Prospectus

EdenTree Investment Funds Series 1

Valid as at November 2026

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About this prospectus

This document is the Prospectus for EdenTree Investment Funds – Series 1 and is issued pursuant to and has been prepared in accordance with Section 236 of the Financial Services and Markets Act 2000, the Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook of the Financial Conduct Authority Handbook (the 'FCA Rules').

Important

If you are in any doubt about the contents of this Prospectus you should consult your own financial adviser.

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of shares in EdenTree Investment Funds – Series 1 may be restricted in other jurisdictions. Potential investors are required to inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly.

This Prospectus does not amount to solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful. This Prospectus does not constitute an offer to Swedish, Danish, Finnish or Norwegian retail investors. Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

The Shares in the Funds have not been and will not be registered under the United States Securities Act of 1933, as amended, or registered or qualified under the securities laws of any state of the United States and may not be offered, sold, transferred or delivered, directly or indirectly, to any investors within the United States or to, or for the account of, US Persons.

Summary

EdenTree Investment Funds – Series 1 ('the Company') is an open-ended company incorporated as an investment company with variable capital.

- The Company is an umbrella company with ten sub-funds.
- EdenTree Investment Management Limited is the Authorised Corporate Director (ACD) of the Company.
- The Bank of New York Mellon (International) Limited is the Depositary of the Company.
- Shareholders are not liable for the debts of the Company.
- The ACD has Professional Indemnity Insurance cover. Details are available on request.
- The Company has a minimum share capital of £1 and a maximum of £10,000,000,000.
- The accounts of the Company are prepared in Sterling and this is the base currency.
- Should the Company or any Fund of the Company not have a minimum share capital of £1,000,000 in the Company or relevant Fund then the Company or the relevant Fund at the ACD's discretion may be wound up.
- The Company currently issues six types of share: Class A (retail) shares which are income distributing shares aimed at smaller investors; Class B (institutional) shares which are income distributing shares for larger investors; Class C (institutional) shares income accumulating shares for larger investors; Class D (restricted) shares which are income distributing or income accumulating shares for the multi-asset funds and institutional clients who enter into a separate investment management agreement with the ACD; Class I (institutional) shares which are income distributing or income accumulating shares for larger investors, and Class P (restricted) shares which are income distributing or income accumulating for institutional clients who can only invest with prior approval from the ACD.
- Shares of any Class may be issued as either net or gross paying according to permissible tax treatments under United Kingdom tax legislation as set out in part 3.1 of this Prospectus.
- Title to shares will be evidenced by entry on the Register of Shareholders; share certificates will not be issued.
- There are two denominations of share, larger and smaller in a ratio of 1:1,000.
- The shares are not listed on any stock exchange.
- The minimum value of shares which may be held in Class A Shares in a Fund is £1,000; in Class B and C the minimum value of shares which may be held is £1,000,000. The minimum value of shares which may be held in Class I Shares is £200,000,000 for the EdenTree Sustainable Short Dated Bond Fund, and £100,000,000 for all other Funds. The minimum value of shares which may be held in Class A USD Shares in $1,000. The minimum value of shares which may be held in Class B EUR Shares and Class B USD Shares is €1,000,000 and $1,000,000 respectively. The minimum value of shares which may be held in Class I USD Shares is $100,000,000. There is no minimum for Class D and Class P shares, which are restricted and only available for investment with prior approval from the ACD.
- The annual accounting reference date is 31 December.
- Distributions will be declared and paid twice yearly on 28 February and 31 August except for EdenTree Sustainable Managed Income Fund, the EdenTree Sustainable Sterling Bond Fund, the EdenTree Sustainable Short Dated Bond Fund, the EdenTree Global Sustainable Government Bond Fund and the EdenTree Global Impact Bond Fund which make quarterly distributions on 28 February, 31 May, 31 August and 30 November.
- The Dealing Day for the Company is any day on which the London Stock Exchange is open for business.
- The valuation point is normally 12 noon on a Dealing Day.
- Prices are published daily in the Financial Times and on our website at **www.edentreeim.com**

1. Introduction

EdenTree Investment Management Limited, as the Authorised Corporate Director ('ACD') of EdenTree Investment Funds – Series 1 ('the Company'), is the body responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it. EdenTree Investment Management Limited accepts responsibility for this Prospectus on this basis.

The Company is categorised under the FCA Rules as a UCITS Scheme and is an umbrella investment company with variable capital incorporated under the Open- Ended Investment Companies Regulations 2001 ('OEIC Regulations') in England and Wales under number IC00037. It was authorised by the Financial Services Authority (now the Financial Conduct Authority) on 29 June 1999 under Product Reference Number (PRN) 189311. The constitutional document of the Company, the Instrument of Incorporation ('Instrument') can be inspected at the head office of the Company, Benefact House, 2000, Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW where the Prospectus is also lodged. The Instrument is binding on all shareholders of the Company.

This Prospectus is based on information, law and practice at November 2026. The Company cannot be bound by an out of date Prospectus when it has issued a new one. This Prospectus does not give investment, legal or tax advice. Investors should consult their own advisers in relation to taking any action.

2. Investment objective and policies

The fundamental investment objective of the Company is the spreading of risk through pooled investment.

The detailed investment objectives and the policy for each Fund for achieving those objectives are set out in Appendix 1.

The investment restrictions applying to the Company are set out in Appendix 2.

3. Shares

The classes of share currently available in each Fund are Class A Shares, Class B Shares, Class C Shares, Class D shares, and Class I Shares (excluding the EdenTree Sustainable Sterling Bond Fund which only issues Class A, Class B, Class D and Class I Shares, the EdenTree Sustainable Short Dated Bond Fund which only issues Class B, Class D and Class I shares and the EdenTree Global Sustainable Government Bond Fund which only issues Class B, Class D and Class I shares). Class P shares are available in the EdenTree Sustainable Global Equity Fund. Class E Shares are available in the EdenTree Sustainable UK Equity Opportunities Fund. Class S Shares are available in the EdenTree Sustainable Managed Income Fund. The attributes of the various classes of share are as follows:

3.1 Class A Shares:
Income attributable to Class A Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Interest distributions payable in respect of the EdenTree Sustainable Sterling Bond Fund, the EdenTree Sustainable Short Dated Bond Fund and the EdenTree Global Impact Bond Fund will be distributed to shareholders gross of tax in respect of each accounting period. The shareholder can choose to receive the income or the income may be reinvested by purchasing additional shares. Class A Shares are available for investments of £1,000 and over. Class A USD Shares are available in the EdenTree Green Impact Equity Fund. These Shares
are available for investments of $1,000 and over and net income attributable to these Shares will be accumulated to the shareholding of shareholders in respect of each accounting period.

3.2 Class B Shares:
Income attributable to Class B Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Interest distributions payable in respect of the EdenTree Sustainable Sterling Bond Fund, the EdenTree Sustainable Short Dated Bond Fund, the EdenTree Global Sustainable Government Bond Fund and the EdenTree Global Impact Bond Fund will be distributed to shareholders gross of tax in respect of each accounting period. The shareholder can choose to receive the income or the income may be reinvested by purchasing additional shares. Class B Shares are available for investments of £1 million and over. Class B EUR Shares are available for investments of €1 million and over, and Class B USD Shares are available for investments of $1 million and over.

3.3 Class C Shares:
Net income attributable to Class C Shares will be accumulated to the shareholding of shareholders in respect of each accounting period. Class C Shares are available for investments of £1 million and over.

3.4 Class D Shares:
Class D shares are restricted and only available to the Multi- Asset Funds or institutional clients who have entered into a separate investment management agreement.

Income attributable to Class D Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Interest distributions payable in respect of the EdenTree Sustainable Sterling Bond Fund, the EdenTree Sustainable Short Dated Bond Fund, the EdenTree Global Sustainable Government Bond Fund and the EdenTree Global Impact Bond Fund will be distributed to shareholders gross of tax in respect of each accounting period.

3.5 Class E Shares
Class E shares are restricted and only available to institutional clients who have prior approval from the ACD. Income attributable to Class E (income) Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Income attributable to Class E (accumulation) shares will be accumulated to the shareholding of shareholders in respect of each accounting period.

3.6 Class I Shares:
Income attributable to Class I (income) Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Interest distributions payable in respect of the EdenTree Global Impact Bond Fund and the EdenTree Global Sustainable Government Bond Fund will be distributed to shareholders gross of tax in respect of each accounting period. The shareholder can choose to receive the income or the income may be reinvested by purchasing additional shares. Net income attributable to Class I (accumulation) Shares

will be accumulated to the shareholding of shareholders in respect of each accounting period. Class I Shares are available for investments of £100 million and over (or £200 million for the EdenTree Sustainable Short Dated Bond Fund), the Class I USD Shares are available for investments of $100 million and over, and the Class I EUR Shares are available for investments of €100 million and over. The Class I (Income) and Class I (Accumulation) of the EdenTree Sustainable Managed Income Fund are available to registered Charities for any level of investment.

3.7 Class P Shares:
Class P shares are restricted and only available to institutional clients who have prior approval from the ACD. Income attributable to Class P (income) Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Income attributable to Class P (accumulation) shares will be accumulated to the shareholding of shareholders in respect of each accounting period.

Shareholders are not liable for the debts of the Company.

3.8 Class S Shares:
Class S shares are restricted and only available to institutional clients who have prior approval from the ACD. Income attributable to Class S (income) Shares will be distributed to shareholders (after deduction of any relevant tax) in respect of each accounting period. Income attributable to Class S (accumulation) shares will be accumulated to the shareholding of shareholders in respect of each accounting period.

4. How to buy shares

Shares may be purchased by sending a completed application form to EdenTree Investment Management Ltd, Sunderland SR43 4AU. Alternatively, the shares may be purchased by telephoning the ACD on **0800 358 3010**.

Applications received by the ACD before the valuation point on a Dealing Day (being a day on which the London Stock Exchange is open for business) will be dealt with on that day. Applications received after the valuation point on such a Dealing Day will be dealt with on the following Dealing Day.

The ACD has the right to reject any application for shares in whole or in part on reasonable grounds relating to the circumstances of the investor. If the ACD does reject the application then either the whole or the balance of subscription money will be returned at the risk of the investor.

The minimum initial investment for Class A Shares in any Fund is £1,000 and £1 million for Classes B and C. The minimum initial investment for Class I Shares is £200 million for the EdenTree Sustainable Short Dated Bond Fund, and £100 million for the other Funds. The minimum investment for Class A USD Shares is $1,000. The minimum initial investment for Class B EUR Shares, Class I EUR Shares, Class B USD Shares and Class I USD Shares is €1 million, €100 million, $1 million and $100 million respectively. There is no minimum initial investment for Class D, Class E, Class P and Class S. The minimum additional investment is £200 for Class A and £1 million for Classes B, C, and I. The minimum additional investment for Class B EUR and Class I EUR is €1 million, and the minimum additional investment for Class B USD and Class I USD is $1 million. The ACD may reduce these amounts if, in its absolute discretion, it considers that the circumstances warrant such a reduction. There is no minimum additional investment for Class D, Class E, Class P and Class S shares.

Shares may not be issued during any period of suspension (which is more fully described in section 7). Applicants for shares will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The number of shares issued will be the greatest number of larger denomination shares with the balance of the subscription money being used to purchase smaller denomination shares.

Settlement is required two days after trade date and will normally be made by bank transfer or cheque. Payment will normally be made in Sterling for all share classes except the Class B EUR, Class A USD, Class B USD, Class I EUR and Class I USD, for which payment will be in Euro and US Dollars respectively. Further settlement details can be found on the application form and the contract note. The ACD may cancel any purchase contract where the payment is not honoured in full within two days of the relevant Dealing Day. The applicant remains liable for any loss incurred by the ACD in the case of non-settlement. The settlement period for investment in the Class B USD and Class I USD shares may be extended by a further business day if there is a non-business day in the United States.

Purchase contract notes will normally be issued no later than the close of business on the day following the day on which the transaction is effected and the issue price is determined.

Details of charges on buying are given in section 17.

Details of an investor's cancellation rights are given in section 19.

The Company is subject to the Money Laundering Regulations 2007, which came into force from 15 December 2007, as amended by the Fourth EU Money Laundering Directive effective 26 June 2017. The ACD may require verification of identity of any applicant for shares or the person on whose behalf the application is being made. Details are given in section 21.

The ACD is also required to comply with the UK's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve tax compliance in the United States and the European Union. Shareholders should be aware that they may be required to provide further information to verify their identity and tax status which the ACD is obliged to pass on to HMRC and any relevant overseas tax authorities.

5. How to sell shares

Instructions to sell shares should be addressed to the ACD and may be made by telephone or fax. The ACD may require that such instructions be confirmed in writing.

Instructions received by the ACD before the valuation point on a Dealing Day will be dealt with on that Dealing Day. Instructions received after the valuation point will be dealt with on the next Dealing Day.

The minimum value of shares which may be sold is £200 for Class A Shares and £1 million for Classes B, C, and I Shares provided that the minimum value of a shareholding remaining in a Fund is £1,000 for Class A, £1 million for Classes B, and C and £100 million for Class I (or £200 million for the EdenTree

Sustainable Short Dated Bond Fund). The minimum value of shares which may be sold is $200 for Class A USD Shares provided the minimum value of the shareholding remaining in a Fund is $1,000. The minimum value of shares which may be sold is €1 million for the Class B EUR Shares and Class I EUR, and $1 million for the Class B USD and Class I USD Shares provided that the minimum value of shareholding remaining in a Fund is €1 million, €100 million, $1 million and $100 million respectively. There is no minimum value of shares which may be sold for Class D, Class E, Class P and Class S shares. The ACD may reduce these minima if, in its absolute discretion, it considers that the circumstances so warrant.

Contract notes will normally be issued no later than the close of business on the day following the day on which the transaction is effected and the issue price is determined.

Settlement will normally be made by bank transfer or cheque. Payment will normally be made in Sterling for all share classes except the Class B EUR, Class I EUR, Class A USD, Class B USD and Class I USD, for which payment will be in Euro and US Dollars respectively. Payment will normally be made, unless otherwise requested, within two business days of receipt of repurchase confirmation, and provided all relevant identification documents have been received for anti-money laundering purposes. The settlement period for sales of Class A USD, Class B USD, Class I EUR and Class I USD shares may be extended by a further business day if there is a non-business day in the United States.

