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Fund's contribution to the Sustainable Development Goals (SDGs)

UNDERSTAND YOUR PORTFOLIO'S LEVEL OF ALIGNMENT WITH THE SDGS

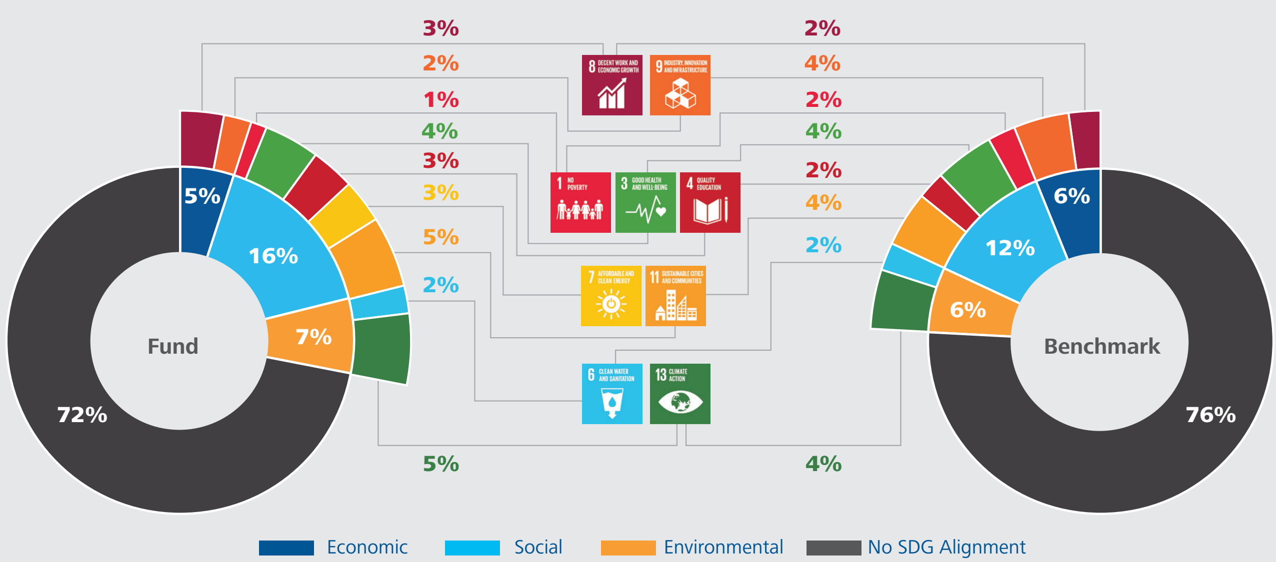
South Pole assessed the fund's alignment with the SDGs as per 31 December, providing qualitative assessment of contributions as well measuring and quantifying the portfolio's contribution to the SDGs.

The fund is most aligned with social SDGs. It contributes most to SDG 3 (1,496 kgs of pollutant emissions avoided per year), SDG 6 (62,546 m3 clean water provided per year), SDG 7 (1,562 MWh renewable energy generated per year), and SDG 13 (1,183 tonnes of CO_2 emissions avoided per year).

Assessment of the fund's overall alignment with SDGs indicates that 26.9% of the fund contributes to the SDGs, resulting in a positive comparison with the benchmark with 23.5% of SDG-aligned holdings. Results for the key environmental metrics analysed show that the fund outperformed the benchmark by 0.5%. In key social metrics, the fund outperformed the benchmark by 4.1%. The fund's performance in comparison to the benchmark is mainly due to differences in sector allocation and company selection. The benchmark used for comparison was chosen based on the fund's focus.

