EVENLODE
GLOBAL DIVIDEND FUND

Evenlode Global Dividend Fund Article 8 Disclosures


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A. Summary

The Evenlode Global Dividend Fund (**the Fund**) is categorised as an Article 8 product under the Sustainable Finance Disclosure Regulation (**SFDR**). The investment objective of the Fund is to provide long-term total returns with an emphasis on income, predominantly through investments in equity securities of companies listed on exchanges in **Recognised Markets** (i.e., a market which is regulated, recognised, operating regularly and open to the public, which is further defined in the Fund's prospectus). Evenlode Investment Management Limited (the **Investment Manager**) sets out here in summary the key information with regards to the environmental characteristic promoted by the Fund and the approach taken.

Environmental characteristic promoted

The Investment Manager has committed that the Fund will reach net zero greenhouse gas emissions across 100% of its portfolio of Material Investee Companies, by 2050, or sooner, to support providing long-term risk-adjusted returns.

Material Investee Companies are equity securities in the Nomenclature of Economic Activities (**NACE**) categories A-H & J-L, as outlined in the Net Zero Investment Framework (**NZIF**), that are listed on exchanges in Recognised Markets. The Investment Manager has set out interim targets to achieve net zero greenhouse gas emissions across its portfolio of Material Investee Companies across 2022, 2025, 2030 and 2040 too. Other **Investee Companies** are also invested in and are equity securities of companies listed on exchanges in Recognised Markets that are not Material Investee companies.

Proportion of sustainable investments

Whilst the Fund does not have a sustainable investment objective a proportion of the investments are intended to be sustainable investments. The environmentally sustainable investment objective of the Fund is to contribute to climate change mitigation through a proportion of the Fund's portfolio of Material Investee Companies that are aligning or aligned to net zero greenhouse gas emissions status by 2050. Over time the proportion of Material Investee Companies considered to be sustainable investments is likely to increase as more Material Investee Companies are aligning or aligned to a net zero status.

The Investment Manager ensures no significant harm to any environmental or social sustainable investment objective as a result of its **ESG** (meaning environmental, social and governance) risk assessment and scoring, consideration of principal adverse impact indicators and adherence to minimum safeguards for the proportion of sustainable investments.

Investment strategy, including due diligence and engagement

The Investment Manager pursues various ESG-related investment strategies. This includes an ESG risk assessment, scoring and exclusions strategy all of which contain a variety of ESG-related topics (e.g., greenhouse gas emission intensity, board-level governance of climate risks, ESG-related metrics in remuneration policies). The areas of assessment may develop over time. The scores (which range from A-E) are then researched further by the Investment Manager's stewardship team, with consideration to the nature of the business and which particular ESG-related risks are more material for the specific investee company and its sector. The overall results of the assessments are also compared to the UN Sustainable Development Goals (**UN SDG**) to establish the investee company's alignment. Engagement is also a central strategy, the Investment Manager gathers information on ESG-related matters across all investee companies. Where an area is identified which requires improvement, an engagement plan will be developed and implemented. Other ESG-related strategies pursued by the Investment Manager include analysis of carbon emissions reporting, Paris Agreement alignment, proxy voting and assessment of good governance. The application may vary depending on whether the investment is a Material Investee Company or Other Investee Company.

Proportion of investments

- The minimum proportion of Material Investee Companies that are invested in and promote the environmental characteristic of reducing greenhouse gas emissions to net zero by 2050, in accordance with the binding elements of the investment strategy, is 60%.
- A minimum proportion of 10% of the Material Investee Companies are to be sustainable investments with an environmental sustainable objective to contribute to climate change mitigation through aligning or being aligned to the net zero target of 2050 for greenhouse gas emissions. There are no confirmed Taxonomy-aligned investments at this time.
- A proportion of the investments, around 35%, are held in Other Investee Companies that do not contribute to the attainment of the environmental characteristic promoted by the Fund but do follow good governance practices and follow some ESG-related elements of the investment strategy, including assessment, scoring and exclusion, as minimum safeguards. The remaining proportion of investments, of up to 5%, is cash held with no minimum environmental or social safeguards applied.