Where the ACD becomes aware that for a shareholder to continue to hold legally or beneficially any or all shares in the Company that would result in a breach of law or governmental regulation or requirement of any jurisdiction, or may result in the Company incurring any additional liability to taxation or any other liability, then the ACD may give notice to the shareholder to transfer the shares to another person or to satisfy it that the shareholder is suitably qualified to hold the shares or if no such action is taken within 30 days of the notice then the ACD may compulsorily redeem the shares.

Where a shareholder is selling his shares, if the redemption is 5% or more of the net asset value of the Fund and is likely in some way to be detrimental to the Fund the ACD may at its discretion arrange that instead of making a payment in cash for the price of the shares, certain identified property of the relevant Fund is transferred to the shareholder. The ACD will serve a notice on the shareholder within two days of receipt of the sale instructions that it proposes to make such in specie redemption. The selection of the scheme property will be made by the ACD in consultation with the Depositary with a view to ensuring that the redeeming shareholder is not advantaged or disadvantaged vis-à-vis the continuing shareholders.

Shares may not be repurchased during any period of suspension as more fully described in section 7. Shareholders requesting repurchase will be notified of such suspension and, unless withdrawn, repurchase requests will be processed as at the next business day following the end of such suspension.

Details of charges are given in section 17.

6. How to switch/convert between funds and shareclasses

Shareholders may switch some or all of their shares in one Fund to shares in another Fund.

Shareholders may also convert from one class of share to another class of share in the same Fund, provided any minimum criteria are met and the investor qualifies to hold shares in that class.

Instructions to switch shares must be sent to the ACD by fax or by letter and must be given by all joint shareholders. Instructions should include full registration details together with the number of shares to be switched between named Funds. The ACD will require that such instructions are confirmed in writing.

Switching instructions received before the valuation point on a Dealing Day will be dealt with on that Dealing Day. Instructions received after the valuation point will be dealt with on the following Dealing Day.

Shareholders must normally make an initial switch of the minimum holding of the Fund into which they are switching. Subsequent switches must be for a minimum of £200 for Class A Shares, £1 million for Classes B, and C Shares and £100 million for Class I Shares (£200 million for Class I of the EdenTree Sustainable Short Dated Bond Fund). Subsequent switches must be for a minimum of $200 for Class A USD Shares. Subsequent switches must be for a minimum of €1 million for the Class B EUR Shares, €100m for the Class I EUR Shares, $1 million for Class B USD and $100 million for Class I USD Shares. Switching into the Class D, Class E, Class P and Class S shares require prior approval from the ACD.

A conversion is the exchange of shares in one class in a Fund for shares of another class in the same Fund. Following receipt of instructions, the number of new shares issued will be determined by reference to the respective prices of the current shares and those in the new class at the next applicable valuation point. A conversion of shares between different share classes within the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

If a shareholder ceases to qualify to hold a certain class of shares or the ACD reasonably believes that for the shareholder to continue to hold such shares would constitute a breach of law or regulation then the ACD may require that the shareholder switches to another class of share for which the shareholder would qualify.

The number of new shares to be issued or sold to a shareholder on a switch will be in accordance with the formula set out from time to time in the Instrument of Incorporation.

Details of charges on switching are given in section 17.2.

An exchange of shares in one Fund for shares in another Fund is treated as a redemption and sale and will for persons subject to United Kingdom taxation be a realisation for the purposes of capital gains taxation.

Under no circumstances will a shareholder who exchanges shares in one Fund for shares in any other Fund be legally entitled to withdraw from or cancel the transaction.

7. Suspension of dealing

The ACD may, with the prior agreement of the Depositary, or shall without delay if the Depositary requires, at any time suspend the issue and redemption of shares if the ACD (or the Depositary) is of the opinion that there is good and sufficient

reason to do so having regard to the interests of shareholders or potential shareholders.

The FCA will be notified of such suspension.

Such suspension shall be allowed to continue only for as long as it is justified taking into account the interests of the shareholders.

Any period of suspension shall be reviewed at least every 28 days to determine whether its continuation is justified.

The FCA will be notified of the outcome of these reviews.

Shares may not be created or cancelled while the suspension remains in force.

Recalculation of prices will commence at the valuation point on the Dealing Day immediately following the end of the suspension period.

8. Governing law

All transactions in shares are governed by English Law.

9. Valuation and pricing

The scheme property of the Company and any Fund will normally be valued at the valuation point on each Dealing Day for the purpose of calculating the price at which shares in any Fund may be issued, sold, repurchased or redeemed.

The ACD reserves the right to revalue the Company or any Fund at any time if it considers it desirable to do so.

Additional valuations may also be carried out in accordance with the OEIC Regulations and the FCA Rules in connection with a scheme of amalgamation or reconstruction, or on the day the annual or half-yearly accounting period ends.

The Net Asset Value of the scheme property of the Company or Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the scheme property (including receivables) is to be included, subject to the following provisions.

9.1
Property which is not cash (or other assets dealt within paragraph 9.2 below) or a contingent liability transaction shall be valued as follows and the prices used shall be the most recent prices which it is practicable to obtain.

(a) Units or shares in a collective investment scheme:

(i) If a single price for buying and selling units or shares is quoted, at that price; or

(ii) If separate buying and selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) If, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable or at the last price available if fair and reasonable.

(b) Any other transferable security:

(i) If a single price for buying and selling the security is quoted, at that price; or

(ii) If separate buying and selling prices are quoted, at the average of the two prices; or

(iii) If, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACD, is fair and reasonable or at the last price available if fair and reasonable.

(c) Property other than that described in (a) and (b) above:

At a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

9.2
Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

9.3
Property which is a contingent liability transaction shall be treated as follows:

(a) If a written option (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off- exchange derivative, the method of valuation shall be agreed between the ACD and Depositary.

(b) If an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary.

(c) If any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, include at a valuation method agreed between the ACD and the Depositary.

9.4
In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

9.5
Subject to paragraphs 9.6 and 9.7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

9.6
Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 9.5.

9.7
All agreements are to be included under paragraph 9.5 which are, or ought reasonably to have been, known to the person valuing the property.

9.8
Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance

corporation tax, value added tax, stamp duty and stamp duty reserve tax.

9.9
Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.

9.10
Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

9.11
Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

9.12
Add any other credits or amounts due to be paid into the scheme property.

9.13
Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

9.14
Add the total amount of any cost determined to be, but not yet, amortised relating to the authorisation nd incorporation of the Company and of its initial offer or issue of shares.

For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.

Each Fund will have credited to it the proceeds of all shares issued in respect of it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments. All liabilities and expenses attributable to a Fund will be charged to it.

The Company will allocate any assets, costs, charges or expenses which are not attributable to a particular Fund among the Funds generally in a manner which is fair to all the shareholders.

Single pricing
There is a single price for buying, selling and switching shares in a Fund of the Company which represents the Net Asset Value of the relevant Fund. The price of a share is calculated by taking the value of a particular Fund attributable to the shares in the class in question on the basis of the shares of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund and dividing that value by the number of shares of the relevant class in issue relating to that Fund immediately prior to the valuation point.

The prices of shares are published daily in the Financial Times and on our website at www.edentreeim.com. The ACD and the Company cannot be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

Included in the price of shares and so reflected as a capital sum in the price will be an income equalisation amount representing the value of income attributable to the shares accrued since the record date for the last income distribution for income shares or deemed distribution for accumulation shares. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

For accumulation shares, the equalisation amount is reinvested alongside the taxed income.

This means that no adjustment need be made to the cost of the shares in calculating the relevant capital gains tax.

Equalisation applies only to shares purchased during the relevant accounting period. It is the average amount of income included in the price of all shares issued during that period.

Details of charges payable are contained in section 17.

10. Distributions

The Company intends to distribute all of the surplus net income (including deemed income for accounting purposes) represented by the distributions and interest received for each Fund to the shareholders, after charging expenses and various other items, as set out in section 17, attributable to that Fund.

Income available for distribution will be determined in accordance with the FCA Rules and in consultation with the Auditor.

Distributions will be declared and paid twice yearly on 28 February and 31 August except for the EdenTree Sustainable Sterling Bond Fund, the EdenTree Sustainable Short Dated Bond Fund, the EdenTree Sustainable Managed Income Fund, the EdenTree Global Sustainable Government Bond Fund Fund and the EdenTree Global Impact Bond Fund which make quarterly distributions on 28 February, 31 May, 31 August and 30 November by cheque or by direct credit to a bank account.

Distributions are to be forfeited if not claimed within a six year period. Any unclaimed distributions will be added back to the capital of the relevant Fund.

11. Management and administration

11.1 The Directors
EdenTree Investment Management Limited, whose Registered Office is at Benefact House, 2000, Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW, is the Authorised Corporate Director (or 'ACD') of the Company. It is currently the only director of the Company.

The ACD is a company limited by shares with an authorised, issued and fully paid share capital of £3,150,002 as at the date of this Prospectus. The ACD was incorporated in England and Wales on 6 July 1990.

As at the date of this Prospectus, the Directors of the ACD are:

Mr PP Baker
Ms E Renals
Mr AW Schumacher
Mr MS Warren

The ultimate parent company of the ACD is Benefact Trust Ltd which is incorporated in England and Wales. The ACD is authorised and regulated by the Financial Conduct Authority and by virtue of this, is authorised to carry on investment business in the United Kingdom.

The ACD may act as an authorised Unit Trust manager or ACD to other clients and Funds and to companies in which the

Company may invest. The ACD is also the ACD of EdenTree Investment Fund for Charities. The ACD may also delegate its activities and retain the services of another person to assist in its functions, see section 14 for more information.

The agreement between the ACD and the Company (the 'ACD Agreement') is for a minimum period of three years terminable on 12 months' notice in writing. The Company agrees to indemnify the ACD against losses, liabilities, costs, claims, actions, damages, expenses or demands incurred by the ACD acting as ACD except where caused by the fraud, negligence or wilful default of the ACD. A copy of the agreement between the ACD and the Company is available to shareholders on request.

12. Investment advisor

The ACD has appointed EdenTree Asset Management Limited of Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW as the investment advisor under the terms of a discretionary investment management agreement dated 1 April 2022.

13. Depositary

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for the avoidance of doubt, acts as the global custodian to the Company.

The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered office address is at 160 Queen Victoria Street, London, EC4V 4LA.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Terms of Appointment

The ACD is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 4 August 1999 (the "Depositary Agreement"). The ACD, BNYMTD and the Company entered into an amended and restated Depositary Agreement dated 13 April 2016, pursuant to which the ACD and BNYMTD agreed to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Directive. The amended and restated Depositary Agreement was novated in favour of the Depositary with effect from 1 February 2018. Details of the Depositary's remuneration are set out in Section 17 Charges and Expenses.

Duties of the Depositary

The Depositary is responsible for the safekeeping of Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and the constitutive documents of the Company.

Delegation of Safekeeping Functions

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (the "Global Sub-Custodians").

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. A list of the sub-delegates is given in Appendix 5. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review. An updated list of Sub-Custodians is maintained by the ACD and is available free of charge from the ACD on request.

Conflicts of interest

For the purposes of this section, the following definitions shall apply:

"BNY Mellon Affiliate" means any entity in which The Bank of New York Mellon Corporation (a Delaware corporation with registered office at 240 Greenwich St, New York, New York 10286, U.S.A) controls (directly or indirectly) an interest of no less than 30% in the voting stock or interests in such entity.

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

Company, ACD and investors

The following conflicts of interests may arise between the Depositary, the Company and the ACD:

A Group Link where the ACD has delegated certain administrative functions, including but not limited to Transfer Agency and Fund Accounting, to The Bank of New York Mellon (International) Limited or any BNY Mellon Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

If Link exists between the Depositary and any investors in the Scheme, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

Depositary Conflicts of interest

The Depositary or any BNY Mellon Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the ACD and the Company. Conflicts of interest may also arise between the Depositary's different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is

required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

(a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

(b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

(c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

(d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;

(e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

(f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

(g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the Depositary (and any BNY Mellon Affiliates where applicable) to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Depositary must assess and review the Conflicts Policy at least once per year and take all appropriate measures to address any deficiencies.

The Depositary shall make available to its competent authorities, on request, all information which it has obtained while performing its services and which may be required by the competent authorities of the Company.

Delegation

The following conflicts of interests may arise as a result of the delegation arrangements relating to safekeeping outlined above:

A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to a BNY Mellon Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Up-to-date information stated above with regards to the Depositary will be made available to unitholders on request.

14. The auditors

The auditors of the Company are BDO LLP of 30 Semple Street, Edinburgh, EH3 8BL.

15. Administrator and registrar – delegated functions

The ACD has appointed Northern Trust Global Services SE of 50 Bank Street, Canary Wharf, London E14 5NT (the 'Administrator') to assist with administration functions and keeping the share register.

The Administrator, a private limited company incorporated in Luxembourg is responsible, inter alia, for the calculation of the Net Asset Value of each Fund. The share register is kept at 50 Bank Street, Canary Wharf, London E14 5NT where it may be inspected by shareholders.

16. Conflicts of interest

The ACD and its associates may, from time to time, act as investment managers or advisers to other companies or funds which follow similar investment objectives to those of the Company's Funds. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Fund. The ACD will, however, have regard in such event to its obligations to the Company under the ACD Agreement and, in particular, to its obligation to act fairly as regards the Company.

17. Charges and expenses

17.1 Initial charge

An initial charge up to a maximum of 5% may be made on the purchase of shares by a shareholder. A purchase of shares does not include an exchange of shares in one Fund for another. The charge will be added to the price of the shares and will be paid by the Company to the ACD.

The current actual initial charges are set out in Appendix 1. Any increase to the actual initial charge may be made only after the ACD has given 60 days' prior notice in writing to those persons who ought reasonably to be known to the ACD to have made an arrangement for the purchase of shares at regular intervals. The ACD is also required to revise this Prospectus to reflect the new rate and its date of commencement. The ACD may reduce the initial charge or waive it at its discretion.

17.2 Switching charge

The ACD is entitled to levy a charge of 1% for exchanging shares in one Fund for shares in another Fund. No switching charge is currently applied for switches between Funds.

There is no charge for conversions.

17.3 Dilution Adjustment

The basis on which the Company's investments are valued for the purposes of calculating the dealing price of shares is documented in Section 9, as required in the FCA's Collective Investment Scheme Sourcebook and the Company's instrument of incorporation.

However, the actual cost of purchasing or selling assets and investments for the Company's portfolio may deviate from the mid-market value used in calculating the share price, due to dealing charges, taxes and any spread between buying and selling prices of the investments. These costs have an adverse effect on the value of the Fund, known as 'dilution'. FCA's rules allow the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of shares in a Fund.

