments**

Every investment in the Fund must provide a net social or environmental benefit. There is no pre-requisite split required within the Fund between holdings providing net social or environmental benefits. For activities that make a substantial contribution to one or more of the EU Taxonomy's six environmental objectives, the Taxonomy also defines two classification categories: enabling activities and transitional activities. Enabling activities allows other activities to make a substantial contribution to one or more of the Taxonomy's six objectives whilst transitional activities must contribute to climate change mitigation and a pathway to keeping global warming in line with Paris Agreement commitments. Within the Fund's portfolio, there is no pre-requisite split of investments required between enabling and transitioning activities as defined by the EU Taxonomy.

### **Monitoring of environmental or social characteristics**

In assessing, measuring and monitoring the environmental characteristics of investments the Investment Manager considers the following factors which are "sustainability indicators":

<b>Indicator</b>	<b>Metric</b>
<i>Employment during construction - temporary jobs</i>	<i>Person years</i>
<i>Employment during operation -permanent jobs</i>	<i>Full-time equivalents</i>
<i>Baseline GHG emissions (e.g. reference scenario without investment implementation)</i>	<i>kt CO2e/a</i>
<i>Absolute GHG emissions (e.g. after investment implementation)</i>	<i>kt CO2e/a</i>
<i>GHG emissions saved or avoided</i>	<i>kt CO2e/a</i>
<i>Electricity generation capacity from renewable energy sources</i>	<i>MW</i>
<i>Electricity generation capacity from conventional energy sources</i>	<i>MW</i>

<i>Electricity produced from renewable energy sources</i>	<i>GWh/yr</i>
<i>Electricity produced from conventional energy sources</i>	<i>GWh/yr</i>
<i>Thermal produced from renewable energy</i>	<i>GWh/yr</i>
<i>Households which could be supplied with the energy generated by the project</i>	<i>No. of households</i>
<i>Electrical Energy Efficiency achieved</i>	<i>%</i>
<i>Thermal Energy Efficiency achieved</i>	<i>%</i>

### Methodologies

The Investment Manager's main use of methodologies is to calculate the emissions intensities of underlying holdings, the carbon footprint of the portfolio and the WACI of the portfolio. The Investment Manager's methodologies are in-line with standard methodologies outlined by initiatives such as the Taskforce on Climate-related Financial Disclosures (TCFD) and CPD (formerly the Carbon Disclosure Product). These methodologies are important for the Investment Manager to be confident in the environmental impact of the Fund's portfolio and to ensure that underlying companies are incorporating initiatives to make their sustainability-related processes industry-leading. These methodologies are also important for the Investment Manager as they provide a level of granularity to give insight as to where the Investment Manager can engage with prospective and underlying holdings to improve their processes. This level of data and insight into a company's processes helps the Investment Manager be confident that underlying holdings adhere to the Fund's sustainable investment criteria of following the Ten Principles of the UN Global Compact and providing a net social or environmental benefit.

### Carbon Emissions Metrics:

$$\sum_n^i \left[ \frac{\text{current value of investment}_i}{\text{issuer's market capitalisation}_i} \times (\text{issuer's Scope 1 + Scope 2 emissions}_i) \right]$$

### Carbon Intensity Metrics:

$$\sum_n^i \left[ \frac{\text{current value of investment}_i}{\text{current portfolio value}} \times \frac{(\text{issuer's Scope 1 + Scope 2 emissions}_i)}{(\text{issuer's US$m of revenue}_i)} \right]$$

