

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

Did this financial product have a sustainable investment objective?



11

Yes

☐ It made **sustainable investments with an environmental objective:** **_%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It made **sustainable investments** with a social objective: %

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No

ü It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 58.5% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**



In replicating the performance of the MSCI USA Islamic ESG Universal Screened Select Index (the “Index”), the Fund promoted the following environmental and/or social characteristics:

- An improvement on the ESG rating against that of the MSCI USA Islamic Index (the "Parent Index").

The Fund sought to achieve the promotion of these characteristics by replicating the performance of the Index which removed companies based on sustainability exclusionary criteria and United Nations Global Compact exclusionary criteria and which weighted companies in order to improve the exposure to companies with favourable ESG ratings.

The Index was designated as a reference benchmark for the purpose of attaining the environmental and/or social characteristics promoted by the Fund.

The Fund did not use derivatives to attain the environmental and/or social characteristics of the Fund.

● **How did the sustainability indicators perform?**

Indicator	Fund	Broad Market Index
MSCI ESG Score	7.86	7.48

Broad Market Index - MSCI USA Islamic

● **...and compared to previous periods?**

This is the first SFDR Periodic report and as such there is no comparison.

● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable Investments in the fund were, amongst others:

1. Companies with sustainable product and/or services or quantifiable projects (e.g. CAPEX, OPEX) linked to sustainable goals or outcomes
2. Companies that demonstrated qualitative alignment and/or convergence with UNSDGs or sustainable themes (e.g. Circular Economy)
3. Companies that were transitioning with credible progress. (e.g the transition to or use of renewable energy or other low-carbon alternatives)
4. Sustainable Bonds as defined by bonds with specific uses of proceeds aligned to supporting sustainability goals (e.g. Green Bonds, Social Bonds)

The Fund replicated the performance of the Index, the focus of which was to achieve an improvement of the ESG rating against that of the Parent Index through the removal of companies based on sustainability exclusionary criteria and weighting of companies to improve the exposure to companies with favourable ("ESG") ratings . By replicating the performance of the Index, the investments of the Fund contributed to these sustainable objectives.

● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

Do no significant harm analysis was completed by the Index provider as part of the Index construction.

The Index was re-balanced periodically during the reporting period; prior to the re-balance of the Index the indicators referred to below were incorporated in the assessment of the business activities.

By replicating the performance of the Index, the investments of the Fund did not cause significant harm to the environmental and/or social investment sustainable objective.

Investment restrictions monitoring screened for any investments that caused significant harm to the objectives and which could have resulted in divestment by the Investment Manager ahead of the index re-balancing.

How were the indicators for adverse impacts on sustainability factors taken into account?

The mandatory principal adverse impacts ("PAI") indicators were used in the assessment of business activities of the initial universe of securities. Revenue data, business involvement and other data sources were considered when assessing each security using minimum thresholds or blanket exclusions on activities identified in relation to these indicators.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

As per the Index methodology, securities involved in Thermal coal mining and generation, Oil & Gas, were screened at a minimum threshold level and controversial weapons (PAI 14) were removed before the Index was calculated. In addition, a separate controversy screen was applied to the starting universe to remove any security in violation of UN Global Compact (“UNGC”) Principles, (PAI 10). The methodology also considered the aggregate ESG score (as calculated by MSCI ESG Research) which was applied to all eligible securities post business activity screen and weighted accordingly. The Index increased the weightings of companies with robust ESG characteristics, including those that showed improvement in the direction of their rating over the most recent 12 months, while reducing the weight of those companies who lagged behind their industry peers in terms of ESG quality.

No optional indicators were taken into account.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?
Details:*

The index methodology incorporated the MSCI ESG Controversies. The evaluation framework used in MSCI ESG Controversies was designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UNGC Principles. Specifically, the MSCI ESG Controversies approach covered the following pillars: Environment, Human Rights & Community, Labor rights & Supply chain, Customers and Governance. These pillars included indicators such as Human rights concerns, Collective bargaining & unions, Child labor and Anticompetitive practices, which were also issues that the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights cover. Further information on MSCI ESG Controversies is available on the Index provider's website.

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

The Index was constructed using MSCI proprietary data on each security's business involvement. As per the Index methodology, securities involved in Thermal coal mining and generation, Oil & Gas, were screened at a minimum threshold level and controversial weapons (PAI 14) were removed before the Index was calculated. In addition, a separate controversy screen was applied to the starting universe to remove any security in violation of UNGC principles, (PAI 10). The methodology also considered the aggregate ESG score (as calculated by MSCI ESG Research) which was applied to all eligible securities post business activity screen and weighted accordingly. The Index increased the weightings of companies with robust ESG characteristics, including those that showed improvement in the direction of their rating over the most recent 12 months, while reducing the weight of those companies who lagged behind their industry peers in terms of ESG quality.