Monitoring of environmental or social characteristics

There are multiple metrics used to consider the attainment of progress towards net zero, including the % of Material Investee Companies with a net zero 2050 transition plan, and the number of direct and collective engagements. All investee companies in the portfolio are monitored against: scope 1, 2 and 3 emissions (subject to data availability); the Morgan Stanley Capital International (MSCI) World Index carbon footprint; UN SDG alignment; and alignment to sustainability-related metrics in remuneration policies.

Methodologies

The Investment Manager relies on its own proprietary frameworks and data to study financial reports, sustainability reports and net zero transition plans from investee company websites wherever possible. The Investment Manager primarily relies on publicly available information from investee companies and consequently creates its own data set from the Investment Manager's own analysis with regards to net zero. When the data is unclear on net zero, they will utilise third party data to support with aggregation tools and validation methods. This will ensure both internal and external metrics are considered, allowing for better informed decisions by the Investment Manager.

Data sources and processing

The Investment Manager uses a combination of in-house and external data. The approach is to fully interpret the data in-house and or, alternatively, gain an understanding of the methodology of any data which is purchased.

Limitations to methodologies and data

The Investment Manager prefers to rely on company reported data, where available, and only rely on external third party if necessary. The expectation is that only around 15% of data will be estimated rather than being disclosed by companies. The Investment Manager will consider the data quality and the proportion required to be estimated when analysing whether that investee company is a Material Investee Company to contribute to the environmental characteristic promoted or be part of the proportion of sustainable investments or be an Other Investee Company. The Investment Manager considers that the proportion of estimated data will reduce over time as regulation and momentum around corporate reporting increases.

B. No sustainable investment objective

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

However, a proportion of the investments are intended to be sustainable investments. The environmental sustainable investment objective of the Fund, with regards to those sustainable investments, is to contribute to climate change mitigation through the Fund's portfolio of Material Investee Companies that are aligning or aligned to net zero greenhouse gas emissions status by 2050. Over time the proportion of Material Investee Companies considered to be sustainable investments is likely to increase as more Material Investee Companies are aligning or aligned to a net zero status.

The Investment Manager ensures that the sustainable investments the Fund partially intends to make do not cause significant harm to any environmental or social sustainable investment objective, as follows:

Risk assessment and scoring

- The Investment Manager has a proprietary ESG risk assessment and scoring matrix for Material Investee Companies, including those which are sustainable investments, covering a broad variety of ESG-related topics from an environmental as well as social perspective. The topics include, but are not limited to, greenhouse gas emission intensity, board-level governance of climate-related risks, ESG-related metrics in remuneration policies, controversies in the supply chain and board structure. The areas assessed and scored are likely to be added to and evolve over time. The scores initially found in the ESG risk score matrix, which are scored from A – E, are then researched further by the Investment Manager's stewardship team, with consideration to the nature of the business and which particular ESG-related risks are most material for the specific Material Investee Company and its sector. The Material Investee Companies are also checked for their alignment to the UN SDGs.
- If a Material Investee Company scores an E on ESG risk because there are severe ESG concerns and therefore it will be likely, or already is, causing significant harm to an environmental or social sustainable investment objective it will be excluded from the Fund's investment universe and therefore could not be a sustainable investment held in the Fund's portfolio. Where a Material Investee Company does not meet minimum ESG standards and consequently scores a D, this leads to active engagement on the identified issues that, if necessary, is escalated from direct engagement with the Material Investee Company to collective engagement through one of the investor initiatives the Investment Manager is a member of. For clarification, in the Investment Manager's opinion the score of a D does not necessarily result in significant harm to any environmental or social sustainable investment objective. Providing the other requirements for a sustainable investment are met and there is no significant harm found as a result of the assessment and scoring, the Material Investee Company that scored a D could be held in the portfolio as a sustainable investment.
- The sole formal sector exclusion for the Fund is that all investee companies (inclusive of Material Investee Companies and Other Investee Companies) deriving any revenue from controversial weapons are excluded.
- Overall, the assessment, scoring and exclusion for Material Investee Companies across environmental and social considerations, contributes to the prevention of significant harm to environmental and social sustainable investment objectives by any of the Material Investee Companies which are sustainable investments.