To mitigate the effects of dilution, the ACD has discretion to make a dilution adjustment to the price of the Fund (a mechanism also known as "swing pricing"). When a dilution adjustment is applied to a Fund, the price the Fund is swung up to the "offer" price or down to the "bid" price. The factor by which the Fund's price is swung is calculated to reflect the costs associated with the purchase or sale of investments associated with the subscriptions or redemptions.

The dilution adjustment will swing the price up to "offer" if there are net subscriptions on any dealing day, and swing the price down "bid" if there are net redemptions on any dealing day. The ACD may choose to apply a minimum threshold for net redemptions or net subscriptions on a dealing day for the application of a dilution adjustment. The threshold would be set in advance and would typically be a % of the Fund's Net Asset Value.

On occasions when the dilution adjustment is not applied there may be an adverse impact on the total assets of the Fund. Dilution adjustment will only be applied to a Fund to mitigate the effects of dilution.

The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically. The measurement period will typically be a single dealing day however, where there are significant subscriptions or redemptions over a number of days, the aggregate effect of such subscriptions or redemptions as a proportion of the total relevant Fund Net Asset Value may be taken into account.

Circumstances in which the ACD will apply a dilution adjustment include;

(a) where a Fund is experiencing large levels of net sales or net redemptions relative to its size;

(b) where a Fund is in continual expansion or continual decline;

(c) in any other case where the ACD is of the opinion that the interests of Shareholders require the making of a dilution adjustment.

As dilution is directly related to the inflows into and outflows out of a Fund, it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make such a dilution adjustment.

The ACD reserves the right to make a dilution adjustment every Dealing Day.

Our current estimates of the dilution adjustments are shown in the table below. These rates consider current market conditions and our expectation of future market conditions. The dilution adjustments are subject to change and therefore the actual current adjustment rates may differ from the rates shown in the table below:

Fund	Bid Basis	Offer Basis
EdenTree Sustainable UK Equity Fund	0.15%	0.60%
EdenTree Sustainable European Equity Fund	0.10%	0.25%
EdenTree Sustainable Global Equity Fund	0.15%	0.20%
EdenTree Sustainable UK Equity Opportunities Fund	0.35%	0.75%
EdenTree Sustainable Managed Income Fund	0.15%	0.40%
EdenTree Sustainable Sterling Bond Fund	0.30%	0.30%
EdenTree Sustainable Short Dated Bond Fund	0.10%	0.10%
EdenTree Green Impact Equity Fund	0.15%	0.20%
EdenTree Global Impact Bond Fund	0.15%	0.15%
EdenTree Global Sustainable Government Bond Fund	0.05%	0.05%

Dilution adjustment replaced dilution levy for all Funds on 3 July 2023.

17.4 Management fees
The ACD is entitled to receive from each Fund an annual management fee, the details of which are set out in Appendix 1. The management fee is accrued and calculated daily and is payable monthly in arrears. It is calculated by reference to the daily Net Asset Value of the Funds.

17.5 Depositary's fees
The Depositary is entitled to receive out of the property of each Fund for its own account, by way of remuneration, a periodic charge (and value added tax thereon) which will accrue daily and be payable monthly. The rate of the Depositary's periodic charge will be such amount as the Company and the Depositary may from time to time agree. The current rate of the Depositary's periodic charge in respect of each Fund, except the EdenTree Sustainable Short Dated Bond Fund is:

First £50 million – 0.0200% per annum
Next £50-£100 million – 0.0175% per annum
Balance – 0.0150% per annum

The current rate of the Depositary's periodic charge in respect of the EdenTree Sustainable Short Dated Bond Fund is:

First £50 million – 0.0200% per annum
Next £50-£100 million – 0.0175% per annum
Balance – 0.0100% per annum

The Depositary fee is calculated daily by reference to the Net Asset Value of the Fund and is payable monthly in arrears (the EdenTree Short Dated Bond Fund is subject to a minimum charge of £5,750 per annum). This rate may be subject to change from time to time, with the agreement of the Depositary and the ACD.

In addition, the Depositary will be entitled to make charges consisting of custody fees, transaction fees and other related fees. The custody fees range from 0.0025% to a maximum of 0.045% per annum depending on the geographic location of the shares and the transaction fees range from £5 to a maximum of £25 per transaction.

The Depositary will be reimbursed by the Company for expenses properly incurred in performing or arranging for the performance of functions conferred on it by the OEIC Regulations and FCA Rules, or the Depositary Agreement or by general law. These functions may (without limitation of the foregoing) include custody, insurance, acquisition and dealing with assets of the Company; making deposits or loans, dealing with borrowings, effecting foreign currency dealings and effecting efficient portfolio management transactions, as permitted by the FCA Rules; collection of income or capital; submission of tax returns and handling tax claims; preparation of the Depositary's annual report; calling shareholders' meetings and communicating with shareholders; preparing, clearing and dispatching distribution warrants; obtaining professional advice; conducting legal proceedings; carrying out administration relating to the Company; and supervision of certain of the activities of the ACD.

The amount or rate of any expenses shall be determined either by the Depositary or by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary provided that in either case such charges shall be at least as favourable as if they had been effected on normal commercial terms negotiated at arm's length between the Depositary and a comparable customer.

Any service charges or additional remuneration payable to the Depositary as above shall accrue due when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the ACD and shall be paid to the Depositary as soon as practicable after they have accrued.

On a winding-up of the Company, a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

Value added tax will be added to all these payments, where applicable.

17.6 General expenses
In addition to the fees already listed, the costs, charges and expenses (together with any value added tax payable) which may be charged to the Company include:

17.6.1
All taxes and other duties which may be due on the assets and the income or otherwise of the Company.

17.6.2
Usual banking and brokerage fees due on transactions involving portfolio securities of the Company.

17.6.3
Any investment adviser fee.

17.6.4
Insurance, postage, telephone and fax.

17.6.5
Directors' fees (if any).

17.6.6
Remuneration (and out-of-pocket expenses) of the ACD and the Depositary to include the remuneration and expenses of the Administrator, the Registrar, any distributor or paying agent appointed.

17.6.7
Formation expenses including the cost of preparing and filing the Instrument and all other documents concerning the Company including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of shares.

17.6.8
Any costs incurred in relation to a unitisation, amalgamation or reconstruction of the Company where the property of another body corporate or collective investment scheme is transferred to the Company in consideration for shares, and any liability arising after the transfer, which if it had arisen prior to the transfer would have been properly payable out of such property, provided that the ACD is satisfied that proper provision was made for satisfying such liability as was known or could have reasonably been anticipated at the time of the transfer.

17.6.9
Any fees or levies of the Financial Conduct Authority relating to the Company.

17.6.10
The costs of preparing Key Investor Information Documents.

17.6.11
The cost of convening and holding any meeting of shareholders (including meetings of shareholders of a particular Fund or class of shareholder) requisitioned by shareholders other than the ACD or an associate of the ACD.

17.6.12
The cost incurred in amending the Instrument or this Prospectus including the costs of covering any meeting for shareholders and/or directors.

17.6.13
Any sum incurred by the Company or the ACD on behalf of the Company in order to comply with any governmental or regulatory requirement.

17.6.14
The cost of qualifying the Company for the sale of shares in any jurisdiction or a listing on any stock exchange.

17.6.15
The cost of preparing, printing and publishing in such languages as are necessary, and distributing annual and semi-annual reports of the Company or any Fund and such other reports or documents as may be desirable or required under the applicable laws or regulations of any relevant jurisdiction.

17.6.16
The cost of preparing, printing, publishing and distributing public notices and other communications to the shareholders including share certificates and proxies.

17.6.17
The cost of accounting and book keeping.

17.6.18
The cost of calculating the Net Asset Value of shares of each Fund.

17.6.19
The cost of making distributions for any Fund or for the Company.

17.6.20
Any legal, auditing and other professional fees incurred by the Company or the ACD in relation to the Company.

17.6.21
Interest and other charges relating to permitted borrowing.

17.6.22
The sums incurred by reason of indemnifying the ACD against all losses and liabilities incurred by reason of acting as ACD of the Company except where the ACD has been negligent, fraudulent or acting by wilful default.

17.6.23
The sums incurred by reason of any indemnity given to the Depositary.

17.6.24
The current fees payable to the Registrar for providing registration services (including establishing and maintaining sub-registers where applicable) are as follows:

- Up to 2 share classes:
  - Fund maintenance cost of £5,000 per annum;
  - Distributions cost of £1,500 per annum per Fund; and
  - Management accounts cost of £3,500 per annum per Fund
- Each subsequent share class:
  - Fund maintenance cost of £2,000 per annum per share class;
  - Distribution cost of £1,500 per annum per Fund; and
  - Management accounts cost of £500 per annum per Fund
- A £25 investor account set up fee and £15 identity verification fee are payable per shareholder.
- A £10 investor maintenance charge per annum is also payable per shareholder per annum.

In addition, certain transaction or dealing costs may be applicable, depending on how the deal is effected. Where relevant, these costs range between £1 and £25 per transaction. There are also one-off and annual fees at Company level.

17.6.25
Administrative and other expenses of a regular or recurring nature may be calculated on an estimated basis for yearly or other periods in advance, and the same may be accrued in equal proportion over any such period. Costs, charges and expenses which may be attributed to a Fund will be borne by that Fund; otherwise they will be allocated pro rata to the values of the net assets of all, or all appropriate, Funds on such basis as the ACD may consider reasonable.

Expenses can be allocated between income and capital in accordance with the Financial Conduct Authority Collective Investment Schemes Sourcebook Rule 6.7.10. All expense payments will be made from income unless the ACD and Depositary agree in accordance with the Collective Investment Scheme Sourcebook that a charge or expense may be treated as a capital expense. This is the case with the EdenTree Sustainable Managed Income Fund, the EdenTree Sustainable Sterling Bond Fund, the EdenTree Global Sustainable Government Bond Fund and the EdenTree Global Impact Bond Fund where the ACD charges all of the annual management charge to capital. This treatment of the charges and expenses may increase the amount of income available for distribution to shareholders, but it may constrain capital growth.

17.7 Efficient portfolio management fee policy
The Company does not currently use efficient portfolio management and, accordingly, does not have a fee policy regarding such strategy. If any efficient portfolio management strategy becomes operative, the Company will disclose the relevant fee policy to shareholders by releasing an updated copy of this Prospectus.

18. Reports to shareholders

The annual accounting period of the Company ends 31 December in each year (the annual accounting reference date). The interim accounting period of the Company ends 30 June in each year, or such other date as the ACD may determine.

The Company's Annual Long Report incorporating audited financial statements will be published within four months after the end of the financial year and the interim Long Report within two months of the end of the interim accounting period. Copies of the interim and annual Long Reports will be available on request from the ACD.

Copies of all reports to shareholders will be available for inspection by the general public at the ACD's offices (please see

the address at the end of this document) and are available on our website.

The ACD will provide the following information to shareholders on request:

(a) The quantitative limits applying to the risk management of the Company;

(b) The methods used in relation to (a); and

(c) Any recent development of the risk and yields of the main categories of investment.

19. Meetings of shareholders and voting rights

19.1
The Company does not hold annual general meetings.

19.2
The ACD may requisition a general meeting at any time. Shareholders who together hold not less than one tenth in value of all of the shares may also requisition a general meeting of the Company. Such requisition must be in writing, state the objects of the meeting and be signed by the shareholders. The ACD must convene a general meeting within eight weeks of receiving a requisition. Notices of meetings and adjourned meetings will be sent to shareholders at their registered address.

19.3
The quorum for a meeting of shareholders is two shareholders present in person or by proxy. The quorum for an adjourned meeting is one shareholder present in person or by proxy.

19.4
The rules applicable to the Company as a whole also apply to meetings of a class or Fund as if they were general meetings of the shareholders, but by reference to the shares of the class concerned and the shareholders and prices of such shares.

19.5
At any meeting of shareholders or a class of shareholders of the Company or a Fund on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is represented in person by its properly authorised representative has one vote. A poll may be demanded by the Chairman of the meeting, by the Depositary, or by two or more shareholders present in person or by proxy. On a poll every shareholder who is present in person or by proxy will be entitled to a number of votes calculated in accordance with the value that his shareholding bears in relation to the value of the Fund or Company as relevant. A shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

19.6
In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the Register of Shareholders.

19.7
A Director is entitled to receive notice of and attend any meeting of shareholders but is not entitled to vote or be counted in the quorum. No director or any associate of a director holding shares shall be entitled to vote at such a meeting except in respect of shares which he holds on behalf of a person who, if he himself were the registered shareholder, would be entitled to vote and from whom he has received voting instructions.

19.8
Investors should note that due to the ongoing pandemic it may not be possible to call a physical meeting of the Company or any Fund and the ACD may look to hold a closed meeting. When a meeting is called on a closed basis this means that Shareholders will be able to express their opinions and exercise their voting rights in writing or online but will not need to be in the same place. The notice of any such Meeting will contain the details of the arrangements that the ACD puts in place to enable the meeting to be held on a closed basis.

The notice of any such Meeting will contain the details of the arrangements that the ACD puts in place to enable the meeting to be held on a closed basis.

The ACD will only exercise its powers to hold closed meetings in exceptional circumstances where it is not possible on legal or health and safety grounds to convene a physical meeting.

20. Cancellation rights

Where a person purchases shares he may have the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel will not arise if (a) the investor is a professional investor, (b) the investor is an execution-only customer, (c) the agreement to purchase is entered into in the absence of any oral recommendation by an authorised person, or (d) the purchase is made pursuant to a customer agreement with an authorised person or during negotiations with a view to entering into such an agreement. Cancellation rights do not exist on the exchange of shares.

Where the investment is a lump sum investment (or the first payment, being larger than the second payment, in a regular payment savings plan) an applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation request is received by the ACD: an amount equal to such fall ('the shortfall') will be deducted from the refund he would otherwise receive.

Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement.

21. How will your information be used?

We use your information in the ways described in our Privacy Policy. Our Privacy Policy can be found at www.edentreeim.com or by writing to us at our Registered Office address.

Depending on the circumstances, we may transfer your personal data to countries outside the European Economic Area that have less robust data protection laws. We have put appropriate safeguards in place to ensure that such transfers comply with data protection laws and that your personal data is protected. Details relevant to you may be provided on request.

22. Electronic verification

Current legislation and industry guidance state that we must check your identity and the source of the money invested. The checks may include an electronic search of information held about you on the electoral roll and using credit reference agencies. If you fill in the application form or instruct us to deal via the telephone, you are giving us permission to ask for this information in line with the General Data Protection Regulations effective 25 May 2018. If you invest through a financial adviser they must fill in an Identity Verification Certificate on your behalf and send it to us with your application.