Fund SDG alignment compared with a benchmark, per SDG and per topic (economic, social, environment)

Fund performance compared to benchmark	**+3.4%**	more contribution to SDGs overall than the benchmark	**+4.1%**	more aligned with social SDGs than the benchmark	**+0.5%**	more aligned with environmental SDGs than the benchmark



Fund key SDG metrics* in relation to a benchmark (see page 2 and Annex II for full list of metrics)

ECONOMIC		SOCIAL						ENVIRONMENTAL	
8 DECENT WORK AND ECONOMIC GROWTH	+0.7%	1 NO POVERTY	-0.6%	4 QUALITY EDUCATION	+0.7%	11 SUSTAINABLE CITIES AND COMMUNITIES	+0.8%	6 CLEAN WATER AND SANITATION	-0.3%
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	-1.9%**	3 GOOD HEALTH AND WELL-BEING	+0.5%	7 AFFORDABLE AND CLEAN ENERGY	+2.7%			13 CLIMATE ACTION	+0.8%

*Fund comparison with benchmark is carried out by using quantitative metrics when sufficient data is available.

**If quantitative metrics cannot be calculated, results are calculated based on the number of companies contributing to each SDG and their corresponding portfolio weight.

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QUANTITATIVE IMPACT METRICS AND PERFORMANCE AGAINST FUND STRATEGY

Top-5 most SDG-aligned companies' quantitative impact metrics

Company	Portfolio Weight	Sustainable Product Assessed	% of SDG relevant company revenue	Climate benefits attributable to the fund (%)	Contribution to portfolio SDG alignment
Company 1	7.7%	Solar Panels	100%	100%	7.7%
Company 2	7.7%	Smart sinks	100%	100%	7.7%
Company 3	5.1%	Solar Water Pumps	100%	100%	5.1%
Company 4	4.6%	Smart home systems	100%	100%	4.6%
Company 5	1.8%	Smart home systems	100%	31%	0.6%

Company	SDG 3 kgNOx & kgSO_2 emissions/year reduced or avoided		SDG 6 Water savings (m^3/year) or Clean water provided* (m^3/year)	SDG 7 RE Provided (MWh/Year) or Energy Saved* (MWh/year)	SDG 8 Jobs created (long-term solar PV installation jobs)	SDG 13 tCO_2 emissions/year reduced or avoided
Company 1	309	621	-	1,554	1-2	37
Company 2	-	-	6,618	-	-	513
Company 3	0.8	10.4	62,546*	8.4	-	5
Company 4	73	379	-	1,626*	-	5.8
Company 5	17	86	-	370*	-	623
Total	**399.8**	**1,096.4**	**69,164.0**	**3,558.4**	**1**	**1,183.8**

Project	Portfolio Weight	SDG 3	% of total contibution	SDG 6	% of total contibution	SDG 7	% of total contibution	SDG 8	% of total contibution	SDG 13	% of total contibution	% of overall contibution
Company 1	7.70%	309	77%	47.8	71%	0	0%	2	100%	119.7	59%	62%
Company 2	5.10%	0.8	0%	0.5	1%	3189.8	86%	0	0%	0.4	0%	17%
Company 3	4.60%	73	18%	17.4	26%	0	0%	0	0%	74.8	37%	16%
Company 4	7.70%	0	0%	0	0%	509.6	14%	0	0%	0	0%	3%
Company 5	1.80%	17	4%	1.5	2%	0	0%	0	0%	6.7	3%	2%

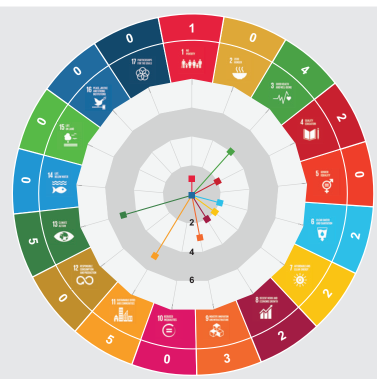
QUALITATIVE IMPACT

16.7% of the Fund are invested in companies that produce sustainable benefits contributing positively towards the SDGs. 13.3% of companies contribute towards Good Health and Wellbeing (SDG 3) by reducing emissions of pollutants. 6.7% of the assessed companies substantially contribute towards the provision of Clean Water and Sanitation (SDG 6), the generation of clean and Renewable Energy (SDG 7), and the creation of Good Jobs and Economic Growth (SDG 8). In addition, 16.7% of companies contribute towards developing Sustainable Cities and Communities (SDG 11). 16.7% companies assessed contribute to reducing and/or avoiding CO_2 emissions and fostering Climate Action (SDG 13).

