This document is the pre-contractual disclosure required for the financial products referred to in Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852. These regulations are part of new European requirements aimed at providing more transparency on sustainability in financial markets. For funds that promote environmental and/or social characteristics we are required to provide detailed sustainability related disclosures to prospective customers

# Pre-Contractual Sustainability Disclosure for Goodbody Multi-Asset 3

**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.

**Product name: Goodbody Multi-Asset 3** **Publication date: 7 May 2024**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

| [ ] **Yes** | [X] **No** |
| --- | --- |
| [ ] It will make a minimum of **sustainable investments with an environmental objective:** ___%<br><br>[ ] in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br><br>[ ] in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy | [ ] It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments<br><br>[ ] with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy<br><br>[ ] with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy<br><br>[ ] with a social objective |
| [ ] It will make a minimum of **sustainable investments with a social objective:** ___% | [X] It promotes E/S characteristics, but **will not make any sustainable investments** |

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

### What environmental and/or social characteristics are promoted by this financial product?

The environmental and social characteristics promoted by the financial product when investing in investee companies are:

- Reduction in Greenhouse Emissions.
- Sustainable Energy Consumption.
- Sustainable Water Usage.
- Gender Diversity - within the company workforce.

- Staff Satisfaction – Employee Turnover.
- Health and Safety.
- Human Rights.

In addition, the financial product excludes companies/issuers that are involved in business activities associated with negative environmental and/ or social impact as set out in the Goodbody (the "Fund Manager") exclusions policy. Specifically, the financial product avoids investments in companies that are deemed as having a direct and material exposure (>10% of annual group revenue) to the development, manufacture, and sale of products/services in the following business areas: (1) Palm Oil Production (2) Oil Sands (3) Coal Extraction (4) Tobacco (5) Gambling and (6) Nuclear weapons/ cluster munitions/ antipersonnel land mines. For any further information on the exclusions policy please contact the Fund Manager.

The financial product targets investments in companies/issuers which the Fund Manager considers to be investable based on the company/issuer's environmental and/or social credentials when compared to relevant peers and/or the broader investment universe. The Fund Manager considers such indicators as detailed below under 'What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product'. The Fund Manager makes this determination by way of quantitative analysis and fundamental research of individual companies that is further described throughout this document.

***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

In implementing its ESG framework, the Fund Manager has regard to the following sustainability indicators which are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product:

Data and reporting available to the Fund Manager in respect of Emissions – Greenhouse Gases are defined as those gases which contribute to the trapping of heat in the Earth's atmosphere, and they include Carbon Dioxide ($CO_2$), Methane, and Nitrous Oxide.

Data and reporting available to the Fund Manager in respect of Energy Consumption - This will include energy directly consumed through combustion in owned or controlled boilers, furnaces, vehicles, or through chemical production in owned or controlled process equipment. It also includes energy consumed as electricity.

Data and reporting available to the Fund Manager in respect of Water Usage - Total amount of water used to support a company's operational processes. The factor represents the sum of all water withdrawn for process water and cooling water and all water retained by company facilities through recycling.

Data and reporting available to the Fund Manager in respect of Gender Diversity - within the company workforce. The mix of male and female employees at the company expressed as a percentage.

Data and reporting available to the Fund Manager in respect of Staff Satisfaction – Employee Turnover. The number of employees that left the company within the past year expressed as a percentage of the average total number of employees. High employee turnover may indicate that employees are unsatisfied with their work at the company or their compensation, or that conditions at the company are unsafe or unhealthy.

Health and Safety Policy/ Disclosure - Indicates whether the company has recognized its health and safety risks and responsibilities and is making any effort to improve the management of employee health and/or employee safety.

Human Rights Policy Disclosure - Indicates whether the company has implemented initiatives to ensure the protection of the rights of all people it works with.

To implement the exclusion policy, exclusion lists of companies are created based on data and reporting available to the Fund Manager. The exclusion lists are updated on an annual basis and are distributed periodically across the firm. In the event the Fund Manager identifies a company in the financial product that does not comply with these policy requirements, the Fund Manager will contact the company directly for confirmation of their involvement in an excluded activity. Following confirmation of involvement in this activity, divestment of any such holdings will be made within such period as determined by the Fund Manager having due regard to the interests of the financial product and the shareholders.

***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable – the financial product does not make sustainable investments.

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable – the financial product does not make sustainable investments.

***How have the indicators for adverse impacts on sustainability factors been taken into account?***

Not applicable – the financial product does not make sustainable investments.

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

Not applicable – the financial product does not make sustainable investments.

*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 EU criteria.*

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

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

**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.

## Does this financial product consider principal adverse impacts on sustainability factors?

☒ Yes, the financial product considers principal adverse impacts on sustainability factors. The Fund Manager considers the principal adverse impacts of its investment decisions on sustainability factors through the utilisation of the exclusion criteria and active ownership/engagement activities of the financial product as further described above.