Principal adverse impact indicators

All indicators as applicable to investee companies in Table 1 of Annex I, SFDR Level 2 are taken into account in relation to the sustainable investments. The Investment Manager monitors the impacts on sustainability factors for each of the Material

Investee Companies that are sustainable investments and this supports informing the engagement required with the Material Investee Companies on sustainability-related issues, in order to reduce or mitigate their impact, as required. A third-party data provider, Impact Cubed, provides principal adverse impact (PAI) data to the Investment Manager to support the Investment Manager's monitoring of PAIs.

Minimum safeguards

The Investment Manager, utilising data provided from a third-party, assesses the impacts of an investee company's goods, services, operations and supply chain, including alignment with the United Nations' SDGs, Organisation for Economic Co-operation and Development guidelines for Multinational Enterprise on Responsible Business Conduct and UN Guiding Principles on Business and Human Rights in its risk assessments and, where required, includes any required improvements in its engagement plan for an investee company.

C. Environmental or social characteristics of the financial product

The Investment Manager has committed the Fund to reach net zero greenhouse gas emissions across 100% of its portfolio of Material Investee Companies, by 2050, or sooner, to support providing long-term risk-adjusted returns.

Material Investee Companies are defined by the Investment Manager as equity securities in NACE categories A-H & J-L, as outlined in the NZIF, that are listed on exchanges in Recognised Markets. The interim targets pursed by the Investment Manager to achieve the net zero greenhouse gas emissions target include:

- By the end of 2022: 100% of the Material Investee Companies held in the Fund's portfolio must be:
  - Achieving net zero greenhouse emissions
  - Aligned with the emissions target of net zero greenhouse gases by 2050
  - Under direct or collective engagement on the emissions target of net zero greenhouse gases by 2050.
- By 2025: 50% of the Material Investee Companies must be:
  - Achieving net zero greenhouse gas emissions
  - Aligned or aligning with the emissions target of net zero greenhouse gases by 2050,

  with the other 50% of Material Investee Companies under direct or collective engagement on the emissions target of net zero greenhouse gases by 2050.
- By 2030: 100% of the Material Investee Companies must be:
  - Achieving net zero greenhouse gas emissions; or
  - Aligned or aligning with the emissions target of net zero greenhouse gases by 2050,

  with direct or collective engagement on the emissions target of net zero greenhouse gases with Material Investee Companies carried out on a needs-based basis.

  There must also be a 51.6% reduction in greenhouse gas emissions per €10,000 across Scopes 1, 2 and 3 greenhouse gas emissions by 2030.
- By 2040: 100% of the Material Investee Companies must be:
  - Achieving net zero greenhouse gas emissions; or
  - Aligned with the emissions target of net zero greenhouse gases by 2050.

Aligning means science-based targets have been set to achieve net zero greenhouse gas by 2050, in line with the United Nations Framework convention on Climate Change Paris Agreement (the **Paris Agreement**) (i.e., limiting global warming to a 1.5% increase in global temperatures compared to pre-industrial level), and a plan relating to how the company will achieve these targets, but these targets are not yet being met.

Aligned means greenhouse gas emissions performance is meeting science-based targets which have been set to achieve net zero greenhouse gas emissions by 2050 in line with the Paris Agreement (i.e., limiting global warming to a 1.5% increase in global temperatures compared to pre-industrial levels).

