

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ 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: %

☒ ☐ ☐ **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 44.1% 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**



To what extent were the environmental and/or social characteristics promoted by this financial product met?

In replicating the performance of the FTSE Developed ESG Low Carbon Select Index (the "Index"), the Fund promoted the following environmental and/or social characteristics:

- A reduction in carbon emissions and fossil fuel reserves exposure compared to the FTSE Developed Index (the "Parent Index"); and
- An improvement of the FTSE Russell ESG rating against that of 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 reduce the exposure to companies with higher carbon emissions and fossil fuel reserves and improved 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.

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

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
FTSE ESG Score	4.06	3.43
Carbon Emissions as measured as Carbon Intensity (CO2e/USDmn revenue)	79.44	161.34
Fossil Fuel Reserves Intensity (mn tonnes/ USDmn Market Cap)	650.91	1,339.63

Broad Market Index - FTSE Developed

● ***...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 a reduction in carbon emissions and fossil fuel reserves exposure and an improvement of the FTSE Russell ESG rating against that of the Parent Index through the removal of companies based on sustainability exclusionary criteria. 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.

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.

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

Sustainable investment data inputs into the Index methodology (e.g. ESG scores, carbon data) implicitly captured mandatory principal adverse impacts ("PAI") metrics and were used in the construction of the Index. As a result, the Index showed a more positive exposure to PAI metrics against the Parent Index.

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 FTSE Russell ESG scores. The FTSE Russell ESG scores included assessments of whether companies met global standards such as the United Nations Global Compact Principles ("UNGC") or the Organisation for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises. This was part of the 'human rights and community' pillar in the social pillar of the FTSE Russell ESG ratings model. Further information on controversies and human rights in FTSE Russell indices 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 sustainable investment data inputs into the Index methodology (e.g. ESG scores, carbon data) implicitly captured mandatory PAI metrics used in the construction of the Index. As a result, the Index showed a more positive exposure to PAI metrics vs the Parent Index.



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	8.71%	United States of America
JOHNSON & JOHNSON	Health Care	7.15%	United States of America
APPLE INC	Information Technology	3.57%	United States of America
VISA INC-CLASS A SHARES	Information Technology	2.04%	United States of America
BLACKROCK INC	Financials	1.73%	United States of America
CISCO SYSTEMS INC	Information Technology	1.69%	United States of America
NESTLE SA-REG	Consumer Staples	1.52%	Switzerland
MERCK & CO. INC.	Health Care	1.50%	United States of America
PEPSICO INC	Consumer Staples	1.18%	United States of America
INTL BUSINESS MACHINES CORP	Information Technology	1.17%	United States of America
TORONTO-DOMINION BANK	Financials	1.06%	Canada
TOYOTA MOTOR CORP	Consumer Discretionary	1.05%	Japan
CITIGROUP INC	Financials	1.03%	United States of America
COCA-COLA CO/THE	Consumer Staples	1.02%	United States of America
HOME DEPOT INC	Consumer Discretionary	0.95%	United States of America

Cash and derivatives were excluded

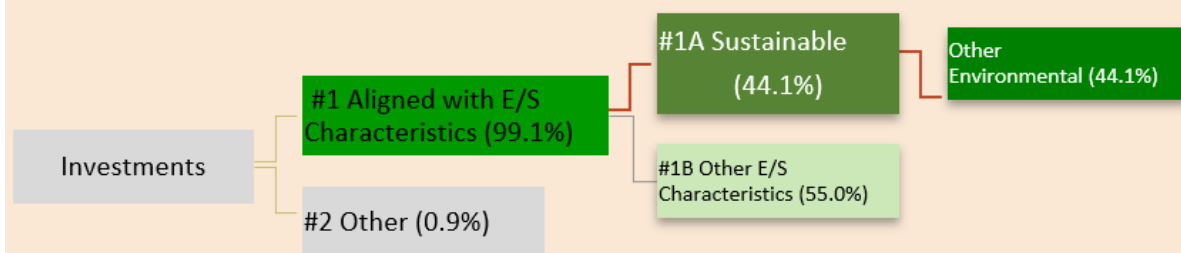


What was the proportion of sustainability-related investments?

44.1% of the portfolio was invested in sustainable assets.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.



Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The subcategory A Sustainable covers environmentally and socially sustainable investments.

The subcategory B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Sector	% Assets
Information Technology	26.36%
Financials	19.35%
Health Care	16.30%
Consumer Staples	11.36%
Consumer Discretionary	7.99%
Industrials	5.41%
Materials	4.10%
Communication Services	4.06%
Energy	2.11%
Utilities	1.90%
Real Estate	1.03%

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.