☐ No

## What investment strategy does this financial product follow?

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The financial product is a risk managed multi asset fund which invests in a diversified portfolio of high quality stocks as well as other assets such as bonds, REITS, alternatives and cash. The fund aims to provide a diversified investment consistent with a low-medium risk rating. The investment strategy encompasses a structured asset allocation framework which includes monthly asset allocation reviews and analysis by the Fund Manager of factors such as market volatility, economic forecasts for growth and inflation, and the outlook for corporate earnings. In addition, the Fund Manager undertakes reviews of risk and the trends in risk movement across different asset classes. The output is not prescriptive, but rather it is utilised to inform on an assessment on the appropriate asset positioning depending on market conditions. The Fund Manager holds monthly asset allocation meetings during which the Fund Manager reviews the outlook for the various asset classes in which the financial product may invest. The Fund Manager will determine an appropriate asset allocation depending upon its views on the outlook for investment markets which will be based on the Fund Manager's review of the analysis of economic growth forecasts for growth and inflation and the outlook for corporate earnings. The asset allocations and the investments held in the financial product are monitored and actively managed by the Fund Manager on an ongoing basis so as to add value for investors throughout the economic cycle.

The approach to ESG integration involves a multistage framework for global equities, REITs and actively managed corporate credit, as described below:

1) Use of a quantitative screening tool as part of initial investment due diligence. The screen summarises a selection of ESG data identified as relevant by the Fund Manager and allows for relative comparison of the investment candidate to both the broader investment universe and sector relevant peers. Importantly the screen will also identify if ESG disclosure information is missing, requiring additional follow up by the investment team.

2) Identification and consideration of the material ESG issues that are relevant to the specific sub sector of the company/ issuer. Using established industry frameworks for materiality (e.g., SASB Standards which identify the subset of environmental, social and governance issues most relevant to financial performance in various industries) allows the investment team to be very focused on what is most important for consideration in relation to ESG.

3) Engagement – when required the Fund Manager will engage directly with companies/issuers to discuss important ESG considerations including (1) the appropriateness and breadth of disclosure and (2) management's strategy in relation to ESG factors and (3) material ESG issues that impact the risk of the business and/or future growth opportunities.

4) Ongoing monitoring – relevant ESG data is incorporated and tracked within the Fund Manager's risk monitoring and reporting. This ensures that any notable changes in the ESG characteristics of the investments in the fund is flagged, discussed, and prioritised for review likely resulting in further engagement with the relevant company/issuer in question. ESG data that is used within the screening part of the investment process is primarily sourced from Bloomberg. The data is used to build an assessment of each company's ESG credentials relative to (1) the broader global equity market and (2) the

specific sector in which the company operates. A mix of environmental, social and governance factors are considered (as set out above). Each company is ranked on its ESG metrics via decile. This ESG analysis compliments the traditional financial, competitive strategy and valuation work conducted by the Fund Manager and allows for informed decision making around the key risk and return characteristics of investment opportunities. Companies that feature unfavourably on the screen (i.e., high decile rankings relative to the broader market and/or sector) may be prioritised for company engagement activities if the other elements of the Fund Manager's analysis indicate it is warranted. This engagement allows the Fund Manager to discuss specific ESG issues directly with companies and ensure possible risks are being managed appropriately. The screen output at the fund level is monitored and reviewed regularly and serves as a 'proof statement' for the Fund Manager's objective of investing in companies that have attractive relative ESG characteristics.

5) Dedicated ESG meetings of the investment team to discuss regulatory developments, broader industry trends in relation to ESG, top-down thematic topics and specific fund or security level ESG issues that are likely to impact risk.

Sustainability Risks, as defined by the Sustainable Finance Disclosure Regulation (SFDR) refer to 'an environmental, social, or governance event or condition, that if it occurs, could cause an actual or potential material negative impact on the value of the investments. Sustainability Risks are integrated into the Goodbody Asset Management investment decision making process which in their assessment is likely to be beneficial to the risk adjusted returns profile of the financial products they manage. The fund manager views a company's/issuers ability to manage environmental, social and governance (ESG) factors as a proxy for prudent risk management. It is their view that failure to address ESG issues properly could expose a company to potentially significant legal, regulatory, product, and reputational risks which could have a material impact on their investment in that company. By evaluating and understanding the ESG characteristics of underlying financial product holdings both in absolute terms and relative to appropriate sector peers, and monitoring trends in these characteristics over time, the investment team integrates sustainability risks into the investment decision making process.