23. Termination and amalgamation

23.1 The ACD will wind up the Company:

- If the order declaring the Company to be an authorised collective investment scheme is revoked;
- If the ACD or Depositary requests the Financial Conduct Authority to revoke the order declaring the Company to be an authorised investment company with variable capital and the Financial Conduct Authority has agreed that on the conclusion of the winding-up of the Company it will accede to that request;
- If an extraordinary resolution to that effect is passed;
- On the effective date of a duly approved scheme of amalgamation of the Company with another body or scheme;
- On the effective date of a duly approved scheme of reconstruction which results in all the property of the reconstructed scheme becoming the property of two or more authorised or recognised schemes; or if a court scheme is initiated under Part V of the Insolvency Act 1986 for an unregistered company.
- The procedure for winding-up of the Company will be as follows: in the case of an amalgamation or reconstruction the ACD will wind up the Company in accordance with the approved scheme of amalgamation or reconstruction; in any other case, the ACD shall as soon as practicable after the Company falls to be wound up and after notifying holders of the proposal to wind up the Company, realise the scheme property and, after paying out of all liabilities of the Company properly so payable and retaining provision for the costs of the winding-up, distribute the proceeds to the holders and to itself (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Company. Any unclaimed net proceeds or other cash held to the account of the Company after the expiry of one month from the date of dissolution of the Company will be paid by the ACD into court subject to the ACD having a right to receive out of it any expenses incurred by it in making that payment into court. On completion of the winding-up, the Depositary shall notify the FCA and the ACD shall request the FCA to revoke the order of authorisation. A Fund may be terminated with the approval of the FCA, if a solvency statement is lodged with the FCA in respect of the liabilities of the Company relating to the Fund and:
- An extraordinary resolution to that effect has been passed by class meeting(s) of the class(es) of shares linked to the Fund; or
- The FCA has agreed to a request by the ACD for the termination of the Fund.

The ACD may make such a request, among other circumstances, if at any time after the first anniversary of the issue of the first shares linked to the Fund the net value of the assets of the Company attributable to the Fund is less than £1,000,000.

Termination of a Fund will be carried out by the ACD in accordance with the FCA Rules in a similar way to the winding-up of the Company as described above.

24. Taxation

The following is a summary only of the UK taxation of the Company and the shareholders and should not be regarded as exhaustive. It does not constitute legal or taxation advice and shareholders are recommended to consult their professional advisers if they are in any doubt as to their taxation position.

24.1 Stamp duty reserve tax (SDRT)

SDRT at 0.5% may be charged on in specie redemptions which are not pro rata to holdings in a Fund. This is called the principal SDRT charge and is payable by the investor by reference to the value of chargeable securities redeemed in this type of transaction.

24.2 Taxation of the Company income

The Company is liable to corporation tax at a rate of 20% on its taxable income. Management expenses and interest (including interest distributions) can be set off against this income. Dividends received by the Company from another UK company are not taxable.

Taxation of capital gains

Any capital gains or losses realised on disposal of investments held by the Company are exempt from tax.

24.3 Taxation of shareholders

There are two types of income which may be received, each of which is treated differently:

Interest distributions

In respect of those Funds with over 60% invested for the whole of the accounting period in interest paying investments e.g. Fixed Interest or Bond Funds the Company makes interest distributions. Due to changes in UK tax legislation which came into force on 6 April 2017 all interest distributions will be paid gross without deduction of income tax.

From 6 April 2016, there is a tax free Personal Savings Allowance of the first £1,000 of interest (including interest distributions) received in a tax year for individual basic rate taxpayers. For Higher rate taxpayers the allowance will be £500 and for additional rate taxpayers there will be no allowance.

Shareholders liable to pay higher or additional rate income tax or corporation tax may have a further tax liability.

Dividend distributions
From 6 April 2018, the first £2,000 of dividends (including dividend distributions) received by a UK resident individual in a tax year will not be subject to income tax. Above this level, the income tax rates applying to dividends will be 7.5% for basic rate tax payers, 32.5% for higher rate tax payers and 38.1% for additional rate taxpayers.

Corporate shareholders who receive dividend distributions may have to divide them into two (the division will be indicated on the tax voucher). No tax is due on any part representing dividends received from a UK company.

The remainder will be received as an annual payment after deduction of tax at the lower rate. The corporate shareholders may be liable to tax on the grossed up amount.

Withholding tax
Dividend distributions made or treated as made by the Company are not subject to UK withholding tax.

Reporting requirements
The Company is required to report details of interest paid to residents of the European Union and certain other jurisdictions to HM Revenue & Customs each year and also, on request, payments to residents of the UK.

The Company may also be required to report information about shareholders to HM Revenue & Customs in order to comply with its UK (and any overseas) obligations under the International Tax Compliance Regulations, which implement the Common Reporting Standard (CRS) including the Foreign Account Tax Compliance Act (FATCA) of the USA and such other intergovernmental information sharing agreements entered into from time to time.

Income equalisation
Income equalisation applies in relation to all the Funds.

Part of the purchase price of a share reflects the relevant share of accrued income received or to be received by the Company. This capital sum is returned to a shareholder with the first allocation of income in respect of a share issued during an accounting period.

The amount of income equalisation is either the actual amount of income included in the issue price of that share or is calculated by dividing the aggregate of the amounts of income included in the price of shares issued or sold to shareholders in an annual or interim accounting period by the number of those shares and applying the resultant average to each of the shares in question.

Taxation of capital gains
Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, if a company, corporation tax in respect of gains arising from the sale, exchange or other disposal of shares (but not on switches between classes within a Fund).

The amount representing the income equalisation in the share's price is a return of capital and is not taxable in the hands of shareholders. This amount should be deducted from the cost of shares in computing any capital gain realised on the disposal.

General
These statements are based on UK law and HM Revenue & Customs practice as known at the date of this document. Shareholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

25. Umbrella company issues

Each Fund is a segregated portfolio of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how these foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

Although each Fund will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the event that assets or liabilities are not attributable to any particular Fund, the ACD may allocate such amounts between Funds in accordance with the OEIC Regulations and the FCA Rules in a manner which the ACD considers is fair to the shareholders of the Company.

A shareholder is not liable to make any further payment to the Company or Fund after he has paid the price on purchase of the shares.

26. Instrument, prospectus and reports

Copies of the Instrument, the Prospectus and the most recent annual and half-yearly reports of the Company are kept and may be inspected at and obtained from the Registered Office of the ACD. Copies of other material contracts may be inspected at the ACD's offices.

27. Risks

Past performance

The table below shows percentage growth to 31 December 2024. Prices are bid to bid (including charges) with net income reinvested. Five year performance is provided.

	Performance Period				
	01/01/25 to 31/12/25	01/01/24 to 31/12/24	01/01/23 to 31/12/23	01/01/22 to 31/12/22	01/01/21 to 31/12/21
EdenTree Sustainable Sterling Bond A	7.58%	2.80%	7.37%	-14.10%	-1.02%
EdenTree Sustainable UK Equity A	10.17%	0.30%	5.82%	-20.59%	14.52%
EdenTree Sustainable UK Equity Opportunities A	5.74%	8.21%	9.50%	-24.85%	21.89%
EdenTree Sustainable European Equity A	33.02%	0.98%	14.38%	-0.44%	16.82%
EdenTree Sustainable Managed Income A	16.31%	3.56%	7.02%	-7.48%	16.35%
EdenTree Sustainable Global Equity A	13.19%	6.60%	15.84%	-18.34%	18.68%
EdenTree Sustainable Sterling Bond B	8.26%	3.42%	8.04%	-13.63%	-0.31%
EdenTree Sustainable UK Equity B	10.75%	0.81%	6.38%	-20.11%	15.11%
EdenTree Sustainable UK Equity Opportunities B	6.29%	8.77%	10.10%	-24.42%	22.51%
EdenTree Sustainable European Equity B	33.67%	1.52%	15.01%	0.10%	17.52%
EdenTree Sustainable Managed Income B	16.88%	3.76%	7.63%	-6.98%	16.95%
EdenTree Sustainable Global Equity B	13.78%	7.15%	16.45%	-17.91%	19.29%
EdenTree Sustainable Short Dated Bond B	5.57%	3.56%	5.90%	-5.18%	-1.38%
EdenTree Green Equity Impact Fund B	9.02%	7.54%	10.51%	–	–
EdenTree Global Impact Bond Fund B	4.35%	2.59%	7.64%	–	–
EdenTree Global Sustainable Government Bond Fund B	2.86%	–	–	–	–

Past performance should not be seen as an indication of future performance. The value of investments may fall as well as rise. Stocks and shares should be viewed as medium to long-term investments, for a period of at least five years.

Fluctuations in value:

No stock market investment can guarantee the capital value of your original investment. The value of investments and the income from them may go down as well as up and the investor may not get back the amount invested.

Effect of initial charge:

Where an initial charge is imposed, an investor who realises his shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. The shares should be viewed as a long-term investment.

Charges to Capital Risk

All expense payments will be made from income unless the ACD and Depositary agree in accordance with the Collective Investment Scheme Sourcebook that a charge or expense may be treated as a capital expense. For Funds where this is the case, the ACD charges all of the annual management charge to capital. This treatment of the charges and expenses may increase the amount of income available for distribution to shareholders, but it may constrain capital growth.

Screening Risk

There are certain sectors and economic activities we consider fundamentally misaligned with our sustainable investment approach. We therefore apply baseline exclusions to actively exclude such companies from our investment universe. Investors should note that the choice of investments for the Funds is therefore limited to a subset of the stock market which may result in greater volatility in the Funds' performances against their benchmarks.

Suspension of dealing in shares:

Investors are reminded that in certain circumstances their right to redeem shares may be suspended (see section 7).

Emerging markets:

Where Funds invest in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Investment in emerging markets may involve a higher than average risk.

Investors should consider whether or not investment in such Funds is either suitable for or should constitute a substantial part of an investor's portfolio.

Companies in emerging markets may not be subject:

(a) To accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;

(b) To the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

(a) Restrictions on foreign investment in emerging markets may preclude investment in certain securities by certain Funds and, as a result, limit investment opportunities for the Funds. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

(b) The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

(c) Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

Currency and Exchange Rate Risk:
A Fund which invests overseas is Sterling-based but holds foreign investments. This means that it will be affected by fluctuations in rates of currency exchange in addition to the usual stock market fluctuations.

The Funds' Base Currency is the Sterling. Share classes denominated in a currency different to the Fund Base Currency will not be hedged against the Fund Base Currency and will, accordingly be subject to exchange rate risk in relation to the Fund Base Currency.

Risks relating to derivatives:
The Company has the power under the Instrument to invest in derivatives for the purposes of meeting its investment objectives. At the date of this Prospectus the Funds will invest in derivatives only for the purposes of hedging with the aim of reducing the risk profile of the Funds in accordance with the principles of efficient portfolio management.

Derivative instruments can be highly volatile and expose investors to a high risk of loss. Derivatives may be used only for efficient portfolio management (EPM) and are not intended to increase the risk profile of the Funds.

The low initial margin deposits sometimes required to establish a position at the outset in such instruments may permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in potentially unquantifiable further loss exceeding any margin deposited.

In the event that a call for further margin exceeds the amount of cash available in the Company, the Company will be required to close out the relevant contract. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in Net Asset Value, incorrect collateral calls or delays in collateral recovery.

Derivative counterparty risk:
The Funds and the Company are subject to the risk of the inability of any derivative counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

Fixed income securities
Changes in the interest rate will affect the value and interest earned from the fixed income securities held by the Fund. When interest rates rise, the capital value of the Fund is likely to fall and vice versa.

Duration will affect the portfolio's sensitivity to interest rates. A higher duration is expected to result in a bigger fall in market value of a fixed interest security when interest rates rise and vice versa.

The value of the Fund will fall if the issuer of a fixed income security held is unable to pay income payments or repay its debt (known as a default). A default, expected default or downgrading will make a fixed income security harder to sell as its value and income are likely to fall. Fixed income securities that pay a higher level of income usually have a lower credit rating because of the increased risk of default. The higher the rating the less likely it is that the issuer will default, but ratings are subject to change.

Debt securities are subject to Liquidity risk i.e. the risk arising from not being able to sell an instrument at the desired time or at a fair value due to unexpected cash flow. Factors affecting liquidity include the size of the debt outstanding, the credit quality, whether a readily available over–the- counter market exists in a particular debt instrument and how frequently such instruments trade.

BREXIT
The United Kingdom left the European Union on 31 January 2020 and the transitional and implementation period under the UK-EU Withdrawal Agreement expired on 31 December 2020. Since the United Kingdom is no longer a member of the European Union or European Economic Area, references in this document to the European Union (EU) or European Economic Area (EEA) should generally be understood to mean the United Kingdom and the European Union/European Economic Area (as relevant). References to members of, states within, or markets within, the European Union or European Economic Area should be interpreted accordingly. Any reference to legislation of a European origin shall be understood to refer to the relevant rules implemented in the United Kingdom and/or the on-shored version of that legislation as relevant. Statements that the fund is a UCITS shall be understood to be statements that the fund is a UK UCITS as defined in the FCA glossary.

LIBOR
Investors should note that the London Interbank Offered Rate (LIBOR) was abolished in 2021, and the ACD now uses the Sterling Overnight Index Average (SONIA). This may have impacted the way some of the Company's fixed interest assets are valued.

28. Complaints

Any issue or complaint should be referred to the ACD at its London Office. If a complaint is not resolved satisfactorily it may be referred to the Financial Ombudsman Service. Address: Financial Ombudsman Service, Exchange Tower, London E14 9SR.

Website: **www.financial-ombudsman.org.uk**
Email: **complaint.info@financial-ombudsman.org.uk**

29. Address for service and inspection of documents

The address for service of documents on the Company in the United Kingdom is Benefact House, 2000, Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW.

30. Client money

Client money is held in a segregated account and will not earn or therefore pay any interest. This applies to any client money which is not invested in our Funds.

Investors should note that the ACD may make use of the delivery versus payment (DVP) exemption as set out in the FCA rules. This provides a one-day window during which money received from an investor for the purchase of shares between trade date and settlement date is not treated as client money.

Where the ACD has held client money for at least six years without movement in the investor's account, it has the right to stop treating it as client money. The ACD will take reasonable steps to make contact with the investor in accordance with the FCA Rules, but if it is unable to trace the investor, these will be paid to a registered charity of the ACD's choice. The ACD undertakes to pay to such investor the value of any client money paid to charity where it re-establishes contact with the investor or there is a subsequent valid claim.