## Example CDP Methodologies

Table 1

Metric	Description	Industry activities	Asset classes	CDP question	Pros	Cons
<b>Portfolio emissions</b>	The absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO <sub>2</sub> e	Banks, Asset owners, Asset managers	Listed equity, listed bonds, corporate loans, private equity, project finance, commercial real estate, mortgages, motor vehicle loans	C-FS14.1a	<ul style="list-style-type: none"> <li>+ May be used to communicate the carbon footprint of a portfolio consistent with the GHG protocol</li> <li>+ May be used to track changes in GHG emissions in a portfolio</li> <li>+ Allows for portfolio decomposition and attribution analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Not generally used to compare portfolios because the data are not normalized</li> <li>- Changes in underlying companies' market capitalization can be misinterpreted</li> </ul>
<b>Weighted average carbon intensity</b>	Portfolio's exposure to carbon-intensive companies, expressed in tons CO <sub>2</sub> e/Million revenue	Banks, Asset owners, Asset managers	Listed equity, listed bonds, corporate loans, private equity	C-FS14.1b	<ul style="list-style-type: none"> <li>+ Can be easily applied across asset classes since it does not rely on equity ownership approach</li> <li>+ The calculation is fairly simple and easy to communicate to investors</li> <li>+ Allows for portfolio decomposition and attribution analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Sensitive to outliers</li> <li>- Using revenue (instead of physical or other metrics) to normalize the data tends to favor companies with higher pricing levels relative to their peers</li> </ul>
<b>Portfolio carbon footprint</b>	Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO <sub>2</sub> e/Million invested	Banks, Asset owners, Asset managers	Listed equity, listed bonds, corporate loans, private equity, project finance, commercial real estate, mortgages, motor vehicle loans	C-FS14.1b	<ul style="list-style-type: none"> <li>+ May be used to compare and benchmark portfolios</li> <li>+ Using the portfolio market value to normalize data is fairly intuitive to investors</li> <li>+ Allows for portfolio decomposition and attribution analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Does not take into account differences in the size of companies (e.g. does not consider the carbon efficiency of companies)</li> <li>- Changes in underlying companies' market capitalization can be misinterpreted</li> </ul>

Metric	Description	Industry activities	Asset classes	CDP question(s)	Pros	Cons
<b>Carbon intensity</b>	Volume of carbon emissions per million dollars of revenue (carbon efficiency of a portfolio), expressed in tons CO <sub>2</sub> e/Million revenue	Banks, Asset owners, Asset managers	Listed equity, listed bonds, corporate loans, private equity	C-FS14.1b	<ul style="list-style-type: none"> <li>+ May be used to compare and benchmark portfolios</li> <li>+ Takes into account differences in the size of companies (e.g. considers the carbon efficiency of companies)</li> <li>+ Allows for portfolio decomposition and attribution analysis</li> </ul>	<ul style="list-style-type: none"> <li>- The calculation is somewhat complex and may be difficult to communicate</li> <li>- Changes in underlying companies' market capitalization can be misinterpreted</li> </ul>
<b>Exposure to/value of carbon-related assets (currency)</b>	The amount of carbon-related assets in the portfolio, expressed in Millions of unit currency	Banks, Asset owners, Asset managers, Insurers	Listed equity, listed bonds, corporate loans, private equity, project finance, insurance underwriting	C-FS14.0	<ul style="list-style-type: none"> <li>+ Can be applied across industry activities and asset classes</li> <li>+ Does not rely on underlying companies' Scope 1 and Scope 2 GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>- Generally not used to compare portfolios because the data are not normalized</li> <li>- Does not provide information on sectors or industries other than those included in the definition of carbon-related assets</li> </ul>
<b>Exposure to/value of carbon-related assets (%)</b>	The percentage of carbon-related assets in the portfolio, expressed in percentage of the current portfolio value	Banks, Asset owners, Asset managers, Insurers	Listed equity, listed bonds, corporate loans, private equity, project finance, insurance underwriting	C-FS14.0	<ul style="list-style-type: none"> <li>+ Can be applied across industry activities and asset classes</li> <li>+ Does not rely on underlying companies' Scope 1 and Scope 2 GHG emissions</li> </ul>	<ul style="list-style-type: none"> <li>- Does not provide information on sectors or industries other than those included in the definition of carbon-related assets</li> </ul>

## Data sources and processing

FCM's core data sources include but are not limited to:

- Bloomberg
- BloombergNEF
- Sustainalytics Risk Ratings
- Glass, Lewis & Co
- Sustainable Investment Research Providers - Several large global investment banks.

The high-quality research and data provided by these third-party researchers is coupled with the Investment Manager's own in-house expertise to allow the team to confidently come to a

conclusion whether a prospective or current investment reaches the qualitative and quantitative threshold required to pass the Fund's Sustainable Investment Criteria.

Measures have been taken to ensure the data quality available to the Investment Manager through multiple interactions with Bloomberg, BNEF, and other third-party providers of research and data. For example, the Investment Manager has sat on roundtables with Bloomberg's sustainable investment analysts to understand their processes and become comfortable with the quality of the data provision. Furthermore, the Investment Manager can rely on their own in-house sustainability expertise to provide verification that assumptions and processes followed by their third-party data providers are accurate. This has been done for example when assessing the methodology used to calculate portfolio carbon footprints.