As set out above, a proportion of the Material Investee Companies will be deemed to be sustainable investments with an environmental sustainable investment objective of a contribution to climate change mitigation by aligning to or being aligned to net zero greenhouse gas emissions status by 2050.

Other Investee Companies are also invested in and are equity securities of companies listed on exchanges in Recognised Markets that are not Material Investee Companies. Other Investee Companies are assessed to follow good governance practices and follow elements of the ESG-related investment strategy as minimum environmental and social safeguards but do not contribute to the environmental characteristic promoted by the Fund.

The Fund does not have a reference benchmark designated for the purpose of attaining the environmental characteristic promoted, and instead measures the attainment of the environmental characteristic promoted by the sustainability indicators below.

D. Investment strategy

For the sustainability-related investment strategy of the Fund, the Investment Manager pursues the following:

ESG risk assessment, scoring and exclusions

The Investment Manager has a proprietary ESG risk score matrix composed of ESG-related questions about an investee company, inclusive of both Material Investee Companies and Other Investee Companies. There are a broad variety of ESG-related topics from an environmental as well as social perspective. The topics include but are not limited to greenhouse gas emission intensity, board-level governance of climate-related risks, ESG-related metrics in remuneration policies, controversies in the supply chain and board structure. The areas assessed and scored are likely to be added to and evolve over time. The scores initially found in the ESG risk score matrix, which are scored from A – E, are then researched further by the Investment Manager's stewardship team, with consideration to the nature of the business and which particular ESG-related risks are more material for the specific investee company and its sector. The overall results of the assessments are also compared to the UN Sustainable Development Goals to establish the investee company's alignment. Where any investee company scores an E for ESG risk, that leads to exclusion from the investment universe of the Fund, as the risk is deemed to be significant and presenting a risk to long-term financial returns too. Where the investee company is a Material Investee Company and has scored B to D, the findings of the risk assessment and scoring will support the development and direction of an engagement plan applicable to that Material Investee Company, if, in the Investment Manager's opinion, an area requires improvement.

The sole formal sector exclusion for the Fund is that all investee companies (inclusive of Material Investee Companies and Other Investee Companies) deriving any revenue from controversial weapons are excluded.

Engagement

- The Investment Manager has engagement as a core component of promoting the environmental characteristics of the Fund and achieving the environmental sustainable objective for its sustainable investments. For all investee companies,

- inclusive of both Material Investee Companies and Other Investee Companies, the Investment Manager gathers a broad range of information on ESG-related matters, as described in the ESG risk assessment and scoring above. Where the investee company is a Material Investee Company and has scored B to D, the findings of the risk assessment and scoring will support the development and direction of an engagement plan applicable to that Material Investee Company, if, in the Investment Manager's opinion, an area requires improvement. The engagement plan will encourage more sustainable practices and transparency through enhanced reporting, target setting and linking of long-term incentivisation packages to meet those targets set.
- The Investment Manager also actively engages with Material Investee Companies that report on less than 90% of greenhouse gas emissions, including estimates, and escalates this to collective engagement where the Investment Manager does not receive a satisfactory response.
- In addition, if a Material Investee Company's lack of alignment to net zero presents a severe, unmanaged risk, engagement may be escalated, as appropriate, to include collective engagement and/or the exercising of voting rights to effect change at board level and if engagement should not prove effective there may be a reduction in maximum position size or in some cases, divestment.
- Engagement is monitored within a proprietary research management system alongside the other investee company analysis.

Carbon emissions reporting

The Investment Manager analyses, estimates and reports on the carbon footprint of all investee companies, inclusive of both Material Investee Companies and Other Investee Companies across scopes 1, 2 and 3 (subject to data availability), and aims to achieve a lower carbon footprint than the MSCI World Index. The analysis facilitates the Investment Manager's understanding of the carbon impact of investments and further provides the Investment Manager with information that is the basis for risk-based targeting of Material Investee Company engagements.