***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

In order to attain the environmental or social characteristics promoted by this financial product an exclusions policy is utilised. This ensures that the financial product excludes/ avoids investments in companies/issuers that are deemed as having a direct and material exposure (>10% of annual group revenue) to the development, manufacture, and sale of products/services that are viewed as detrimental to the environment and/or society. An exclusions list sets out the business areas excluded and includes: (1) Palm Oil Production (2 ) Oil Sands (3) Coal Extraction (4) Tobacco (5) Gambling and (6) Nuclear weapons/ cluster munitions/ antipersonnel land mines.

In addition the financial product seeks to influence investee companies' and/or issuers' impact on sustainability matters through engagement and via proxy voting on material sustainability topics.

***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The financial product does not commit to a minimum rate of reduction of the investments considered prior to the application of the investment strategy.

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

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

Corporate governance is defined as 'the system of internal controls and procedures by which individual companies are managed. It provides a framework that defines the rights, roles, and responsibilities of various groups—including management, the board, controlling shareowners, and minority or noncontrolling shareowners—within an organization'. (Source: The Corporate Governance of Listed Companies, A Manual for Investors, CFA Institute).

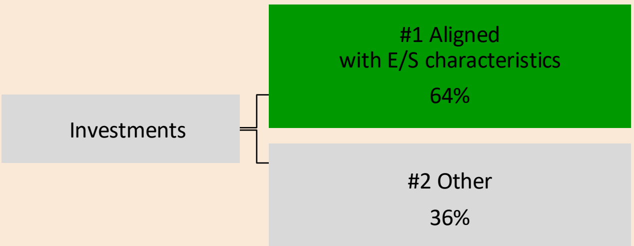
The Fund Manager's approach to the evaluation of governance in companies involves a combination of both qualitative and quantitative review. The information and data used is gathered from numerous sources including regular company reports and filings (e.g., annual reports, 10-K, Proxy filings), third party data providers (e.g., Bloomberg, MSCI) and sell side investment research.

## What is the asset allocation planned for this financial product?

**Asset allocation** describes the share of investments in specific assets.

The financial product is a risk managed multi-asset fund which invests in a diversified portfolio of high quality stocks as well as other assets such as bonds, REITS, alternatives and cash. The fund aims to provide a diversified investment consistent with a low-medium risk rating. The financial product targets investments in companies/issuers that generally display attractive environmental and/or social characteristics when compared to relevant peers and/or the broader investment universe. In addition the financial product excludes companies/issuers that are involved in certain business activities associated with negative environmental and/ or social impact as set out in the exclusions policy. The financial product does not make sustainable investments.

Typically, a minimum proportion of 64% of fund assets will be used to attain the environmental or social characteristics promoted by the financial product with the balance (up to 36%) held in cash deposits and government bonds.




**#1 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.

**#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.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product*?**

The financial product does not use derivatives for the attainment of its environmental or social characteristics.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

0% – the financial product has no minimum share of investments aligned with the EU Taxonomy.

**Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?**

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

☐ Yes

☐ In fossil gas

☐ In nuclear energy

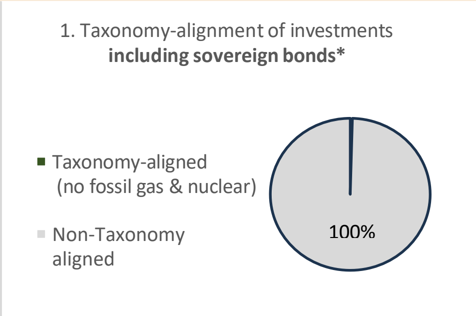
☒ **No**

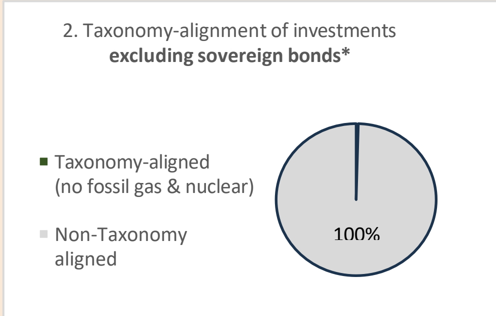
**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**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.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

***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*

***What is the minimum share of investments in transitional and enabling activities?***

0% - the financial product has no minimum share of investments in transitional and enabling activities.

**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable – the financial product does not make sustainable investments.

**What is the minimum share of socially sustainable investments?**

Not applicable – the financial product does not make sustainable investments.

**What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

Euro Cash deposits and government bonds, used to manage the volatility profile of the financial product – there are no minimum environmental or social safeguards.

## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

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

No – there is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable - there is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable - there is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

***How does the designated index differ from a relevant broad market index?***

Not applicable - there is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

***Where can the methodology used for the calculation of the designated index be found?***

Not applicable - there is no specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

## Where can I find more product specific information online?

More product-specific information can be found on the website:

[aiblife-fundcentre.saolassurance.ie](aiblife-fundcentre.saolassurance.ie)