Data is processed as both part of the initial due diligence and ongoing monitoring of underlying portfolio holdings. The data is processed by being integrated into the team's proprietary scoring system which evaluates holdings across 5 sustainable investment pillars and 14 separate sustainability metrics. This scoring system is described in more detail in the above sector labelled '*Investment Strategy*'.

FCM do not have a specific number on the proportion of the data that is estimated however it has automated data visibility on about 70% of the portfolio. FCM pulls most of its data from Bloomberg which for the most part is a comprehensive and accurate database for data relating to ESG matters. However, certain investment vehicles do not have as comprehensive a set of data available - this is seen most specifically for investment trusts. As a result, FCM cannot pull down data for these companies as efficiently as with other operating companies they invest in. This is expanded on further in the sector below titled '*Limitations to Methodologies and Data*'.

### **Limitations to methodologies and data**

As with all investing within this space, limitations to data and methodologies largely revolve around the availability and transparency of data. The Investment Manager pulls most of its data from Bloomberg which for the most part is a comprehensive and accurate database for metrics relating to ESG matters. However, certain investment vehicles do not have as comprehensive a set of data available - this is seen most specifically for investment trusts. As a result, the Investment Manager cannot pull down data for these companies as efficiently as with other operating companies they invest in. It is important to note however that many of the investment trusts that the Fund invests into do provide detailed and accurate sustainable investment data and metrics in their public reporting. As such, whilst the Investment Manager cannot pull this data from Bloomberg the team do have visibility on the performance of their underlying investment trusts. During the Investment Manager's due diligence public reports provided by investment trusts are reviewed and analysed to ensure that the investment trust meets the Fund's Sustainable Investment Criteria. To maintain confidence that the underlying holding is still meeting the required standard to pass the Fund's Sustainable Investment Criteria the Investment Manager will re-assess the company's performance and KPIs whenever companies release their updated sustainability reports. This is usually an annual occurrence.

Further, when Bloomberg do not have data, they will on occasion use proxy data. The Investment Manager has appraised Bloomberg's methodologies and have been invited to roundtable events with their analysts to get a clear picture of Bloomberg's processes related

to sustainable investment. As such, the Investment Manager is confident that the methodologies Bloomberg use are industry- standard and that the assumptions they make are of a high-quality. Off the back of this analysis the Investment Manager is confident that Bloomberg's practices do not affect the attainment of the Fund's sustainable investment objective.

### **Due diligence**

The Investment Manager's sustainable investment process is a core part of the investment process for all holdings – both at the point of initiating positions and on an ongoing basis. There are no holdings within the Fund's portfolio that do not meet the Fund's sustainable investment objective of adhering to the Ten Principles of the UN Global Compact and providing a net social or environmental benefit.

### **Framework Driven Approach**

Ensuring alignment with the Ten Principles of the UN Global Compact across human rights, labour, environment, and anti-corruption. By incorporating Global Compact principles into strategies and establishing a culture of integrity, companies are not only upholding their basic responsibilities to people and planet, but also setting the stage for long-term success.

### **Qualitative Assessment**

The Investment Manager will assess whether the company's strategy, economic activity, and fundamental purpose help create environmental or social benefits. This process also includes further assessment of whether, on the basis of detailed due diligence and discussion with management, the Investment Manager believes that sustainability is a core and long-term focus of the company's portfolio and strategy.

### **Ongoing Monitoring & Engagement**

Stewardship is a key pillar of any sustainable investment approach and is detailed in more detail in the section below labelled '*Engagement Policies*'. The Investment Manager will engage with holdings to improve climate-related practices, change sustainability outcomes, and improve their sustainability disclosures. Furthermore, the Investment Manager will undergo continued communication with key stakeholders to ensure that business models, investment strategies, and risk policies are all aligned to a global decarbonisation trajectory. The Investment Manager's engagement and monitoring is key to ensuring continued oversight of climate-related risks and opportunities.

### **Sustainable Investment Process Compliance**

- 1) UN Global Compact Compliance
- 2) Provision of a net social or environmental benefit as measured by the Investment Manager and outlined in further detail in the section labelled '*Investment Strategy*'.
- 3) Sustainability as a core and long-term focus of the company's portfolio and strategy.