Paris Agreement alignment

The Paris Agreement targets limiting global warming to no more than 2°C above pre-industrial levels (and preferably to no more than 1.5°C), requiring global greenhouse gases to be reduced to net zero by 2050. The Investment Manager assesses Material Investee Companies' alignment with the Paris Agreement (net zero by 2050) by analysing their climate targets, decarbonisation strategies, emission disclosure and progress on emission reduction. The process starts with checking for adequate disclosure and whether a company has set a Paris-aligned science-based target. For high impact sectors as categorised by the Institutional Investors Group on Climate Change, there is an additional assessment of a Material Investee Company's decarbonisation strategy and their future capex strategy. This includes checking for an internal carbon price. This assessment is formally reviewed on an annual basis. The Material Investee Companies that the Investment Manager assesses as not being sufficiently ambitious in their alignment to net zero are also the subject of further engagement.

Proxy voting

The Investment Manager independently analyses and votes on all resolutions at every general meeting of an investee company, inclusive of both Material Investee Companies and Other Investee Companies. The voting of resolutions followed by active engagement is the formal mechanism by which the Investment Manager believes they can effect change and express opinion on corporate matters. The Investment Manager can and does vote against the recommendations of management where there is a considered reason for doing so, in relation to the environmental characteristic promoted, such as if remuneration policies did not assess management on managing climate-related risks and/or reduction of greenhouse gas emissions in their operations or supply chain. When the Investment Manager votes against a management recommendation it writes to the investee company explaining why they have done so and builds it into an engagement plan, as appropriate.

Good governance

The Investment Manager assesses for all investee companies, inclusive of Material Investee Companies and Other Investee Companies, good governance practices including sound management structures, employee relations, remuneration of staff inclusive of pay equity, and board gender diversity in its risk assessments and bespoke annual general meeting (AGM) analysis framework and, where required, includes any required improvements in these areas of good governance in its engagement plan for an investee company. The Investment Manager seeks for sustainability-related targets to be embedded into an investee company's executive compensation packages and assesses whether supervisory boards and board committees have true independence to facilitate appropriate challenge within that Investee Company.

Principal adverse impacts

The Investment Manager is responsible for identifying principal adverse impacts on sustainability factors for the Fund, which are considered for both Material Investee Companies and Other Investee Companies. The principal adverse impact indicators monitored are all those applicable to investee companies as set out ion Table 1, Annex I of SFDR Level 2. Through engagement with investee companies the Investment Manager intends to reduce or mitigate the impact of the following principal adverse impact indicators, where required:

- Climate and other environment-related indicators:
  - Table 1: PAI 1 GHG emissions
  - Table 1: PAI 2 Carbon footprint
  - Table 1: PAI 3 GHG intensity of investee companies
  - Table 1: PAI 7 Activities negatively affecting biodiversity-sensitive areas.
- Social and Employee Matters
  - Table 1: PAI 12 Unadjusted gender pay
  - Table 1: PAI 13 Board gender diversity
  - Table 1: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
  - Table 3: PAI 8 Excessive CEO pay ratio.

The monitoring and actions taken in relation to the principal adverse impact indicators is subject to data availability and data quality, which is likely to evolve and improve over time. For the PAIs the Investment Manager relies on third party data provider Impact Cubed for PAI reporting, although the Investment Manager reviews various PAI data in the Impact Cubed report against its own analysis, as further detailed in the methodologies section below.

E. Proportion of investments

The Fund intends to make investments predominantly in equity securities of companies listed on exchanges in Recognised Markets.

The minimum proportion of Material Investee Companies that are invested in and promote the environmental characteristic of reducing greenhouse gas emissions to net zero by 2050, in accordance with the binding elements of the investment strategy, is 60%.

