

EURO CORPORATE BOND SUSTAINABILITY DISCLOSURE

SUMMARY

This financial product promotes environmental or social characteristics but does not have as its objective sustainable investment.

This Fund specifically aims to:

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

The Fund is passively managed and invests in Euro-denominated investment grade large cap corporate bonds. The Fund aims to perform in line with the ICE ILIM Sustainable Euro Corporate Bond Index. The Fund follows a proprietary benchmark index designed by ILIM to enhance exposure to positive Environmental, Social and Governance (ESG) factors and reduce investment exposure to carbon risk as set out by the Paris Climate Agreement. Only bonds which are investment grade based on a composite rating are included in the index.

The estimated proportion of assets which promote environment and social (E/S) characteristics is circa 95%.

The Fund follow a passive strategy and invests in Euro-denominated investment grade large cap corporate bonds and may carry a small cash balance for liquidity purposes.

ILIM relies on third party ESG data from Sustainalytics. Sustainalytics have developed methodologies to assess companies' ESG credentials. ILIM utilises the ESG data from Sustainalytics to monitor the E/S characteristics of the Fund.

The E/S characteristics of the

Fund are reported periodically to internal executive committees.

ESG data is provided for the underlying holdings with each security having a series of ESG indicators. The indicators used to measure the promotion of the E/S characteristics of the Fund are carbon intensity, fossil fuel involvement and ESG risk score.

NO SUSTAINABLE INVESTMENT OBJECTIVE

This Fund promotes environmental and/or social characteristics but does not have a sustainable investment objective.

While this Fund is designed to consider and contribute to the sustainability of our environment and society within the provisions of Article 8 of the SFDR, it is not specifically designed to make "sustainable investments" as defined under SFDR or to make investments which qualify as "environmentally sustainable" under the EU Taxonomy.

ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The environmental and/or social characteristics promoted by the Fund are as follows:

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

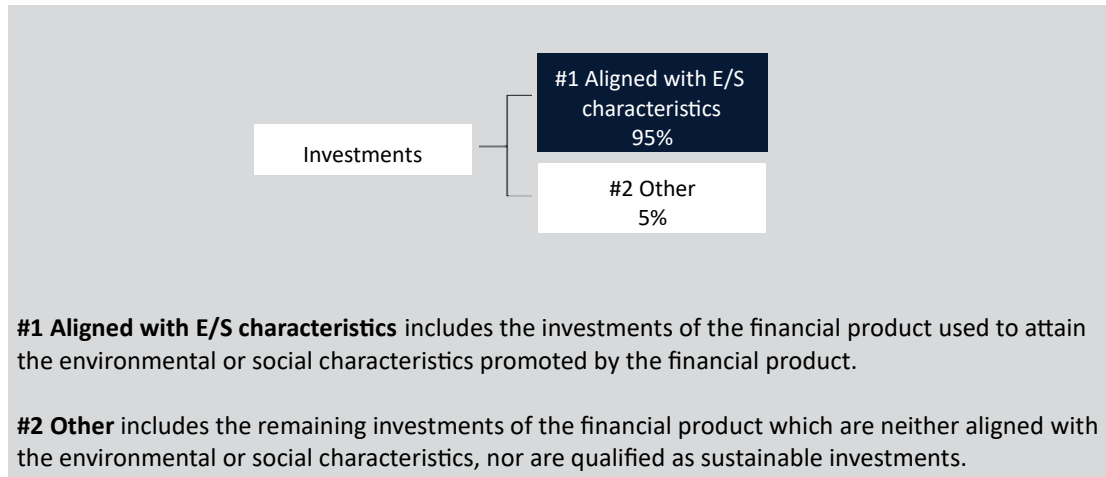
The Fund has designated ICE ILIM Sustainable Euro Corporate Bond Index (the "Index") as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes.

INVESTMENT STRATEGY

This Fund is passively managed and invests in Euro-denominated investment grade large cap corporate bonds. The Fund aims to perform in line with the Index. The Fund follows a proprietary benchmark index designed by the Investment Manager to enhance exposure to positive Environmental, Social and Governance (ESG) factors and reduce investment exposure to carbon risk as set out by the Paris Climate Agreement. Qualifying bonds must have a maturity of greater than one year, a fixed coupon schedule and a minimum amount outstanding of EUR 500 million. Only bonds which are investment grade based on a composite rating are included in the Index. The fund promotes environmental and social characteristics alongside other factors.

PROPORTION OF INVESTMENTS

The Fund invests in Euro-denominated investment grade large cap corporate bond and may carry a small cash balance for liquidity purposes. At least 95% of investments are expected to be allocated to assets which promote E/S characteristics and up to 5% may be allocated to "other" investments which may comprise of a small cash balance for liquidity purposes or fixed income derivatives. However, in normal market conditions, the Investment Manager expects the investments used to meet the environmental and/or social characteristics to equal circa 100%.