### **Engagement policies**

*Stewardship*

*Framework*

Foresight Capital Management's ("FCM") Stewardship Framework includes the Shareholder Engagement Policy and the Voting Policy. This Stewardship Framework, including the Shareholder Engagement Policy and Voting Policy, are all updated annually or more frequently as required. Updates reflect changes in processes, regulation or guidelines, which result from regular reviews of the effectiveness of our stewardship approach.

FCM engages with its investee companies to hold constructive dialogue over their management of opportunities, strategy and risks and places emphasis on sustainability considerations. FCM view engagement with companies as a key part of their investment process and believe that it can be a driver of improving the sustainability standards.

Proprietary research and regular meetings with company directors of investee companies allow FCM to identify whether a company's strategy is aligned with the fund's investment strategy and investors' interests as long-term shareholders. The team's active dialogue with companies helps them to understand the issues affecting them and, where appropriate, to encourage positive change. FCM seek to meet investee companies face to face, via video calls or at group events at least twice a year on a formal basis, as well as on an ad hoc basis when required. The Stewardship Approach includes processes for voting as well as monitoring and engaging with companies on matters such as strategy, performance, risk, capital structure, environmental and social impact, and corporate governance.

FCM will continually monitor and assess the overall performance of the Fund's holdings. The purpose of the assessment is to ensure that the investment remains an attractive proposition, complies with the Fund's investment policy and contributes towards the Fund achieving its investment objective. Furthermore, each investment will be assessed to ensure that it continues to comply with the sustainability considerations that were part of the initial investment thesis. All holdings must comply on an ongoing basis to be retained within the Fund's portfolio.

#### *ESG Policy*

The Investment Manager manages and monitors the Fund's portfolio of investments by applying its sustainability and ESG policy that is made available to investors upon request and accessible on the Investment Manager's website. In accordance with the ESG Policy, the Investment Manager is relying on the United Nations Development Goals (SDGs) and the Principles for Responsible Investment supported by the United Nations (PRI) as frameworks to structure their corporate and investment activities.

The Investment Manager has established a 'Sustainability and ESG Committee' which is responsible for shaping and steering the Investment Manager's approach to sustainability, developing vision and strategy and ensuring that sustainability and ESG considerations and frameworks that are incorporated into the Investment Manager's investment processes and asset management activities are appropriate and market leading. Details on the composition and functioning of the Sustainability and ESG Committee are available in the ESG Policy.

#### **Attainment of the sustainable investment objective**

There is no external reference benchmark in place for the purpose of attaining the required sustainable investment objective. The Fund adheres to a specific Sustainable Investment Criteria, outlined in the sector '*Investment Strategy*', which ensures that every

underlying company adheres to the Fund's sustainable investment objective of providing a net social or environmental benefit. Considering EU-taxonomy alignment, excluding cash allocations, the portfolio is expected to be 100% invested in sustainable investments. The Fund plans to make a minimum of 50% sustainable investments. The investments in the category "Non-Sustainable" will be comprised between 0 and 20% and relates to cash holdings. The planned asset allocation is monitored continuously and evaluated on a yearly basis. The Investment Manager has analysed the portfolio and only a small percentage of the holdings disclose any information pertaining to alignment against the EU Taxonomy. There is anticipation that in due course a more accurate alignment will be provided given the Fund's Sustainable Investment Criteria and an increase in the number of holdings who report, which will be aided by the Fund's focus on sustainable infrastructure and renewable energy and ultimately will allow there to be a better representation of the investment product's alignment to the EU Taxonomy. The Fund does not target a minimum % of alignment with the EU Taxonomy.

The Investment Manager utilises the indicators for adverse impacts on sustainability factors during the entire cycle of an investment process, from when a potential investment is considered, to during and after a position has taken place. In addition, the Investment Manager has a policy that the Fund's sustainable investments do not cause significant harm (DNSH) to any sustainable investment objective and will assess whether a company, sector or industry poses potential risks to the environment and society. The process by which the Investment Manager assesses whether a company does not cause significant harm is outlined in the '*Investment Strategy*' sector.

In the case of insufficient data, the Investment Manager will conduct reasonable estimates on the impact of a sustainable investment using proxy data provided by its the data providers. The Investment Manager will forego an investment if it cannot perform its usual sustainable investment analysis outlined in the '*Investment Strategy*' sector and conclude that the company adheres to the Ten Principles of the UN Global Compact and provides a net social or environmental benefit.