

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 Indexed Multi-Asset 3

Product name: Indexed Multi-Asset 3

Publication date: 16 September 2024

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

Does this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="checkbox"/> It will make a minimum of sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It will make a minimum of sustainable investments with a social objective: ___%	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> It promotes E/S characteristics, but will not make any sustainable investments



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

This Fund specifically aims to:

- Reduce the impact of the Fund on Climate Change (relative to the appropriate broad market benchmark)
- Increase the Fund's exposure to companies with improved sustainability and lower ESG risk scores (relative to the appropriate broad market benchmark)

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

The indicators used to measure the outcomes of this approach are:

- Reduce the impact of the Fund on Climate Change (relative to the appropriate broad market benchmark)

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

- > Reduction in carbon intensity of the portfolio versus the appropriate broad market benchmark.
 - > Reduction in fossil fuel involvement of the portfolio versus the appropriate broad market benchmark.
- Increase the Fund's exposure to companies with improved sustainability and lower ESG risk scores (relative to the appropriate broad market benchmark)
- > Reduction in the overall ESG risk scores versus the appropriate broad market benchmark.

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?

N/A - The fund promotes E/S characteristics, but will not make any 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?

N/A - This Fund does not commit to making sustainable investments or investments aligned with the EU Taxonomy.

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

N/A- the Fund does not commit to making 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? Details:

This Fund does not commit to making sustainable investments or investments aligned with the EU Taxonomy.

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, anticorruption and antibribery matters.

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.



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

Yes

Yes - The Fund aims to reduce negative impacts to the environment and society. These negative impacts are also called adverse impacts, whereby the most significant adverse impacts are referred to as principal adverse impacts (PAI).

Where possible and feasible and in line with the nature of the investments, a number of adverse impacts are structurally and systematically considered as part of this Fund's investment decision making. This consideration occurs before making investment decisions and thereafter as part of our ongoing monitoring and management of that investment, where an investment is made.

We consider the following key PAIs in our decision making: Impact on climate change:

> Greenhouse gas emissions

> Carbon footprint

> Exposure to companies active in the fossil fuel sector

Impact on society:

> Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

> Exposure to controversial weapons (anti-personnel mines, nuclear weapons, cluster weapons, biological and chemical weapons, depleted uranium, and white phosphorus munitions)

Investment decisions result in more capital allocation to companies with improved PAI indicators as a result of the ESG data integration.

Further details on the principle adverse impacts can be found at <https://www.ilim.com/media/mkltlyqj/ilim-pai-statement-2024.pdf>

No



What investment strategy does this financial product follow?

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

The Fund may invest in a diversified mix of assets such as cash, bonds, equities and externally managed listed property to deliver a return over the medium to long-term commensurate with the Fund's risk profile.

This is a low-medium risk fund, with risk appropriate allocation to higher risk assets such as equities and externally managed listed property. The Fund manager monitors and rebalances the Fund regularly and may change the asset mix.

The Fund promotes environmental and social characteristics alongside other factors (Article 8 of the SFDR).

As part of its active ownership program the Investment Manager, ILIM, will selectively engage (either directly or collaboratively with other like-minded investors) with companies in which it invests to support and encourage the adoption of positive sustainable behaviours within these companies. ILIM exercises its voting rights, voting the shares of companies in this product, with the exception being where voting is logistically difficult or where the costs of voting are disproportionate relative to the size of the holding.

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?

The Fund commits to allocating a minimum of 75% of the Fund's Assets (excluding neutral assets*) to strategies which support the Fund attaining the promoted Environmental or social characteristics. This is subject to a further constraint of at least 50% of the Fund's total assets being allocated to strategies which support the Fund attaining the promoted environmental or social characteristics.

*assets such as cash and government bonds are deemed neutral under SFDR.

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

N/A – there is no committed minimum rate to reduce the scope of investments.

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

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

ILIM utilise independent third party data providers to make assessments on governance practices in the companies which we invest. ILIM assess good governance practices in investee companies through a number of measures which include:

- > ESG risk scores
- > Alignment with the UN Global Compact
- > Involvement in severe controversies