What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 31/12/2022

Large Investment	Sector	% Assets	Country
MICROSOFT CORP	Information Technology	20.02%	United States of America
JOHNSON & JOHNSON	Health Care	5.88%	United States of America
MERCK & CO. INC.	Health Care	5.69%	United States of America
CISCO SYSTEMS INC	Information Technology	3.99%	United States of America
DANAHER CORP	Health Care	3.72%	United States of America
PROCTER & GAMBLE CO/THE	Consumer Staples	3.66%	United States of America
PFIZER INC	Health Care	3.64%	United States of America
TESLA INC	Consumer Discretionary	3.32%	United States of America
ADOBE INC	Information Technology	3.20%	United States of America
SALESFORCE INC	Information Technology	2.68%	United States of America

Cash and derivatives were excluded

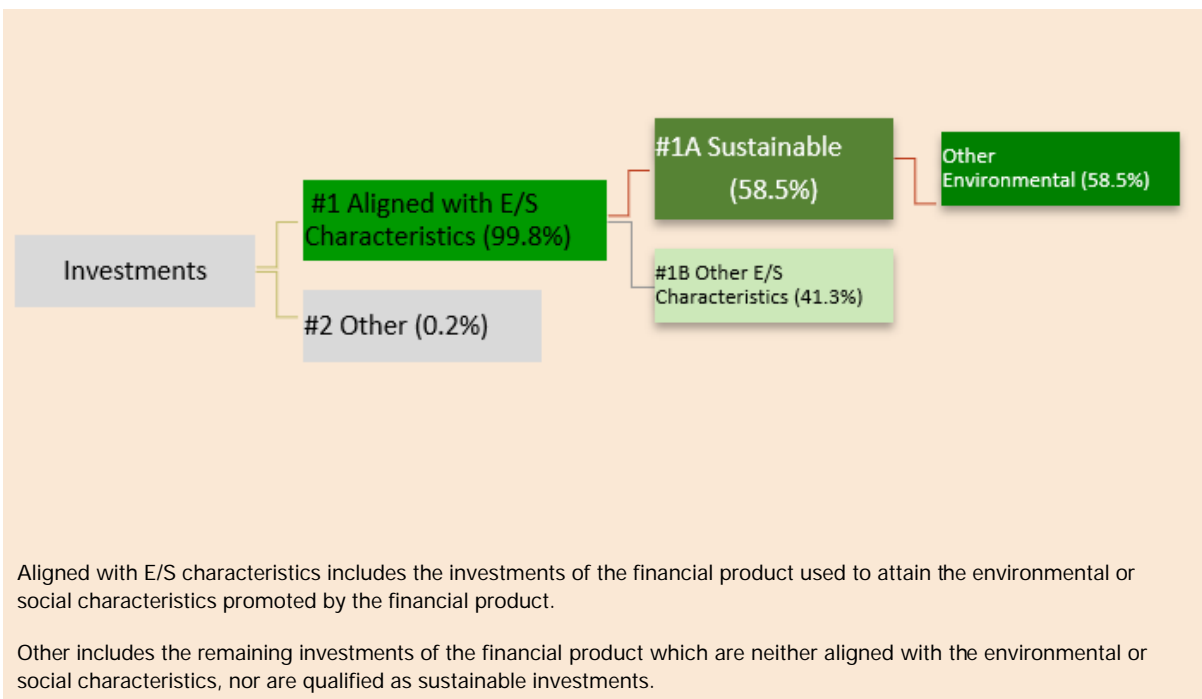


What was the proportion of sustainability-related investments?

58.5% of the portfolio was invested in sustainable assets.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



In which economic sectors were the investments made?

Sector	% Assets
Information Technology	41.87%
Health Care	27.34%
Consumer Staples	7.31%
Industrials	7.04%
Materials	6.77%
Consumer Discretionary	5.22%
Energy	2.34%
Real Estate	0.97%
Communication Services	0.86%
Utilities	0.29%

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.



To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A - the fund did not make sustainable investments aligned with the EU Taxonomy.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

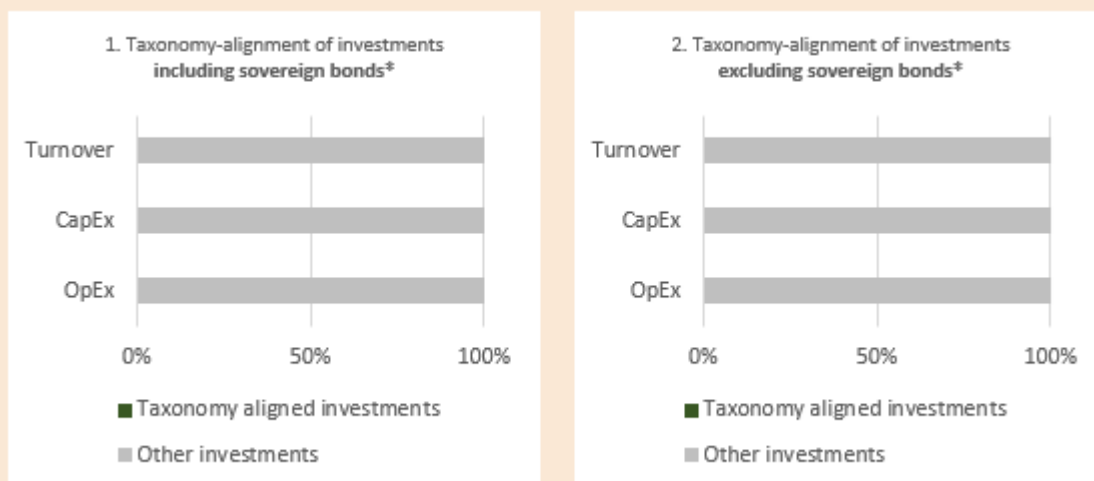
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☐ No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