31. Electronic transfer instructions

The ACD will accept instructions to transfer or renunciation of title to shares on the basis of an authority communicated by electronic means and sent by the shareholder, or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

(a) Prior agreement between the ACD and the person making the communication as to:
  (i) The electronic media by which such communications may be delivered; and
  (ii) How such communications will be identified as conveying the necessary authority; and

(b) Assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the shareholder.

32. Typical investor

The Funds are aimed at retail investors who are able to commit Funds for the longer term, typically a minimum period of five years is envisaged.

33. Remuneration policy

The ACD has established and applies a remuneration policy which is consistent with and promotes sound and efficient risk management.

The remuneration includes a fixed (salary, pension and benefits according to responsibility and experience) and a variable component (annual bonus and for senior executives long term incentives).

As part of the Benefact Group the remuneration policy of EdenTree is managed and reviewed by the Group's Remuneration Committee, which consists of four non-executive directors. Reward structures will achieve a balance between short term and long term incentive pay.

Annual bonuses and long term incentives are currently paid in cash and linked to key strategic goals; the Group's and EdenTree profitability; investment performance (for fund managers); customer & conduct and individual performance targets. For senior managers, material risk takers and control functions the variable component may be deferred and vest over a three year period. It may also be subject to clawback.

Up to date details of the remuneration policy including how remuneration and benefits are calculated and the identities of the persons responsible for awarding remuneration, including composition of the Remuneration Committee are available on our internet site: **www.edentreeim.com**. A paper copy will be made available free of charge upon request.

Appendix 1 – Details of Funds

EDENTREE SUSTAINABLE UK EQUITY FUND – PRN 636420

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

To achieve long-term capital appreciation over five years or more and an income, through a diversified portfolio of UK companies.

Sustainability Objective

To invest in companies that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, companies must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable UK Equity Fund aims to invest at least 80% in UK companies whose primary listing is in the UK.

The portfolio will consist of at least 80% listed securities but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 80% of the fund's assets will be invested in line with the sustainability approach. Up to 20% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 80% in companies that the manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). A company is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** A company's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The company must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the company's activities.
- **Planet.** A company's impact on the environment, including natural ecosystems. The company must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the company's activities.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of a company's products, services and operations on people and the planet. A company's impact in each area is combined to calculate an overall rating for the company. To achieve a positive rating, there must be evidence that the company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in companies that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such companies may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective, see "How We Select Assets: The EdenTree Standard of Sustainability".

The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability

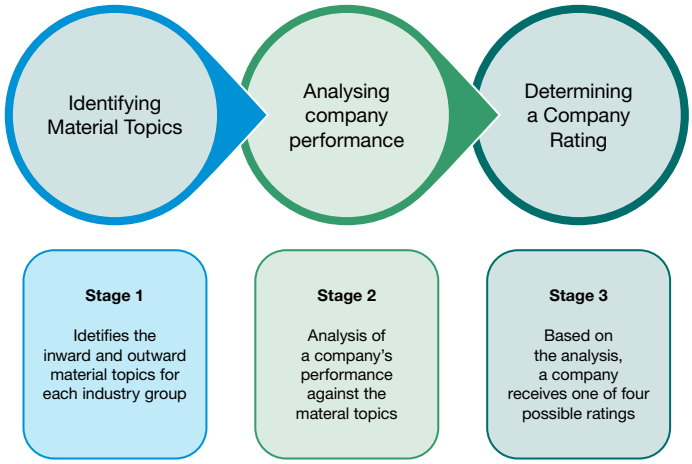
objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering

outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet. We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside its link to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.

Example expectation to score "delivering" or above	Link to sustainability objective
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.

Example expectation to score "delivering" or above	Link to sustainability objective
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.

**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/ or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward l practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	**Damaging Value**	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in companies that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such companies are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such companies from the investment universe.

The Fund will avoid investment in companies which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest (sub-prime) lending. It will also avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the investment manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of stewardship the investment manager may use.

The Manager seeks to establish positive, collaborative and long-term relationships with the companies it invests in, which enables constructive dialogue and productive stewardship efforts. The Manager has an active stewardship approach, delivered with the intention of enhancing the portfolio holding's contribution to the sustainability objective. This means working with companies, where appropriate, to try to increase their positive contributions to people and the planet. The Manager's stewardship strategy encompasses two broad mechanisms in which stewardship efforts are delivered:

Engagement: As active managers, engaging with investee companies allows us the Manager to leverage their influence with the intent of driving change. It is also fundamental to understanding the sustainability-related risks and challenges investee companies may face in their continued alignment with the Fund's sustainability objective. The manager undertakes engagement in one of two ways:

Thematic: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

Fact-Finding: The Manager retains the ability to promptly respond to emerging issues within the portfolio, and take the action necessary, through fact-finding engagements. While thematic priorities enable focused action on systemic issues, fact-finding engagements are essential for responding to systematic issues, for instance emerging controversies, negative news flows, or corporate announcements. The Manager will also use fact-finding engagements as part of conducting sustainability assessments where necessary.

Proxy Voting: The Manager views the exercise of voting rights as a core responsibility of asset managers, as such they seek to vote all meetings in which they are eligible to. The Manager utilises voting as a stewardship tool in a variety of ways, including to signal areas of concern to company management where poor practices are identified or as an escalation method where progress against engagement objectives is insufficient.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Escalation Plans

Where progress against the Fund's sustainability objective is deemed to be insufficient, or where a misalignment is identified, we will employ a combination of the steps outlined below to escalate our concerns. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with company – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If a company does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at company meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, the position will be sold within an appropriate timeframe, which is typically 90 days.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 80% of its portfolio in sustainable companies is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in companies that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

The following metric will be used to monitor whether investee companies (companies the Fund is invested in) continue to meet the Manager's Sustainability Assessment:

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable companies, as described under "how we select assets" above.
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all companies in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

As the Fund invests in a diverse range of UK companies and sectors, we compare the Fund's performance to the FTSE All Share Index, however the portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class A net income	0% actual	1.25% actual
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class I net income (£100m or more invested)	0% actual	0.60% actual

EDENTREE SUSTAINABLE EUROPEAN EQUITY FUND – PRN 636421

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

To achieve long-term capital growth over five years or more with an income through a diversified portfolio of European (ex-UK) companies.

Sustainability Objective

To invest in companies that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, companies must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable European Equity Fund aims to invest at least 80% in European (ex- UK) companies.

The portfolio will consist of at least 80% listed securities but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 80% of the fund's assets will be invested in line with the sustainability approach. Up to 20% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 80% in companies that the manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). A company is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** A company's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The company must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the company's activities.
- **Planet.** A company's impact on the environment, including natural ecosystems. The company must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the company's activities.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of a company's products, services and operations on people and the planet. A company's impact in each area is combined to calculate an overall rating for the company. To achieve a positive rating, there must be evidence that the company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in companies that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such companies may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective, see "How We Select Assets: The EdenTree Standard of Sustainability".

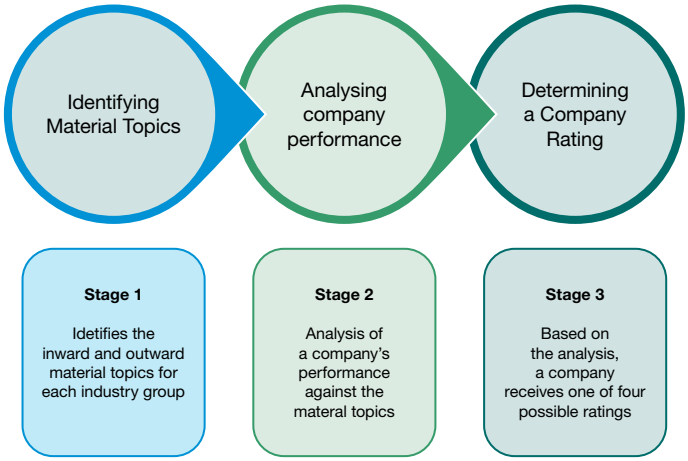
The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside its link to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.

Example expectation to score "delivering" or above	Link to sustainability objective
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward l practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	**Damaging Value**	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in companies that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such companies are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such companies from the investment universe.

The Fund will avoid investment in companies which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest (sub-prime) lending. It will also avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the investment manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of stewardship the investment manager may use.

The Manager seeks to establish positive, collaborative and long-term relationships with the companies it invests in, which enables constructive dialogue and productive stewardship efforts. The Manager has an active stewardship approach, delivered with the intention of enhancing the portfolio holding's contribution to the sustainability objective. This means working with companies, where appropriate, to try to increase their positive contributions to people and the planet. The Manager's stewardship strategy encompasses two broad mechanisms in which stewardship efforts are delivered:

Engagement: As active managers, engaging with investee companies allows us the Manager to leverage their influence with the intent of driving change. It is also fundamental to understanding the sustainability-related risks and challenges investee companies may face in their continued alignment with the Fund's sustainability objective. The manager undertakes engagement in one of two ways:

Thematic: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

Fact-Finding: The Manager retains the ability to promptly respond to emerging issues within the portfolio, and take the action necessary, through fact-finding engagements. While thematic priorities enable focused action on systemic issues, fact-finding engagements are essential for responding to systematic issues, for instance emerging controversies, negative news flows, or corporate announcements. The Manager will also use fact-finding engagements as part of conducting sustainability assessments where necessary.

Proxy Voting: The Manager views the exercise of voting rights as a core responsibility of asset managers, as such they seek to vote all meetings in which they are eligible to. The Manager utilises voting as a stewardship tool in a variety of ways, including to signal areas of concern to company management where poor practices are identified or as an escalation method where progress against engagement objectives is insufficient.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Escalation Plans

Where progress against the Fund's sustainability objective is deemed to be insufficient, or where a misalignment is identified, we will employ a combination of the steps outlined below to escalate our concerns. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with company – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If a company does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that

necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.

3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at company meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, the position will be sold within an appropriate timeframe, which is typically 90 days.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 80% of its portfolio in sustainable companies is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in companies that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

The following metric will be used to monitor whether investee companies (companies the Fund is invested in) continue to meet the Manager's Sustainability Assessment:

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable companies, as described under "how we select assets" above.
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all companies in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

As the Fund invests in a diverse range of European (ex UK) companies and sectors we compare the Fund's performance to the MSCI Europe ex UK GBP Net Total Return Index, however the portfolio manager is not bound or influenced

by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class A net income	0% actual	1.25% actual
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class I net income (£100m or more invested)	0% actual	0.60% actual
Class I net accumulation (£100m or more invested)	0% actual	0.60% actual
Class I net income USD ($100m or more invested)	0% actual	0.60% actual
Class I net income EUR (€100m or more invested)	0% actual	0.60% actual

EDENTREE SUSTAINABLE GLOBAL EQUITY FUND – PRN 636422

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

To achieve long-term capital growth over five years or more with an income through a diversified portfolio of international (including the UK) companies.

Sustainability Objective

To invest in companies that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, companies must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable Global Equity Fund seeks to invest in a portfolio of companies.

The portfolio will consist of at least 80% listed securities but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 80% of the fund's assets will be invested in line with the sustainability approach. Up to 20% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 80% in companies that the manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). A company is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** A company's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The company must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the company's activities.
- **Planet.** A company's impact on the environment, including natural ecosystems. The company must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the company's activities.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of a company's products, services and operations on people and the planet. A company's impact in each area is combined to calculate an overall rating for the company. To achieve a positive rating, there must be evidence that the company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in companies that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such companies may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective, see "How We Select Assets: The EdenTree Standard of Sustainability".

The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree

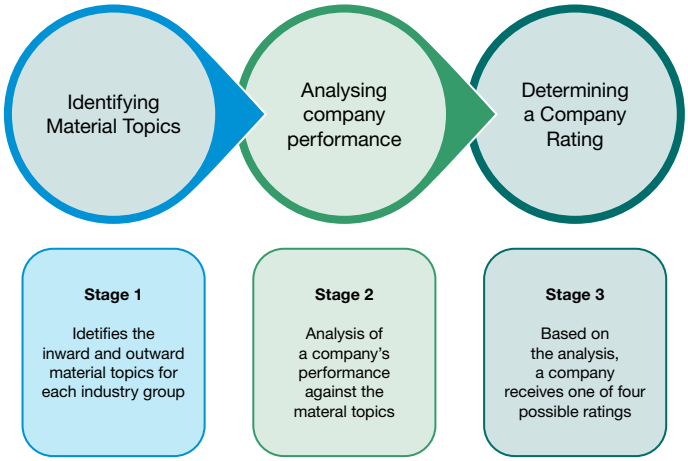
Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside itslink to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. Expectation Bases: United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms Expectation Bases: International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. Expectation Bases: UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls Expectation Bases: ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility Expectation Bases: NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. Expectation Bases: Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified Expectation Bases: Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy Expectation Bases: Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water Expectation Bases: Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy Expectation Bases: Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.

Example expectation to score "delivering" or above	Link to sustainability objective
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. Expectation Bases: Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. Expectation Bases: OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. Expectation Bases: ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the

company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Utilities Sector)
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward l practice.
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Utilities Sector)
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	**Damaging Value**	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming

Stage	Example: Bank, Large Cap, Developed Market	
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in companies that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such companies are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such companies from the investment universe.

The Fund will avoid investment in companies which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest (sub-prime) lending. It will also avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the investment manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does

not. This section summarises what types of stewardship the investment manager may use.

The Manager seeks to establish positive, collaborative and long-term relationships with the companies it invests in, which enables constructive dialogue and productive stewardship efforts. The Manager has an active stewardship approach, delivered with the intention of enhancing the portfolio holding's contribution to the sustainability objective. This means working with companies, where appropriate, to try to increase their positive contributions to people and the planet. The Manager's stewardship strategy encompasses two broad mechanisms in which stewardship efforts are delivered:

Engagement: As active managers, engaging with investee companies allows us the Manager to leverage their influence with the intent of driving change. It is also fundamental to understanding the sustainability-related risks and challenges investee companies may face in their continued alignment with the Fund's sustainability objective. The manager undertakes engagement in one of two ways:

Thematic: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

Fact-Finding: The Manager retains the ability to promptly respond to emerging issues within the portfolio, and take the action necessary, through fact-finding engagements. While thematic priorities enable focused action on systemic issues, fact-finding engagements are essential for responding to systematic issues, for instance emerging controversies, negative news flows, or corporate announcements. The Manager will also use fact-finding engagements as part of conducting sustainability assessments where necessary.