A minimum proportion of 10% of the Material Investee Companies are to be sustainable investments with an environmental objective to contribute to climate change mitigation through aligning or being aligned to the net zero target of 2050 for greenhouse gas emissions. Over time the proportion of Material Investee Companies considered to be sustainable investments is likely to increase as more Material Investee Companies are aligning or aligned to a net zero status. There are no confirmed Taxonomy-aligned investments at this time.

A proportion of the investments, around 35%, are held in Other Investee Companies that do not contribute to the attainment of the environmental characteristic promoted by the Fund, but do follow good governance practices and follow some ESG-related elements of the investment strategy, including assessment, scoring and exclusion, as minimum safeguards.

The remaining proportion of investments, of up to 5%, is cash held with no minimum environmental or social safeguards applied.

F. Monitoring of environmental or social characteristics

The Fund has the following sustainability indicators in relation to monitoring of the reduction of greenhouse gases in its Material Investee Companies. The Investment Manager considers there to be no single definitive metric to measure the attainment and therefore uses multiple metrics to consider the various dimensions of attainment of progress towards the net zero greenhouse gas emissions of the Fund's portfolio of Material Investee Companies by 2050:

- % of Material Investee Companies with a net zero greenhouse gas emissions transition plan to be achieved by 2050
- Number of direct and collective engagements with Material Investee Companies on greenhouse emissions and other ESG-related matters.

Notwithstanding that the Other Investee Companies do not contribute to the attainment of the environmental characteristic promoted by the Fund, the Investment Manager monitors all investee companies held in the portfolio, inclusive of Material Investee Companies and Other Investee Companies against the following:

- Scope 1, 2 and 3 emissions, subject to data availability
- Comparison of the carbon footprint of the Fund's portfolio against the MSCI World Index's carbon footprint, with the aim for it to be lower
- UN Sustainable Development Goal alignment
- Alignment to sustainability related metrics in remuneration policies.

G. Methodologies

The Investment Manager relies on its own proprietary frameworks and data to study financial reports, sustainability reports and net zero transition plans from investee company websites wherever possible to support the analysis of the attainment of the environmental characteristic promoted by the Fund and the sustainable investment objective of climate change mitigation for the proportion of the Fund's investments that are sustainable. The Investment Manager primarily relies on publicly available information from investee companies and consequently creates its own data set from the Investment Manager's own analysis with regards to net zero. When the data is unclear on net zero, they will utilise third party data to support with aggregation tools and validation methods. This will ensure both internal and external metrics are considered, allowing for better informed decisions by the Investment Manager in monitoring the attainment of the net zero-related environmental characteristic and sustainable investment objective for a proportion of the Material Investee Companies.

In further detail, every year the Investment Manager analyses its financed emissions embedded in the investee companies of the Fund. The Investment Manager looks at the carbon footprint – the amount of emissions expressed as carbon dioxide equivalents (CO2e) – that are released as a result of the Fund's investee companies and apportion a part of these emissions to the Fund based on their holdings in those investee companies. The Investment Manager uses the Full Greenhouse Gas Dataset provided by the Carbon Disclosure Project (CDP) which is a practical source of emissions data. The CDP annually requests emission data as part of their climate change survey from companies in the MSCI All Country World Index (ACWI) as well as the highest emitting companies not included in this index. The CDP dataset provides a standardised framework for consolidating the varied corporate reporting on emissions using the Greenhouse Gas Protocol's definitions of scopes and fills in any gaps in the investee company's reporting with its own estimates based on the investee company's revenue breakdown by industry activity.

More broadly in terms of ESG assessment, when completing the ESG risk scoring matrix, the process is designed as such that the answers from the ESG-related questions can be found from the internal analysis that has already been carried out (emissions analysis, UN SDG assessment and AGM analysis), where available, as well as the Investment Manager using data from third parties including the CDP, Sustainalytics and from Impact Cubed for their Principal Adverse Impact (PAI) reports to complete the remainder of that ESG assessment.