The graphs below show in green the percentage of investments that were 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.


What was the share of investments made in transitional and enabling activities?

N/A - the Fund is not investing in transitional or enabling activities.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

As this is the first reporting period for the fund, no comparison is required.

- operational expenditure (OpEx) reflects the green operational activities of investee companies.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

58.5%



What was the share of socially sustainable investments?

N/A. The Fund did not invest in socially sustainable investments.



What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Cash and other Shariah-compliant instruments such as financial derivative instruments may be used for liquidity and hedging purposes in respect of which there are no minimum environmental and/or social safeguards.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Fund was passively managed and aimed to replicate the net total return performance of the Index.

The Index sought to achieve an improvement of the MSCI ESG rating against that of the Parent Index.

The Index achieved this in the following ways:

1. Excluding securities of companies with exposure (as defined by the Index provider in the Index methodology) to any of the certain characteristics.
2. The Index applies the MSCI ESG Universal Indexes Methodology in the construction of the Index in order to increase exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile, while seeking to minimise exclusions from the Parent Index.

Furthermore, active ownership, through engagement and global proxy voting, was a key pillar of our approach to responsible investments. Our stewardship activity was focused on protecting and enhancing our clients' investments with us. We engaged with companies on a range of ESG issues and we have the following clear set of engagement objectives:

- Improve our understanding of company business and strategy
- Monitor company performance
- Signal support or raise concerns about company management, performance or direction
- Promote good practice

Engagement issues ranged from corporate governance concerns such as the protection of minority shareholder rights, director elections and board structure to environmental issues, including climate change adaptation and mitigation and the low-carbon energy transition, to social issues including human capital management, inequality and data privacy.

We had a dedicated stewardship team with engagement specialists. Engagement was also integral to the fundamental research process. Our analysts and portfolio managers engaged with issuers as part of the investment process and cover relevant ESG issues in their research and discussions.

We were fully transparent in our reporting of our engagement and voting activity, publishing our voting on a quarterly basis and summary information about our engagement activity annually.

How PAI indicators were considered will be included in the Fund's year-end report and accounts. Further information is available on request.



How did this financial product perform compared to the reference benchmark?

The investment objective of the Fund was to replicate the performance of the MSCI USA Islamic ESG Universal Screened Select Index.

● **How does the reference benchmark differ from a broad market index?**

The Index is an equity index based on the MSCI USA Islamic Index and which reflected Shariah investment principles and included large and mid-cap securities of the US equity markets as determined by the Index provider.

The Index was constructed from the Parent Index by applying the following values- and climate-based exclusionary criteria (as defined by the Index provider in the Index methodology):

Each of the exclusionary criteria may apply thresholds which were defined by the Index provider and set out in the Index methodology and which may be amended from time to time.

In addition to the application of the exclusionary criteria, the Index applied the MSCI ESG Universal Indexes methodology to achieve its ESG objective.

To achieve this, the Index provider applied the following steps to the Parent Index: (i) the Index provider excluded the securities with the weakest ESG profile from the Parent Index; (ii) the Index provider defined an ESG re-weighting factor that reflected an assessment of both the current ESG profile, based on the current MSCI ESG Rating, as well as the trend in that profile; and (iii) the Index provider re-weighted securities from the free-float market cap weights of their parent index using this combined ESG score to construct the Index. Further information on the Index provider's ESG re-weighting factors and the MSCI ESG Rating system can be found on the Index provider's website.

● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

In seeking to achieve its investment objective, the Fund invested in the constituents of the Index in generally the same proportions in which they were included in the Index. The composition of the Index was rebalanced on a semi-annual basis and carried out according to the published rules governing the management of the Index as set out by MSCI Inc.

● **How did this financial product perform compared with the reference benchmark?**

Indicator	Fund	Reference Benchmark
MSCI ESG Score	7.86	7.86

Reference Benchmark - MSCI USA Islamic ESG Universal Screened Index (USD unhedged, Total Net Return)

● **How did this financial product perform compared with the broad market index?**

Indicator	Fund	Broad Market Index
MSCI ESG Score	7.86	7.48

Broad Market Index - MSCI USA Islamic

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.