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

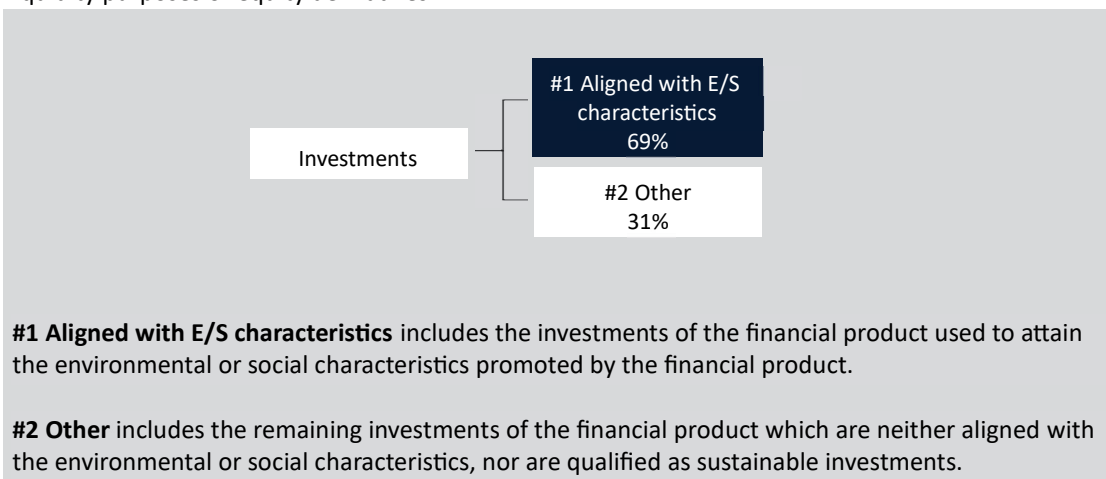
The Fund invests in a mix of assets such as cash, government bonds and corporate bonds, equities, and externally managed listed property.

The promotion of environmental or social characteristics were applied across the majority of below assets classes and the majority of the Funds associated with the below listed asset classes are classified as Article 8 under SFDR regulation: i. Equity ii. Corporate Fixed Income

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.

At least 69% of investments are expected to be allocated to assets which promote E/S characteristics and up to 31% may be allocated to “other” investments which may comprise of a small cash balance for liquidity purposes or equity derivatives



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

Although derivatives can be used in the investment strategy, derivatives are not used to attain the environmental or social characteristics promoted by the financial product.



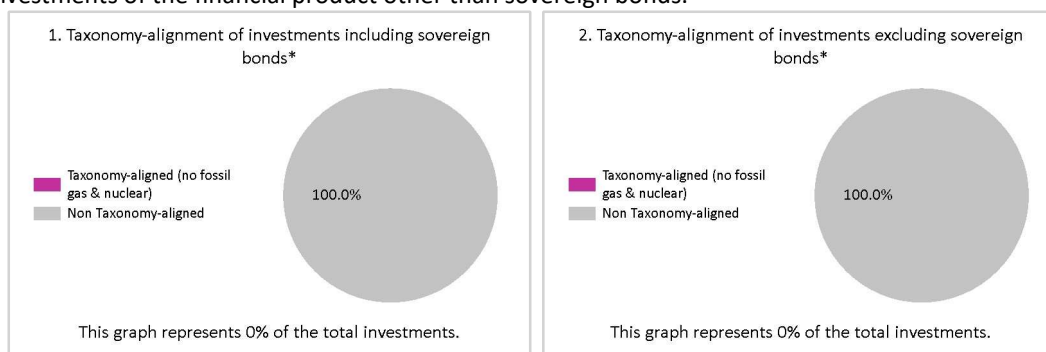
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A - This Fund does not commit to making sustainable investments or 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 Taxonomy¹?

- Yes
- In fossil gas In nuclear energy
- No

The two graphs below show in purple 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?

N/A



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



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

N/A - This Fund does not commit to making sustainable investments or investments aligned with the EU Taxonomy.



What is the minimum share of socially sustainable investments?

N/A - The Fund does not intend to make any investments in sustainable investments with a social objective



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

This product may invest in assets such as bonds, equities and externally managed listed property. Investments classified as "Other" include:

- > Cash
- > Developed Sovereign Fixed Income
- > Externally managed listed property

The investments classified as "Other" form part of the multi-asset portfolio strategy and are vital parts of the risk/return framework of the strategy as well as meeting the liquidity needs of the product, i.e. to service inflows (outflows) to (from) the product.

¹Fossil 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 not significantly harm any EU Taxonomy objectives - 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.

There are no specific environmental or social safeguards applied to this part of products assets. However, for cash, we apply our exclusion policy which sets the baseline for investments, below which companies are deemed ineligible for the investment due to the company's products, or behaviours causing harm.



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?

N/A - The Fund follows a multi-asset strategy and does not have a reference benchmark.

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

N/A - The Fund follows a multi-asset strategy and does not have a reference benchmark.

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

N/A - The Fund follows a multi-asset strategy and does not have a reference benchmark or a designated index.

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

N/A - The Fund does not have a broad market benchmark.

The Fund is a multi-asset strategy consisting of allocations to a number of investment funds in specified asset classes. These investment funds which are classified as Article 8 have individual benchmarks and the individual funds show improvements in E/S characteristics versus their individual benchmarks.

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

N/A - The Fund follows a multi-asset strategy and does not have a reference benchmark or a designated index.

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



Where can I find more product specific information online?

More product specific information can be found on the website aiblfe-fundcentre.saolassurance.ie