H. Data sources and processing

The Investment Manager uses a combination of in-house and external data to support the attainment of the environmental characteristic promoted and the sustainable investment objective of climate change mitigation in relation to the proportion of sustainable investments held by the Fund. The approach is to fully interpret the data in-house and or, alternatively, gain an understanding of the methodology of any data which is purchased. For instance, with regards to Impact Cubed who the Investment Manager relies on for PAI reporting, Impact Cubed collects primary data from a variety of sources. When evaluating where to source the data, they consider how it will be used and the type of decision it needs to support. The quality, comparability, timeliness, and completeness of the possible sources of data are looked at. As an example, for company location data, Impact Cubed source, standardise, and validate the coordinates of a company's facilities using open-source geographic databases. As a further example, for the climate physical risk component, they source, standardise and validate climate hazard data from the World Bank, the World Resources Institute and peer-reviewed academic journals.

The Investment Manager carries out initial and ongoing due diligence of its potential and existing data providers semi-annually. In preparation for the due diligence assessments, the Investment Manager's team is to scrutinise the data quality of each provider. This could involve reviewing the methodology, data model, the metrics, the compared benchmarks and our ongoing relationship with the provider. The aim is to check for any outliers and ensure data quality. At the time of choosing Impact Cubed as the Investment Manager's primary data provider for PAI reporting requirements, the compliance and stewardship teams carried out thorough due diligence assessment of competitors. As part of that due diligence, the reported emissions were used as a proxy for the accuracy of the data provided from various service providers. The Investment Manager was confident of the data from the chosen provider, Impact Cubed and considered the Impact Cubed platform to be able to be used from a practical perspective.

The table below summarises the data sources used for the environmental characteristic promoted and the sustainable investment objective of climate change mitigation in relation to the proportion of sustainable investments, as well as the PAIs that are monitored.

	ESG Topic Area	Data Source Used
1	Greenhouse gas emissions	Annual Portfolio Emissions Analysis, CDP Climate Change, Company Reports, Impact Cubed
2	Biodiversity	Internal TNFD Report, CDP Forests, Impact Cubed
3	Water	Impact Cubed
4	Waste	Impact Cubed
5	Social and employee matters	AGM Analysis, ESG Risk Score Matrix, Company Reports, Impact Cubed
6	Water, waste and material emissions	Impact Cubed
7	Social and employee matters – CEO pay ratio	AGM Analysis, ESG Risk Score Matrix, Company Reports, Impact Cubed

I. Limitations to methodologies and data

The Investment Manager prefers to rely on company reported data, where available, and only rely on external third party if necessary. For example, there has been a steady increase in emission reporting by the investee companies of the Fund. While progress on scope 1 and 2 reporting has stalled, scope 3 reporting has increased from 2020 to 2021. This increase in disclosure makes the Investment Manager's analysis for the attainment of the environmental characteristic promoted and the sustainable investment objective of climate change mitigation in relation to the proportion of sustainable investments more robust, as emission estimates reported by the investee company are much more tailored than modelled emissions and therefore carry less uncertainty.

The estimations of data among different ESG-related topics will differ.

For the monitoring of the following sustainability indicators of UN SDG alignment and alignment to sustainability related metrics in remuneration policies there is not considered to be any estimated data used at the present time.

For the monitoring of the sustainability indicators of Scope 1, 2 and 3 emissions and the comparison of the carbon footprint of the Fund's portfolio against the MSCI World Index's carbon footprint the amount of data estimated will vary. The Investment Manager expects over 80% of the Fund's investee companies to report on scope 1 and 2 emissions data, with over 45% also reporting on 90% or more of their emissions, including scope 3 emissions. Following analysis using third party data providers too, the expectation is that only around 15% of data will be estimated, rather than being disclosed by companies (Source – Evenlode Portfolio Emissions Report, page 14). The Investment Manager will consider the data quality and the proportion required to be estimated when analysing whether that investee company is a Material Investee Company to contribute to the environmental characteristic promoted or be part of the proportion of sustainable investments or be an Other Investee Company. The Investment Manager considers that the proportion of estimated data will reduce over time as regulation and momentum around corporate reporting increases. Notwithstanding any of the estimations, the Investment Manager does not believe that the attainment of the environmental characteristic promoted by this Fund will be impacted, nor the achievement of the sustainable investment objective for the proportion of investments that are sustainable.