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.

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.

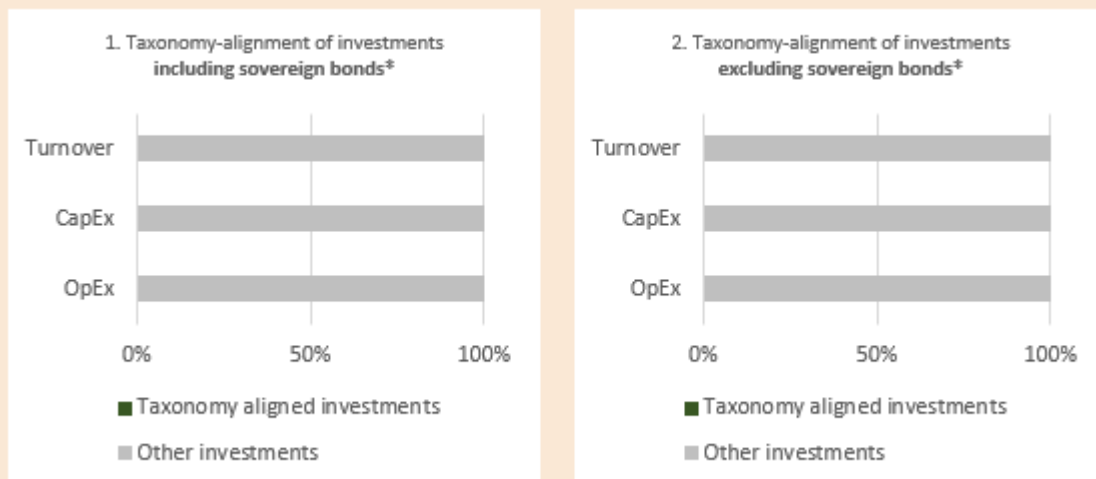
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.
- **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.

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.



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

44.1%



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 instruments such as American Depositary Receipts, European Depositary Receipts and Global Depositary Receipts, Eligible Collective Investment Schemes and/or financial derivative instruments may have been used for liquidity, hedging and efficient portfolio management 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 sought to replicate the net total return performance of the Index.

The Index sought to achieve a reduction in carbon emissions and fossil fuel reserves exposure and an improvement of the FTSE Russell ESG rating against that of the Parent Index.

The Index achieved this in the following ways:

1. on an annual basis in September, removing stocks based on sustainability exclusionary criteria.
2. on an annual basis in September, adjusting the weights of the remaining companies within the Parent Index according to carbon emissions, fossil fuel reserves exposure and FTSE Russell ESG ratings based criteria.
3. on a quarterly basis, removing companies considered to be non-compliant with one or more of the UNGC principles.

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 had a 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 range 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 have a dedicated stewardship team with engagement specialists. Engagement is also integral to the fundamental research process. Our analysts and portfolio managers engage 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 did this financial product perform compared to the reference benchmark?

The Fund aimed to replicate the net total return performance of the FTSE Developed ESG Low Carbon Select Index, while minimising as far as possible the tracking error between the Fund's performance and that of the Index.

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

The Index is a subset of the FTSE Developed Index and aimed to measure the performance of companies in developed countries as defined by the Index provider.

As further detailed above, on an annual basis, the Index provider applied sustainable exclusionary criteria and weights companies in order to reduce the exposure in the Index to companies with higher carbon emissions and fossil fuel reserves and to improve the exposure in the Index to comply with favourable FTSE Russell ESG ratings compared to that of the Parent Index. In addition, the United Nations Global Compact (UNGC) exclusionary criteria were applied to the Index on a quarterly basis (i.e. on each rebalancing date).

● **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?**

The investment objective of the Fund was to replicate the performance of the FTSE Developed ESG Low Carbon Select Index, while minimising as far as possible the tracking error between the Fund's performance and that of the Index. In seeking to achieve its investment objective, the Fund invested in the constituents of the Index in generally the same proportions in which they are included in the Index.

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

Indicator	Fund	Reference Benchmark
FTSE ESG Score	4.06	4.06
Carbon Emissions as measured as Carbon Intensity (CO ₂ e/USDmn revenue)	79.44	79.68
Fossil Fuel Reserves Intensity (mn tonnes/ USDmn Market Cap)	650.91	658.87

Reference Benchmark - FTSE Developed ESG Low Carbon Select Index

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

Indicator	Fund	Broad Market Index
FTSE ESG Score	4.06	3.43
Carbon Emissions as measured as Carbon Intensity (CO ₂ e/USDmn revenue)	79.44	161.34
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Broad Market Index - FTSE Developed

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