Proxy Voting: The Manager views the exercise of voting rights as a core responsibility of asset managers, as such they seek to vote all meetings in which they are eligible to. The Manager utilises voting as a stewardship tool in a variety of ways, including to signal areas of concern to company management where poor practices are identified or as an escalation method where progress against engagement objectives is insufficient.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Escalation Plans

Where progress against the Fund's sustainability objective is deemed to be insufficient, or where a misalignment is identified, we will employ a combination of the steps outlined below to escalate our concerns. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with company – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If a company does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at company meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, the position will be sold within an appropriate timeframe, which is typically 90 days.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 80% of its portfolio in sustainable companies is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in companies that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable companies, as described under "how we select assets" above.
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all companies in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

As the Fund invests in a diverse range of global companies and sectors, we compare the Fund's performance to the MSCI ACWI GBP Net Total Return Index, however the portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class A net income	0% actual	1.25% actual
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class B net accumulation (£1m or more invested)	0% actual	0.75% actual
Class I net accumulation (£100m or more invested)	0% actual	0.50% actual
Class I net income (£100m or more invested)	0% actual	0.50% actual
Class P net accumulation*	0% actual	0.23% actual

EDENTREE SUSTAINABLE STERLING BOND FUND – PRN 636423

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

The Fund aims to generate a regular level of income payable quarterly.

Sustainability Objective

To invest in organisations that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, organisations must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable Sterling Bond Fund seeks to invest in a highly diversified portfolio of quality fixed-interest securities issued by organisations, and of Government bonds. The Fund's investments will be at least 80% denominated in Sterling but the Fund may invest in other currency bonds and securities that the Manager thinks appropriate to meet the investment objective.

The portfolio will consist of at least 80% listed securities but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 70% of the fund's assets will be invested in line with the sustainability approach. Up to 30% of the Fund may be invested in other assets (as described above), including Government bonds, that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 70% in organisations which the manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). An organisation is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** An organisation's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The organisation must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the organisation's activities.
- **Planet.** An organisation's impact on the environment, including natural ecosystems. The organisation must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the organisation's activities.

An organisation is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of an organisation's products, services and operations on people and the planet. A organisation's impact in each area is combined to calculate an overall rating for the organisation. To achieve a positive rating, there must be evidence that the organisation's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in organisations that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such organisations may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective,

see "How We Select Assets: The EdenTree Standard of Sustainability".

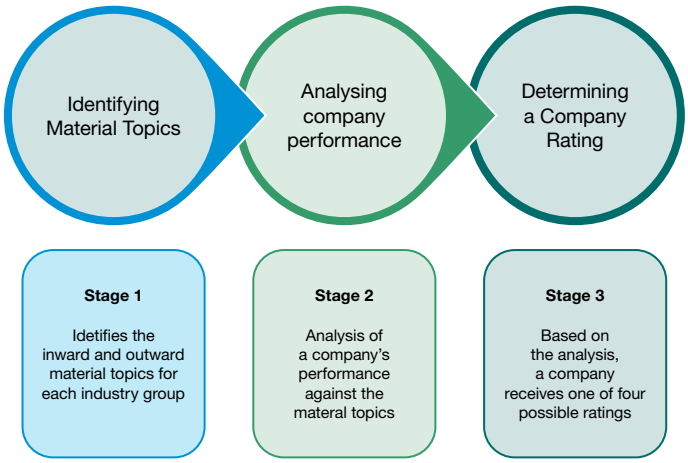
The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside itslink to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.

Example expectation to score "delivering" or above	Link to sustainability objective
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/ or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward l practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	**Damaging Value**	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in organisations that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such organisations are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies

baseline exclusions to actively exclude such companies from the investment universe.

The Fund will avoid investment in companies which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest (sub-prime) lending. It will also avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. The Fund will not invest in Government bonds issued by oppressive regimes. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

The manager will engage with organisations, where necessary, in order to support their contribution to the fund's sustainability objective.

- Fact finding engagement: Due diligence with organisations to monitor the investment and ensure it remains aligned to the Fund's sustainable objective.
- Thematic engagement: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

The Manager's in-house Sustainable Investment Team oversees the Manager's engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties. In addition, the Manager's stewardship approach is overseen by an Independent Responsible Investment Advisory Panel.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship activities.

Escalation Plans

Where an organisation demonstrates insufficient performance against its expected contribution to the Fund's sustainability objective, the Manager will employ a combination of the steps outlined below to escalate its concerns. Insufficient performance is where organisations are no longer considered to be delivering a positive impact in line with the sustainability objective, and/or where it no longer meets our robust- evidence based standard. If an organisation is deemed to be in conflict with the sustainability objective, we will move directly to step 4 (divestment).

1. Initial outreach and conversations with the organisation – the Manager's engagement approach always begins with an initial outreach via email or letter, followed by meetings with Investor Relations or subject matter experts.
2. Formal correspondence – If an organisation does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, the Manager will initially escalate via a formal letter. This will set out the Manager's expectations, and potential means of escalation.
3. Collaborative intervention with other stakeholders – Failing this, the Manager will actively collaborate with other stakeholders including other investors, banks or the Debt Management Office to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. Divestment – If following a period of engagement, the Manager fails to achieve adequate progress, the position may be sold down. Maturing bonds will be directed towards alternative opportunities, while longer-dated bonds will be actively reduced within an appropriate timeframe.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 70% of its portfolio in sustainable organisations is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in organisations that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable organisations, as described under "how we select assets"
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all organisations in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extend of the fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

As the Fund has greater exposure to corporate bonds over gilts we compare the Fund's performance to the iBoxx Sterling Non-Gilt Overall Total Return Index, however the portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class A gross income	0% actual	1.15% actual
Class B gross income (£1m or more invested)	0% actual	0.55% actual
Class I gross income (£100m or more invested)	0% actual	0.40% actual

EDENTREE SUSTAINABLE MANAGED INCOME FUND – PRN 636418

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

To prioritise income, with the aim of exceeding the yield of the FTSE 250 Mid-Cap Index, together with capital growth over the longer term, five years or more.

Sustainability Objective

To invest in organisations that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, organisations must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The Manager will seek to achieve the investment objective by investing in a mix of equities, fixed-interest securities and cash equivalents. The Fund will maintain a bias towards equities of 60 - 85%.

The portfolio will consist of at least 90% listed securities (including bonds) but the Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, unlisted bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective. The fund has no geographical restrictions or limits and may invest in any of the eligible markets listed in Appendix 3 of the Prospectus.

At least 70% of the fund's assets will be invested in line with the sustainability approach. Up to 30% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 70% in organisations that the manager classifies as sustainable, based on the EdenTree Standard of Sustainability. An organisation is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services,

- **People.** An organisation's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The company must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the company's activities.
- **Planet.** An organisation's impact on the environment, including natural ecosystems. The organisation must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the organisation's activities.

An organisation is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of an organisation's products, services and operations on people and the planet. A organisation impact in each area is combined to calculate an overall rating for the organisation. To achieve a positive rating, there must be evidence that the organisation's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in organisations that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such organisations may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective,

see "How We Select Assets: The EdenTree Standard of Sustainability".

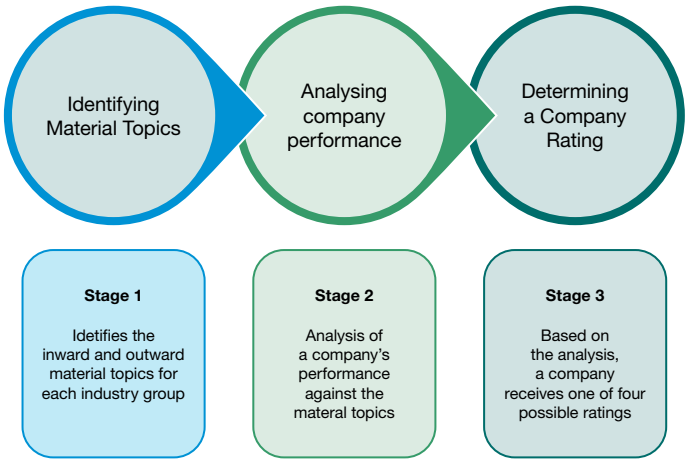
The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside itslink to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.

Example expectation to score "delivering" or above	Link to sustainability objective
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/ or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward l practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	Damaging Value	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments he Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in organisations that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as organisations which have a significant negative effect on people and the planet. Such organisations are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such organisations from the investment universe.

The Fund will avoid investment in organisations which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest

(sub-prime) lending. It will also avoid organisations that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid organisations using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid organisations and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the investment manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of stewardship the investment manager may use.

The Manager seeks to establish positive, collaborative and long-term relationships with the organisations it invests in, which enables constructive dialogue and productive stewardship efforts. The Manager has an active stewardship approach, delivered with the intention of enhancing the portfolio holding's contribution to the sustainability objective. This means working with organisations, where appropriate, to try to increase their positive contributions to people and the planet. The Manager's stewardship strategy encompasses two broad mechanisms in which stewardship efforts are delivered:

Engagement: As active managers, engaging with investee organisations allows us the Manager to leverage their influence with the intent of driving change. It is also fundamental to understanding the sustainability-related risks and challenges investee organisations may face in their continued alignment with the Fund's sustainability objective. The manager undertakes engagement in one of two ways:

Thematic: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

Fact-Finding: The Manager retains the ability to promptly respond to emerging issues within the portfolio, and take the action necessary, through fact-finding engagements. While thematic priorities enable focused action on systemic issues, fact-finding engagements are essential for responding to systematic issues, for instance emerging controversies, negative news flows, or corporate announcements. The Manager will also use fact-finding engagements as part of conducting sustainability assessments where necessary.

Proxy Voting: The Manager views the exercise of voting rights as a core responsibility of asset managers, as such they seek to vote all meetings in which they are eligible to. The Manager utilises voting as a stewardship tool in a variety of ways, including to signal areas of concern to organisation management where poor practices are identified or as an escalation method where progress against engagement objectives is insufficient.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Escalation Plans

Where progress against the Fund's sustainability objective is deemed to be insufficient, or where a misalignment is identified, we will employ a combination of the steps outlined below to escalate our concerns. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with organisation – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If an organisation does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at organisation meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, equity positions will be sold within an appropriate timeframe. the position may be sold down. Maturing bonds will be directed towards alternative opportunities, while longer-dated bonds will be actively reduced within an appropriate timeframe, which is typically 90 days.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 70% of its portfolio in sustainable organisations is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in organisations that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

The following metric will be used to monitor whether investee organisations (organisations the Fund is invested in) continue to meet the Manager's Sustainability Assessment:

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainiable organisations, as described under "how we select assets" above.
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the Edentree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all organisations in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

Benchmarks may be used for Target or Comparator purposes.

Target Benchmark

Yield : FTSE 250 Mid-Cap Index - This benchmark is the target which the fund seeks to outperform and has been chosen as it is an appropriate target given the fund's investment policy.

Comparator Benchmark

IA Mixed Investment 40-85% Shares: Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The Fund is classified in the IA Mixed Investment 40-85% Share Sector. Funds in this sector are required to have a mix of different investments and must have between 40% and 85% invested in company shares. The Sector is considered as the primary comparator for the Fund's performance due to its alignment with the Fund's asset allocations.

FTSE All-Share Index - This benchmark is used as a secondary comparator against which the overall performance of the fund can be measured. It has been chosen as the Fund's average market and sector exposure is biased in favour of UK equities and corporate bonds. The portfolio manager is not bound or influenced by the index when making investment decisions and the Fund's holdings may deviate from the benchmark's constituents. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

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Shares Offered	Initial Charge	Annual Charge
Class A net income	0% actual	1.25% actual
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class C net accumulation (£1m or more invested)	5% actual	1% actual
Class I net income (£100m or more invested)	0% actual	0.55% actual
Class I net accumulation (£100m or more invested)	0% actual	0.55% actual*
Class S net income	0% actual	0.30% actual*

*I Class units are available to registered Charities with any level of investment

EDENTREE SUSTAINABLE UK EQUITY OPPORTUNITIES FUND – PRN 636419

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

To achieve long-term capital growth over five years or more with an income.

Sustainability Objective

To invest in companies that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, companies must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable UK Equity Opportunities Fund aims to invest at least 80% in a range of UK incorporated companies whose primary listing is in the UK which the Manager believes offer good potential for long-term capital growth. The portfolio will consist of at least 80% listed securities with a bias towards small and mid-cap companies and those that the Manager considers are undervalued opportunities. The Manager may also invest in units in collective investment schemes, money- market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 80% of the fund's assets will be invested in line with the sustainability approach. Up to 20% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund, although it may subject to obtaining and maintaining the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and on giving not less than 60 days' notice to shareholders in the Fund, use derivatives in pursuit of its investment objective in the future.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 80% in companies that the Manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). A company is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** A company's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The company must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the company's activities.
- **Planet.** A company's impact on the environment, including natural ecosystems. The company must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the company's activities.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of a company's products, services and operations on people and the planet. A company's impact in each area is combined to calculate an overall rating for the company. To achieve a positive rating, there must be evidence that the company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in companies that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such companies may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in line with the Fund's Sustainability Objective, see "How We Select Assets: The EdenTree Standard of Sustainability".

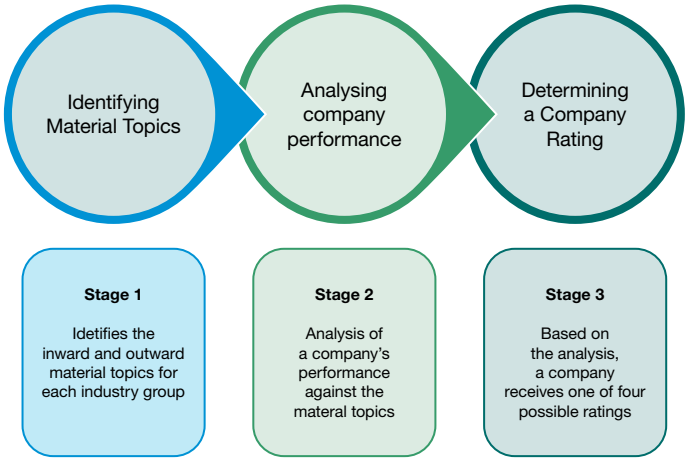
The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside its link to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Institutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.

Example expectation to score "delivering" or above	Link to sustainability objective
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/ or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward I practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	**Damaging Value**	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: *The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.*	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in companies that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such companies are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such companies from the investment universe.