Fund's SDG alignment as a number of companies contributing to SDGs*

	1 No Poverty	3 Good Health and Well-Being	4 Quality Education	6 Clean Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	11 Sustainable Cities and Communities	13 Climate Action
Company 1	Secondary positive impact	Positive impact	Secondary positive impact	Secondary positive impact	Positive impact	Positive impact		Secondary positive impact	Positive impact
Company 2		Secondary positive impact	Secondary positive impact	Positive impact	Secondary positive impact	Secondary positive impact		Secondary positive impact	Positive impact
Company 3		Positive impact	Secondary positive impact	Positive impact	Positive impact	Secondary positive impact		Secondary positive impact	Positive impact
Company 4		Positive impact			Positive impact		Secondary positive impact	Secondary positive impact	Positive impact
Company 5		Positive impact		Positive impact	Positive impact		Secondary positive impact	Secondary positive impact	Positive impact

Positive impact · Secondary positive impact · Negative impact · Secondary negative impact



METHODOLOGY

We analyse an investment portfolio's contribution to the Sustainable Development Goals (SDGs) through the steps outlined below. The starting point is understanding a fund's investment portfolio, in particular identifying companies where environmental or socioeconomic benefits are possible. This could include one particular product within a company's product group, or all products delivered by the company.

Investment rationale for each holding is analysed and if needed discussed to better understand the client's portfolio. In collaboration with the client, South Pole determines the holdings to be assessed, the scope of the assessment and relevant KPIs to be used against a baseline or status-quo scenario. If the contribution can only be measured qualitatively, South Pole provides the rationale and explanation for each contribution.

The quantification of certain contributions to the SDGs, where possible, is conducted using South Pole's methodology, briefly outlined below:

1. Collection and verification of data.
2. Asset mapping and identification of SDG hotspots.
3. Data assessment to ensure all required data points are met.
4. Calculation of SDG impact(s) and conduct a qualitative screening.
5. Allocation of impact(s) to the holdings and portfolio.
6. Reporting and final results.

Data availability is vital when conducting either a qualitative or quantitative assessment. South Pole therefore encourages active engagement with clients to ensure clients are informed on all necessary data points and consequently provide an accurate and thorough assessment of a fund's contribution.

Identifying SDG hotspots through asset mapping takes into account the client's investment rationale in both the company and the product level, as well as all available data. Mapping allows South Pole to assess what SDGs the product contributes to as well as what indicators would best reflect the contribution to the relevant SDG. Once hotspots and areas of measurement are identified, the information provided is reviewed to establish the baseline scenarios per goal and per product, based on the client's investment strategy. Subsequently, available data is assessed to ensure enough information is available to cover all data points required for quantitative and qualitative assessments.

South Pole's impact assessment calculations are conducted using tested approaches and are adapted to account for each product's characteristics to ensure all possible parameters and variables are taken into account. The geographical spread of products is taken into consideration to account for varying degrees of sustainable development impact per product. Lastly, the impact results are allocated to the portfolio''s contribution based on the ownership principle.

A comparison of a fund or portfolio's overall performance against an SDG-aligned index can be provided, the focus being on companies whose core business contributes to the SDGs, or a particularly selected benchmark. The benchmark selected is highly dependent on the characteristics and eligibility criteria of a portfolio, as well as the investment strategy outlined by the portfolio and/or fund manager.

Final results are presented to the client in a short written report summarising the key findings and complemented with a full list of relevant KPIs at the portfolio and product level, as well as all relevant diagrams and tables illustrating qualitative and quantitative results.

Contact us for mor information

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