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The Fund manager relies on third party ESG data from Sustainalytics. Sustainalytics have developed methodologies to assess companies' ESG credentials. Companies are assigned sustainability related scores based on their activities and ESG credentials.

The Fund Manager utilises the ESG data from Sustainalytics to monitor the E/S characteristics of the Fund. The agreed environmental and social indicators used to measure the attainment of the characteristics promoted by the product are independently monitored by ILIM's Investment Risk team at a Fund level. The E/S characteristics of the Fund are reported periodically by the Fund manager's Investment Risk team to the Fund Manager's Responsible Investing Governance Committee and the Fund Manger's board. Exceptions are highlighted and addressed where appropriate.

METHODOLOGIES

The extent to which environmental and social characteristics promoted by the Fund are met, these are measured using a series of aggregated metrics using data from our third party data provider Sustainalytics.

The Fund is a passive product which promotes E/S characteristics. ESG data for the underlying holdings is available through our third-party ESG data provider Sustainalytics with each security having a series of ESG indicators.

A weighted average score of the underlying holdings is calculated for each of the E/S characteristics promoted by the Fund. The weighted average scores are used to demonstrate how environmental and social characteristics promoted by the Fund are met.

DATA SOURCES AND PROCESSING

ILIM, as fund manager, obtains the data and evaluates each of the E/S characteristic promoted from our chosen ESG data provider, Sustainalytics (<https://www.sustainalytics.com>).

Sustainalytics is a market leader in the provision of ESG data.

Sustainalytics provide ESG data on the environmental and social characteristics promoted by the Fund. ESG data is sourced from Sustainalytics for the individual company holdings of the Fund for each of the indicators which monitor the environmental and social characteristics. ILIM as Fund manager of the Fund, monitor the quality of data received and companies which have environmental/social scores that are judged to be outliers within the Fund are reviewed against other third party data providers and if necessary, queried with Sustainalytics.

For the Fund's investments, each indicator to assess the impact of the environmental and social characteristic promoted by the Fund is calculated for each individual security using a weighted average of the Sustainalytics data score for the individual metrics, and these are then aggregated to determine the overall product score.

A formulaic expression of the calculation is below:

Individual company score = Weight of security in portfolio * Sustainalytics score for the individual sustainable metric
Fund score for sustainable metric = Sum of individual company scores held in the Fund.

ESG data and metrics attributed to the environmental and social characteristics promoted by the Fund will contain estimated data due to a lack of public disclosure by individual companies.

As the requirements to report ESG data differ between jurisdictions, and as many companies are only starting to produce ESG measurements themselves, a significant portion of the data is estimated by our ESG data provider Sustainalytics. Gaps in corporate disclosure are partially filled with the help of Sustainalytics' estimation models (e.g. targeting GHG emissions) to provide a fuller picture of the portfolio's impacts. Disclosure of ESG data is improving over time with more companies publicly disclosing ESG related data.

LIMITATIONS TO METHODOLOGIES AND DATA

As mentioned, there are limitations regarding both methodologies and data. For some equities ESG data is unavailable due to the lack of publicly disclosed information. In these instances estimated ESG data is used. Gaps in corporate disclosure are partly filled with the help of Sustainalytics' estimation models (e.g. targeting GHG emissions) to provide a more complete picture of the portfolio's impacts. For equities where ESG data is not directly available, these are not included in the calculation. Disclosure of ESG data is improving year and year with more companies publicly disclosing data to support the environmental and social characteristics promoted by the Fund.

DUE DILIGENCE

ILIM utilises independent third-party ESG data to take into account sustainability factors including a number of PAI indicators. ILIM integrates the ESG data into the investment decision making process to reduce 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.

Using ESG data from our third-party provider, ILIM excludes investee companies in breach of international principles such as:

- > The OECD Guidelines for Multinational Enterprises
- > The UN Guiding Principles on Business and Human Rights
- > The Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work > The International Bill of Human Rights

When assessing the environmental and social characteristics of the underlying assets of the financial products, ILIM incorporates ESG data into the investment decision making process. For Article 8 designated funds, this includes assessing the underlying securities from an environmental and social characteristics viewpoint to ensure E/S characteristics are promoted by the product. The E/S characteristics promoted by Article 8 funds are monitored to assess if these E/S characteristics have been attained.

ENGAGEMENT POLICIES

ILIM currently do not engage with credit investments, such as Corporate Bonds and Government Bonds. This is something ILIM is currently investigating.

DESIGNATED REFERENCE BENCHMARK

The Index has been designated as the reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics that it promotes. The Fund follows a passive indexation strategy and aims to replicate the Index. The Index is created by the Investment Manager in co-ordination with the benchmark provider, ICE, and is designed to promote the environmental and/or social characteristics of the Fund.