The Fund will avoid investment in companies which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest

(sub-prime) lending. It will also avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

Funds using a Sustainability Label must have a 'stewardship' strategy designed to support their achievement of their sustainability objective, which sets out how the investment manager will try to influence the management teams of its investments to encourage behaviour that supports the Fund's sustainability objective and discourage behaviour that does not. This section summarises what types of stewardship the investment manager may use.

The Manager seeks to establish positive, collaborative and long-term relationships with the companies it invests in, which enables constructive dialogue and productive stewardship efforts. The Manager has an active stewardship approach, delivered with the intention of enhancing the portfolio holding's contribution to the sustainability objective. This means working with companies, where appropriate, to try to increase their positive contributions to people and the planet. The Manager's stewardship strategy encompasses two broad mechanisms in which stewardship efforts are delivered:

Engagement: As active managers, engaging with investee companies allows us the Manager to leverage their influence with the intent of driving change. It is also fundamental to understanding the sustainability-related risks and challenges investee companies may face in their continued alignment with the Fund's sustainability objective. The manager undertakes engagement in one of two ways:

Thematic: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

Fact-Finding: The Manager retains the ability to promptly respond to emerging issues within the portfolio, and take the action necessary, through fact-finding engagements. While thematic priorities enable focused action on systemic issues, fact-finding engagements are essential for responding to systematic issues, for instance emerging controversies, negative news flows, or corporate announcements. The Manager will also use fact-finding engagements as part of conducting sustainability assessments where necessary.

Proxy Voting: The Manager views the exercise of voting rights as a core responsibility of asset managers, as such they seek to vote all meetings in which they are eligible to. The Manager utilises voting as a stewardship tool in a variety of ways, including to signal areas of concern to company management where poor practices are identified or as an escalation method where progress against engagement objectives is insufficient.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Escalation Plans

Where progress against the Fund's sustainability objective is deemed to be insufficient, or where a misalignment is identified, we will employ a combination of the steps outlined below to escalate our concerns. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with company – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If a company does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at company meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, the position will be sold within an appropriate timeframe.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties, which is typically 90 days.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 80% of its portfolio in sustainable companies is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in companies that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

The following metric will be used to monitor whether investee companies (companies the Fund is invested in) continue to meet the Manager's Sustainability Assessment:

- **Percentage of sustainability investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable companies, as described under "how we select assets" above.
- **Overall sustainability rating of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all companies in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

This Fund is marketable to all retail investors will be managed in line with the requirements for inclusion in an Individual Savings Account (ISA), but is not available for direct investment in our stocks and shares ISA.

Fund Benchmark

As the Fund invests in a diverse range of UK companies and sectors, we compare the Fund's performance to the FTSE All Share Index, however the portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class A net income	0% actual	1.25% actual
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class E net income	0% actual	0.75% actual
Class I net income (£100m or more invested)	0% actual	0.60% actual

EDENTREE SUSTAINABLE SHORT DATED BOND FUND – PRN 787953

SDR Label: Sustainability Focus "Invests mainly in assets that are environmentally and/or socially sustainable."

INVESTMENT OBJECTIVE

Financial Objective

The Fund aims to preserve capital and generate a regular income payable quarterly.

Sustainability Objective

To invest in organisations that make a positive contribution to people (employees, supply chain workers, local communities and customers) and the planet (the environment), through their products, services, and/or operations. In order to demonstrate a positive contribution to people and the planet, organisations must meet the EdenTree Standard of Sustainability.

The EdenTree Standard of Sustainability assesses a company's performance against material sustainability topics, which are topics that affect a company's ability to deliver positive outcomes for people and the planet such as climate mitigation, water management, biodiversity, human rights, community and decent work (the full list of material topics, how these are selected and how performance is assessed, is disclosed below under "Sustainability Approach: How We Select Assets").

This enables us to identify companies that make a positive contribution to people (for example, companies which promote labour and human rights across their supply chain, thereby contributing to more equitable societies), and the planet (for example, companies which provide low-carbon products and promote operational resource efficiency, thereby contributing towards healthier ecosystems and reduced global warming).

We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either goal. However, the Fund's sustainability criteria may limit its exposure to some investments. Investors should, therefore, note that, as the choice of investments for the Fund may be limited to a subset of the stock market, this may result in greater volatility in the Fund's performance against its benchmark.

INVESTMENT POLICY

The EdenTree Sustainable Short Dated Bond Fund seeks to invest at least 80% in short dated government bonds and debt instruments issued by organisations.

In line with the Fund's objective to preserve capital, the Fund will aim to invest at least 80% in sterling denominated fixed interest securities of short duration. Portfolio duration will be expected to average around 2 years, with the anticipated upper limit being 3 years. The portfolio will also look to maintain high credit quality. Securities will usually have a minimum credit rating of A by Moody's, S&P and or Fitch

to be considered for investment. A maximum of 10% of the holdings may be invested in BBB-rated debt, seeking a target overall portfolio rating of A or better.

The Manager may also invest in units in collective investment schemes, money-market instruments, derivatives and forward transactions, term deposits, nil and partly-paid securities, cash and near cash as deemed economically appropriate to meet the Fund's objective.

At least 70% of the fund's assets will be invested in line with the sustainability approach. Up to 30% of the Fund may be invested in other assets (as described above) that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These investments will be held for diversification and risk management purposes.

The Manager does not currently intend to use derivatives for any purpose other than the efficient portfolio management of the Fund. Should the Manager decide to use derivatives in pursuit of its investment objective in the future, it may do so on giving not less than 60 days' notice to shareholders in the Fund.

If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund seeks to invest at least 70% in organisations that the Manager classifies as sustainable, based on the EdenTree Standard of Sustainability ("the EdenTree Standard"). An organisation is considered to be sustainable if it makes a positive contribution to people and the planet through its products, services, and/or operations.

- **People.** An organisation's impact on social groups across its value chain including employees, supply chain workers, local communities and customers. The organisation must have implemented measures, supported by sufficient oversight structures, to ensure these groups benefit from the organisation's activities.
- **Planet.** An organisation's impact on the environment, including natural ecosystems. The organisation must have implemented measures, supported by sufficient oversight structures, to ensure the environment benefits from the organisation's activities.

An organisation is classified as sustainable if it achieves a positive rating against the EdenTree Standard. The Standard assesses, in a systematic way, the effects of an organisation's products, services and operations on people and the planet. An organisation's impact in each area is combined to calculate an overall rating for the organisation. To achieve a positive rating, there must be evidence that the organisation's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

By investing in organisations that are assessed as providing a positive contribution to people and the planet, the Fund aims to help them continue to implement their sustainable activities, thereby leading to a positive outcome for the environment and society. The Fund's holdings in such organisations may also allow the Manager, through engagement, to encourage further acceleration of the positive activities and discourage negative ones. For further information see "Investor Stewardship".

This Standard is a proprietary, absolute measure of sustainability and is based on in-depth internal research and external sustainability frameworks and standards. For further information on why the Standard is appropriate and how we select assets in

line with the Fund's Sustainability Objective, see "How We Select Assets: The EdenTree Standard of Sustainability".

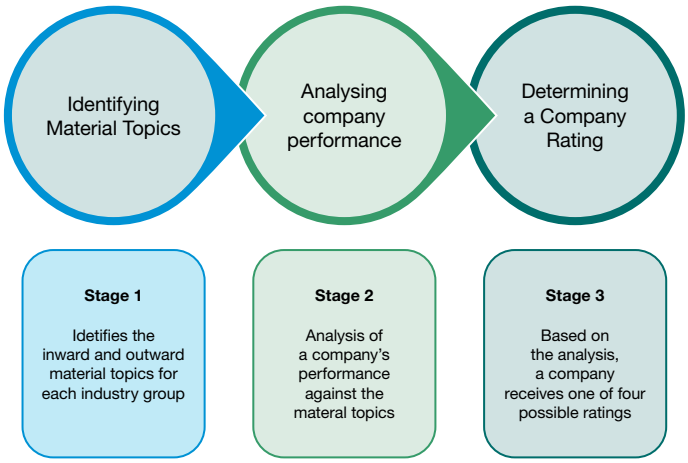
The manager does not expect material negative environmental or social outcomes to arise from the pursuit of its sustainability objective and uses its exclusionary criteria and the EdenTree Standard as a control on this possibility, as described in "Exclusions" below.

How We Select Assets: The EdenTree Standard of Sustainability

A fund using a Sustainability Focus Label must decide which investments meet its sustainability objective using a robust, evidence-based standard that is an absolute measure of sustainability. This section explains what that standard is for the Fund.

A company is classified as sustainable if it achieves a positive rating against the EdenTree Standard of Sustainability. When assessing a company against this Standard, and therefore whether it is considered sustainable, we follow a systematic, three stage assessment process (Figure 1).

Figure 1: Assessment Stages



The assessment is conducted independently from the Fund Management Team by the Sustainability Team. The Sustainability Team is comprised of experts in sustainability. The assessment considers all aspects of sustainability, including environmental, social, and governance topics which affect a company's ability to deliver positive outcomes for people and the planet. As such it allows for a rigorous and detailed assessment of whether a company's practices are resulting in outcomes that meet the sustainability objective of benefitting people and the planet.

Stage 1: Identifying material assessment topics

The Manager first establishes the relevance of various sustainability topics on a company's ability to meet the Sustainability Objective. This involves identifying the material sustainability topics which affect a company's ability to deliver positive outcomes for people and the planet. These topics will then form part of the assessment.

In line with the widely recognised concept of "double materiality", this includes sustainability topics that are 'inward material' and 'outward material'. Inward material topics are those which impact a company's bottom line. We consider these topics as without due consideration and management of them, companies cannot function effectively and thus cannot deliver positive outcomes for people and planet. Outward material topics are those on which the company may have an impact through its products, services and operations. We consider these topics as they are areas where the actions of a company can directly affect people and planet.

To ensure a robust, consistent and evidence-based approach, the manager has developed "Materiality Maps" for each industry group (per the Global Industry Classification Standard), which identify the sustainability topics to form part of the assessment. Based on the full list of material assessment topics, shown in Figure 2 below, the Materiality Map identifies those which are relevant for each industry group.

Figure 2: Full list of material assessment topics

People	Planet	Governance
• Human Rights • Decent Work • Community • Product Responsibility • Information Security	• Climate Mitigation • Climate Adaptation • Biodiversity • Water Management • Circular Economy • Financing	• Business Conduct • Oversight

Governance topics, such as robust oversight structures and ethical business conduct, are viewed as supportive of a company's ability to provide positive outcomes for people and the planet. Alone, good governance structures are not enough for a company to rate positively against the Standard. However, strong governance principles must exist alongside positive performance against topics material to people and planet, in order for companies to rate positively against the Standard.

The process of selecting the material topics for each industry group is informed by comprehensive research. Each materiality map reflects the principle of double materiality, including topics that are both 'inward material' and 'outward material', as described above When considering the former, the Manager draws on the Sustainability Accounting Standards Board ('SASB') standards, which are developed through rigorous, evidence-based research and inclusive stakeholder engagement, including input from companies, investors, and subject matter experts. These standards are continuously updated by the International Sustainability Standards Board ('ISSB') to ensure they remain relevant. When considering outward materiality, the Manager draws on the principles of the Corporate Sustainability Reporting Directive ('CSRD'), which are rooted in internationally recognized frameworks such as the United Nations ('UN') Guiding Principles on Business and Human Rights and the OECD Multinational Enterprises. The CSRD evaluates human rights and environmental matters based on severity and likelihood, capturing the most significant impacts companies may have on people and the planet. The combination of both SASB and the CSRD ensures our materiality maps incorporate a holistic assessment of a company's impact on both people and the planet.

These undergo an annual review to ensure they remain appropriate and reflective of the sustainability topics which are material to the company's impact on people and the planet.

Stage 2: Analysing company performance against each material topic

The Sustainability Team will then review the company's performance against each material topic identified for that industry. The Team may also incorporate additional topics, over and above those identified in the Materiality Map, if they deem them to be relevant.

A company must receive a minimum of "Delivering" (as defined in Figure 4) in each material topic area assessed to be considered as meeting the EdenTree Standard.

Our Sustainability Expectations

For each material topic, the Manager has defined a set of sustainability expectations which outline the measures that a company must meet, or exceed, in order to demonstrate a positive contribution on that topic. They seek to determine a company's absolute performance and are not interpreted relative to a company's peers.

The expectations are based on international standards, industry-specific sustainability frameworks, and relevant regulations. They are considered appropriate as they provide a consistent and objective basis for evaluation, and enable us to identify, on an absolute basis, whether a company demonstrates practices that are necessary for delivering positive outcomes for people and the planet.

We review these expectations on an annual basis to ensure they remain reflective of the latest industry guidance, regulations, and standards. For further information on how we assess companies that go beyond these practices, please refer to the section below on "Scoring against material assessment topics."

For each of our material topics, an example of one of our sustainability expectations within that topic, alongside its link to the sustainability objective and the bases on which it has been formed, have been provided in Figure 3.

Figure 3: Examples of EdenTree's sustainability expectations

Example expectation to score "delivering" or above	Link to sustainability objective
Human Rights: The company commits to respecting human rights, identifies material risks and impacts connected to its operations and services, and delivers against a credible strategy to address these across its value chain. *Expectation Bases:* United Nations Global Compact, OECD Guidelines for Multinational Enterprises, Responsible Business Alliance Standards	A high standard of human rights generates positive outcomes for people in the following ways: ensuring people are treated with respect regardless of their culture or background fosters a culture of inclusion which makes people feel valued; when rights are protected people have freedom of expression and equal opportunities for advancement, which leads to greater personal growth and more economic mobility; and fair labour standards reduces stress and injury which contributes to overall better health.
Decent Work: The company commits to respecting labour rights, supported by robust due diligence and appropriate grievance mechanisms *Expectation Bases:* International Labour Standards, United Nations Global Compact, OECD Guidelines for Multinational Organisations, Global Living Wage Standards.	Decent work practices generate positive outcomes for people in following ways: safe working environments means fewer injuries and illnesses, which means healthier lives for employees; supportive and caring workplace structures reduces burnout and anxiety, which improves employee mental wellbeing; and offering fair wage practices equips employees with economic empowerment and financial stability which improves their overall quality of life.
Community: The company identifies how local communities are currently, and could be, affected by their presence, and takes proactive measures to maximise benefits to stakeholder groups. *Expectation Bases:* UN Global Compact, OECD Guidelines for Multinational Enterprises	Proactive community engagement generates positive outcomes for people in the following ways: by understanding the specific needs, concerns, and aspirations of the communities they affect, companies can tailor their initiatives, such as job creation, infrastructure development, or education programmes. In turn, this enables improved access to services, employment, skills development, and long-term economic empowerment.
Product Responsibility: The company identifies the impacts of its products and manages these through appropriate systems and product responsibility controls *Expectation Bases:* ISO 27001, EU General Product Safety Regulation (GPSR), OECD Guidelines for Multinational Enterprises	Robust product oversight generates positive outcomes for people in the following ways: thorough testing and quality control ensures products are safe which reduces the risk of injury, illness or harm; and clear labelling, and honest marketing help people to make informed choices, which is empowering and can support increases in access.