J. Due diligence

The Investment Manager, as part of its investment strategy, carries out the following ESG risk assessment, scoring and exclusions, as due diligence (including with regards to good governance):

- The Investment Manager has a proprietary ESG risk score matrix composed of ESG-related questions about an investee company, inclusive of both Material Investee Companies and Other Investee Companies. There are a broad variety of ESG-related topics from an environmental as well as social perspective. The topics include but are not limited to greenhouse gas emission intensity, board-level governance of climate-related risks, ESG-related metrics in remuneration policies, controversies in the supply chain and board structure. The areas assessed and scored are likely to be added to and evolve over time. The scores initially found in the ESG risk score matrix, which are scored from A – E, are then researched further by the Investment Manager's stewardship team, with consideration to the nature of the business and which particular ESG-related risks are more material for the specific investee company and its sector. The overall results of the assessments are also compared to the UN Sustainable Development Goals to establish the investee company's alignment.
- Where any investee company scores an E for ESG risk, that leads to exclusion from the investment universe of the Fund, as the risk is deemed to be significant and presenting a risk to long-term financial returns too. Where the investee company is a Material Investee Company and has scored B to D, the findings of the risk assessment and scoring will support the development and direction of an engagement plan applicable to that Material Investee Company, if, in the Investment Manager's opinion, an area requires improvement.
- The sole formal sector exclusion for the Fund is that all investee companies (inclusive of Material Investee Companies and Other Investee Companies) deriving any revenue from controversial weapons are excluded.
- In relation to governance, the Investment Manager assesses for all investee companies, inclusive of Material Investee Companies and Other Investee Companies, good governance practices including sound management structures, employee relations, remuneration of staff inclusive of pay equity, and board gender diversity in its risk assessments and, where required, includes any required improvements in these areas of good governance in its engagement plan for an investee company. The Investment Manager seeks for sustainability-related targets to be embedded into an investee company's business plans and executive compensation packages and assesses whether supervisory boards and board committees have true independence to facilitate appropriate challenge within that Investee Company.

For further information on the ongoing assessments made of the investee companies with regards to the environmental characteristic promoted, please see section D. Investment strategy.

K. Engagement policies

The Investment Manager has engagement as a core component of promoting the environmental characteristics of the Fund and achieving the environmental sustainable objective for its sustainable investments. For all investee companies, inclusive of both Material Investee Companies and Other Investee Companies, the Investment Manager gathers a broad range of information on ESG-related matters, as described in the ESG risk assessment and scoring above. Where the investee company is a Material Investee Company and has scored B to D, the findings of the risk assessment and scoring will support the development and direction of an engagement plan applicable to that Material Investee Company, if, in the Investment Manager's opinion, an area requires improvement. The engagement plan will encourage more sustainable practices and transparency through enhanced reporting, target setting and linking of long-term incentivisation packages to meet those targets set.

The Investment Manager also actively engages with Material Investee Companies that report on less than 90% of greenhouse gas emissions, including estimates, and escalates this to collective engagement where the Investment Manager does not receive a satisfactory response.

In addition, if a Material Investee Company's lack of alignment to net zero presents a severe, unmanaged risk, engagement may be escalated, as appropriate, to include collective engagement and/or the exercising of voting rights to effect change at board level and if engagement should not prove effective there may be a reduction in maximum position size or in some cases, divestment.

Engagement is monitored within a proprietary research management system alongside the other investee company analysis.