

INDEXED MULTI-ASSET 2 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 a multi-asset fund and seeks to achieve its objectives and may allocate to equity, fixed income and other asset classes. ILIM look to ensure a high level of diversification across different asset classes and within asset classes. A mixture of passive and active approaches can be used where appropriate.

To deliver on the promotion of E/S characteristics, the Fund's investment strategy contains the following binding elements:

- a minimum proportion of 50% of the total Fund should be allocated to strategies which support the Fund attaining the promoted E/S characteristics; and
- a minimum proportion of 70% of the Fund (excluding neutral assets*) should be allocated to strategies which support the Fund attaining the promoted E/S characteristics

*Assets such as cash and Euro government bonds are deemed neutral under SFDR and are excluded when calculating the weights above. An active ownership approach is also applied across the majority of the equity assets by using the voting rights and constructively engaging (either directly or collaboratively with other likeminded investors) with the companies in which the Fund invests. The estimated proportion of equities which promote environmental and social (E/S) characteristics is circa 76.2%. The Fund invests in a mix of assets classes. The promotion of environmental or social characteristics were applied across the majority of the asset classes and the majority of the Funds associated with the asset classes are classified as Article 8 under SFDR regulation.

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. For funds with corporate exposures that promote E/S characteristics (Article 8 funds), 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. Some asset classes such as government bonds and unlisted asset classes do not currently have available ESG data and the environmental and social characteristics are not reported. There are limitations regarding both methodologies and data and some asset classes do not yet have fully developed methodologies due to the nature of the asset classes. ILIM utilises ESG data to take into account sustainability factors including a number of principle adverse impact ("PAI") indicators. The E/S characteristics promoted by the Fund are monitored to assess if these E/S characteristics have been attained. The Fund engages in active ownership and actively engages with companies to improve their E/S characteristics. The Fund also uses its voting power to vote to promote E/S characteristics. The Fund manager of the Fund, ILIM, has an active ownership programme, which ILIM enacts on behalf of the Fund. ILIM also tackles many specific E/S characteristics through engagement activities, either directly with companies or collaboratively with other investors. Engagement topics include transition climate risks such as physical climate risks, biodiversity, water, waste, human-rights, supply-chain labour standards, modern slavery, anti-discrimination, anti-corruption and ESG risk. The Fund follows a multi-asset strategy and does not have a reference benchmark.

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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

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)

INVESTMENT STRATEGY

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 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.

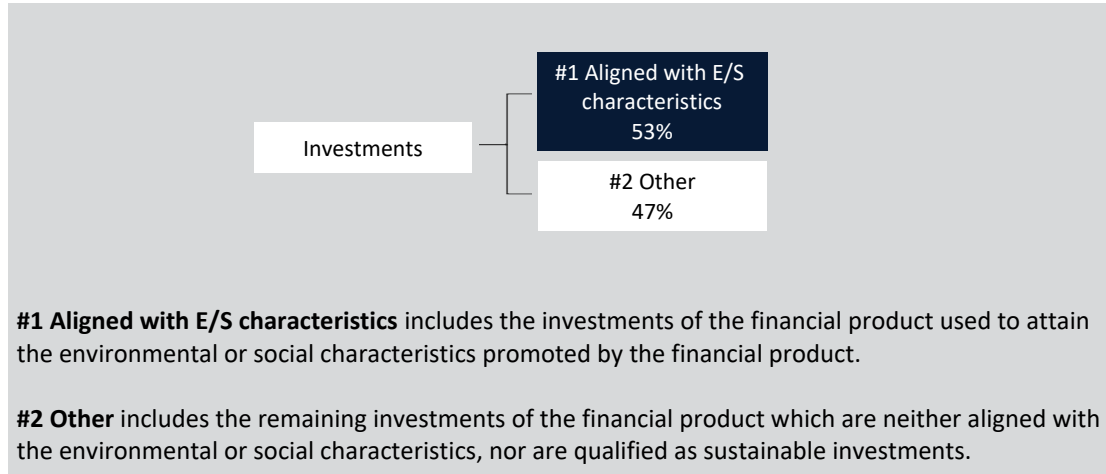
PROPORTION OF INVESTMENTS

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

At least 53% of investments are expected to be allocated to assets which promote E/S characteristics and up to 47% may be allocated to “other” investments which may comprise of a small cash balance for liquidity purposes or equity derivatives



MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

ILIM 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. ILIM 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 ILIM's Investment Risk team to ILIM's Responsible Investing Governance Committee and the ILIM 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. For Equity and Corporate Fixed Income funds aligned with E/S characteristics (Article 8 funds), 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. 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. For assets classes where such data is available, i.e. funds with direct corporate exposures, ESG data is sourced from Sustainalytics for the individual company holdings of the Fund for each of the metrics 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.

ESG data and methodologies are currently not fully developed or available for government bonds or cash and hence environmental or social characteristics cannot currently be promoted.

Additionally, ESG metrics are currently not calculated for externally managed funds due to the lack of available data. Data for unlisted property assets are also not incorporated into the aggregated scores for the product due to the nature of listed property assets. Once methodologies are developed and appropriate data becomes available for the asset classes mentioned above, these asset classes will be considered for inclusion in the calculation. For listed equity and corporate bonds, each metric 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

The overall Fund E/S scores relates to listed equity and corporate bonds only, due to data and methodology issues with other asset classes.

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

The Fund engages in active ownership and actively engages with companies to improve their environmental and sustainable characteristics. Additionally, the Fund uses its voting power to promote environmental and sustainable characteristics. The Fund manager has an active ownership programme, which ILIM enacts on behalf of the Fund.

The active ownership programme focuses on core ESG themes, which can be categorised under two mega themes: decarbonisation and a trend to a more stakeholder centric business model concentrating on four priority thematic areas: climate change, natural capital, human rights and corporate governance.

ILIM's new bespoke voting guidelines promote environmental and social characteristics through two mechanisms:

> Shareholder proposal support: Through ILIM's progressive voting policy aligned with the fund managers four priority thematic areas, we support well-constructed ESG shareholder proposals across the environmental and social characteristics the Fund promotes.

> Voting action against directors: ILIM's bespoke guidelines vote against directors on companies with low gender & ethnic board diversity, companies without independent leadership and companies underperforming on climate oversight, strategy and action. In addition, our voting guidelines integrate direct voting action against companies on non-discretionary portfolios that would fall under ILIM's Exclusion Policy, including companies with UN Global Compact breaches, severe controversies, controversial weapon exposure, production/generation of highly polluting fossil fuels (thermal coal, oil sands, arctic oil) among others. This is further strengthened by ILIM's bespoke policy incorporating voting action against unresponsive companies that ILIM are engaging with on a variety of environmental and social topics.

ILIM also tackles many specific environmental and social characteristics through engagement activities, either directly with companies or collaboratively with other investors. Engagement topics include transition climate risks, physical climate risks, biodiversity, water, waste, human-rights, supply-chain labour standards, modern slavery, anti-discrimination, anti-corruption and ESG risk

DESIGNATED REFERENCE BENCHMARK

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