Example expectation to score "delivering" or above	Link to sustainability objective
Information Security: The company has robust cybersecurity management and oversight, with a designated board- or senior-level point of responsibility *Expectation Bases:* NIST Cybersecurity Framework, ISO27001, OECD Guidelines on Multinational Enterprises	Implementing robust cybersecurity management and oversight generates positive outcomes for people in the following way: by maintaining strong internal data security systems and protocols to prevent the loss of personally identifiable, financial, or other sensitive information, the people who have entrusted such data to the company are protected.
Climate Mitigation: The company commits to act on climate change supported by the implementation of a credible strategy that addresses key risks and opportunities. *Expectation Bases:* Paris Agreement, Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, nstitutional Investors Group on Climate Change (IIGCC), Carbon Disclosure Project (CDP)	Taking action to reduce emissions generates positive outcomes for the planet in the following way: by making operations more efficient, and providing low-carbon products and services, companies accelerate the transition to renewable energy, and promote resource efficiency which contributes towards slowing global warming and providing healthier ecosystems.
Climate Adaptation: The company implements proactive adaptation measures for material physical climate risks identified *Expectation Bases:* Taskforce on Climate-related Financial Disclosures	Implementing proactive adaptation measures generates positive outcomes for the planet in the following way: by anticipating climate risks and taking early action to reduce their impacts companies can safeguard natural environments, which strengthens ecosystem resilience and reduces long-term environmental damage.
Biodiversity: The company addresses material biodiversity risks and opportunities across their ecological footprint, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Forest Stewardship Council	Taking action to protect biodiversity generates positive outcomes for the planet in the following way: safeguarding biodiverse areas ensures ecosystem services continue to function, which supports clean air, fresh water, pollination, soil fertility and climate regulation.
Water Management: The company take a proactive approach to water abstraction including community engagement on equitable access to water *Expectation Bases:* Taskforce on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Water Standard, Science-based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS) Standard	Taking a proactive approach to water management generates positive outcomes for the planet in the following way: it helps to maintain the integrity of freshwater ecosystems by ensuring water sources are protected from overuse and contamination, reduces the risk of water scarcity by promoting efficient usage, recycling and conservation practices, and supports biodiversity by safeguarding water-based habitats.
Circular Economy: The company addresses material waste generation risks and circular opportunities, evidenced by delivering against a credible strategy aligned with the mitigation hierarchy *Expectation Bases:* Task Force on Nature-related Financial Disclosures, Global Reporting Initiative (GRI) Waste Standard, Global Plastics Treaty, ISO Circular Economy 59000	Delivering a credible waste management strategy generates positive outcomes for the planet in the following way: the proper disposal and treatment of waste prevents contamination of air, water and soil, reduces toxic runoff into ecosystems, and minimises harmful emissions from landfills and incineration – all of which contribute to healthier natural environments.

Example expectation to score "delivering" or above	Link to sustainability objective
Financing: The company is delivering against a credible strategy to scale up green lending and phase out unconventional O&G financing where relevant to its loan book. *Expectation Bases:* Taskforce on Climate-related Financial Disclosures, Science-based Targets Initiative, Equator Principles Institutional Investors Group on Climate Change, Paris Agreement	Taking action to reduce the amount of fossil fuel financing generates positive outcomes for the planet in the following ways: cutting financial support for fossil fuel projects slows their expansion, which helps to reduce the volume of greenhouse gas emissions released into the atmosphere, slowing the pace of global warming; and the capital no longer directed towards fossil fuel projects can be channeled towards supporting sustainable projects, which fosters long-term environmental resilience.
Business Conduct: The company displays clear management of conduct issues such as bribery, corruption, extortion, fraud and money laundering. *Expectation Bases:* OECD Anti-Bribery Convention, National Bribery Acts ISO 37001, National Corporate Governance Codes	Maintaining the highest standards of business conduct is essential in ensuring long-term and mutually beneficial relationships with stakeholders. Through training employees adequately and implementing robust formalised procedures, companies ensure a culture of integrity from which customers and other stakeholders are protected from the negative consequences posed by external or internal conduct shortcomings.
Oversight: The company maintains independent representation on the board, and where the CEO/Chair position is combined, has mechanisms to ensure effective independent oversight. *Expectation Bases:* ISO 37000, OECD Principles of Corporate Governance, ICGN Global Governance Principles, National Corporate Governance Codes	Strong governance is crucial for ensuring the quality, credibility, and longevity of sustainable practices. Strong governance structures and clear accountability mechanisms are essential to fully embedding the management of sustainability-related issues into company policies and processes. Ultimately, effective governance provides the foundation for a company's ability and commitment to create value for people and the planet.

*Not all companies are assessed against all sustainability topics. It will vary depending on the industry in which the company operates, as explained in Stage 1.
**Expectations included in the table are examples and are not an exhaustive list.

This is a summary of the bases of expectations and example expectations used within the EdenTree Standard and informs the manager how to assess companies in each topic. We may also review and consider additional standards in these areas as appropriate.

In seeking a complete assessment against each expectation, the manager uses a range of both qualitative and quantitative metrics capturing a company's structures, procedures, and practices. This allows the manager to assess historic and current performance against the expectations, as well as developing a forward-looking view on commitment and continued alignment with each expectation. The Manager utilises a variety of sources to enable a holistic assessment, including: newsflow, company annual and sustainability reports, policies, industry publications and websites, NGO research, investor databases, benchmark initiatives, and government and academic research.

Scoring against material assessment topics

For each material assessment topic under the people and planet pillars in Figure 2, the extent to which a company is assessed to meet or exceed the relevant expectations determines the level of positive contribution it is making to people (for topics under the people pillar) or the planet (for topics under the planet pillar) within that topic. This is reflected by the assignment of one of four flags for each material assessment topic. These flags are outlined in Figure 4 alongside examples that serve to illustrate the different levels of company characteristics at each flag.

Receipt of a "delivering", "exceeding", or "outperforming" flag for a people-related or planet-related topic indicates that the company makes a positive contribution to people or the planet respectively. The extent of positive contribution delivered increases as the company moves up the scale from "delivering" to "outperforming". This recognises and seeks to capture that company performance exists on a scale, where each flag builds on the last reflecting a broadened and deepened level of benefits to people and/or the planet.

A 'Delivering' flag marks a company that meets EdenTree's expectations of a sustainable company for the assessed topic, ensuring meaningful benefits are created across its products, services, and/or operations in that area. An 'Exceeding' flag represents a company that perpetuates those benefits, for example by scaling and embedding best practice across the value chain. Finally, an 'Outperforming' flag represents a company that advances these efforts to a transformative level. Companies that receive an "Outperforming" flag in a topic drive new levels of value creation for people and the planet by supporting systemic solutions to global challenges and raising cross-sectoral standards.

Receipt of a "Fails" flag indicates the company is not making a positive contribution to people or the planet within that topic; it is not doing enough to ensure that its activities are benefitting the physical or societal systems on which the company relies on to operate. If a company receives a "fails" flag it is not considered to meet the Sustainability Objective and thus is not suitable for investment. We will not invest in a company

if it receives a "Fails" flag against one or more material assessment topics.

Figure 4: Scoring company performance on material assessment topics

Contribution to Topic	Material Topic Flag	Material Topic Flag Definition	Example (Topic: Human Rights)
Positive contribution to people and/ or planet in the material assessment topic	**Outperforming**	The company significantly exceeds the expectations for a sustainable company in that topic area. It demonstrates leading measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and amplifies the value created for people and broader society by supporting systemic solutions to global human rights challenges and leading cross-sectoral initiatives to raise human rights standards.
	Exceeding	The company exceeds the expectations for a sustainable company in that topic area. It demonstrates strong measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations, and scales the level of value created for people by conducting direct engagement with stakeholders and conducting supplier training and capacity building to ensure a consistent approach across the value chain.
	Delivering	The company meets the expectations for a sustainable company in that topic area. It demonstrates sufficient measures to ensure that people and/or the planet benefit from the company's activities.	The company meets the sustainability expectations through their commitment to respecting human rights, their identification of material risks and impacts, and delivery against a credible strategy to address those risks and impacts across its value chain.
Negative or neutral contribution to people and/ or the planet in the material assessment topic	**Fails**	The company does not meet the expectations for a sustainable company and/or is involved in material controversies in that topic area. It does not demonstrate sufficient measures to ensure that people and/or the planet benefit from the company's activities	The company does not meet the sustainability expectations as they do not commit to respecting human rights and have no systems in place for the identification or management of human rights risks.

Stage 3: Determining Company's Sustainability Rating

A company's scoring in each material topic informs our overall assessment of sustainability at the company level, where companies are assigned one of four possible ratings ("damaging value", "adding value", "enhancing value", or "maximising value").

Only companies which receive an overall company rating of "adding value" or higher (including "enhancing value" and "maximising value") are considered to make a positive contribution to people and the planet, and are included within the Fund's sustainable investment universe.

As companies are assessed against a number of material assessment topics in Stage 2, and therefore receive a number of topic flags, the final company rating corresponds to the proportion of material topic flags received in each area. For example, a company which receives majority "outperforming" flags will be rated as "maximising value", whilst a company receiving majority "delivering" flags will be rated as "adding value".

To be considered suitable for the Fund, a company must achieve all "delivering", "exceeding" and/or "outperforming" flags on the underlying material topics. This typically means that the company demonstrates strong commitments or activities in relation to material topics, processes to support those in practice, metrics to demonstrate progress, and a willingness for continual improvement. Our research shows that an asset which demonstrates these attributes is sustainable, as the company is making a credible and sustained effort, with sufficient evidence to confirm that it will generate positive outcomes aligned with the Sustainability Objective.

A company which receives a flag of "fails" on any one material topic will lead to a rating of "damaging value". This typically means that the company does not demonstrate strong commitments or activities in relation to material topics, lacks processes to support its commitments, doesn't disclose metrics to demonstrate progress, and/or appears unlikely to make future improvements. Our research shows that an asset which demonstrates these attributes is not sustainable, as the company isn't making a viable effort, and there is a lack of evidence to confirm it will generate positive outcomes aligned with the Sustainability Objective.

This is an appropriate threshold because companies must demonstrate positive outcomes against every material assessment topic in order to receive one of the top three ratings. Receipt of just one "fails" flag is enough to suggest that the company is not fully sustainable, and therefore does not

deliver against the Sustainability Objective. A company must have a positive impact across all topics material to people and planet to be considered sustainable.

Each company rating, and the thresholds required to achieve it, are outlined in Figure 5 below.

Figure 5: Company ratings and thresholds for the EdenTree Sustainability Standard.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
A sustainable company making a positive contribution to people and planet through its products, services and/or operations.	**Maximising Value**	The company is sustainable and significantly exceeds our expectations for a sustainable company. The company demonstrates leading measures to ensure that people and the planet benefit from the company's activities.	Receives majority "outperforming" flags and no "fails" flags	The utility company is delivering tangible emissions reductions by generating the majority of its electricity from renewable sources, significantly lowering its carbon footprint. It actively adds renewable capacity to the grid and supports the broader rollout of clean energy infrastructure. Fossil fuel-based plants make up only a very minor portion of its operations, and the company has a clear, time-bound phase-out plan aligned with Just Transition principles. Beyond emissions, it enhances environmental stewardship through biodiversity action plans at each site and a robust water management strategy. The company also fosters inclusive and respectful engagement with indigenous communities, maintains strong grievance mechanisms, and ensures high-quality working conditions across its operations and supply chain. Through these efforts, the company is making a significant positive impact on both people and planet.
	Enhancing Value	The company is sustainable and exceeds our expectations for a sustainable company. The company has strong measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "exceeding" flags and no "fails" flags	The utility company is making strong progress in reducing emissions, with a significant portion of its electricity generated from renewable sources and ongoing investments to expand clean energy capacity. Fossil fuels play only a small role in its energy mix, and the company has committed to a phase-out plan and is taking steps to align with Just Transition principles. It has implemented biodiversity and water stewardship initiatives across many of its sites and is conducts strong engagement with indigenous communities. Workplace standards are generally high, with efforts underway to improve conditions even more across its supply chain. The company's actions are contributing positively to environmental and social, with clear momentum toward I practice.

Alignment with Fund's Sustainability Objective	EdenTree Standard Rating	Definition	Threshold of scores on material topics required to achieve this rating	Example (Industry: Utilities Sector)
	Adding Value	The company is sustainable and has practices which are aligned with our expectations for a sustainable company. The company has sufficient measures in place to ensure that people and the planet benefit from the company's activities.	Receives majority "delivering" flags and no "fails" flags	The utility company has made commendable strides in reducing its emissions, with a growing share of electricity coming from renewable sources and plans to further expand its clean energy portfolio. Fossil fuel generation still represents some of its portfolio, but it has a public timeline for phase-out, which includes elements of the Just Transition. Environmental initiatives such as biodiversity and water stewardship are in place at some sites, and the company is working to roll them out across all of its sites to further increase its positive impact. Engagement with indigenous communities and supply chain labour standards is good and benefits these stakeholders, but could be strengthened in some areas. Overall, the company is contributing positively to environmental and social outcomes, and there is a trajectory which indicates further improvements will be made in the future, which will increase those benefits further.
An unsustainable company, making negative or neutral contribution to people and/or the planet through its products, services and/or operations.	Damaging Value	The company is unsustainable and demonstrates poor practices which fall below our expectations in one or more material assessment topics. The company does not have sufficient measures in place to ensure a positive contribution to people and/or the planet.	Receives one or more "fails" flags	The utility company is currently lagging in its efforts to reduce emissions, with a large share of its electricity still generated from fossil fuels and limited investment in renewable capacity. It lacks a credible or time-bound plan to phase out high-emitting assets, and its approach to Just Transition is underdeveloped. Environmental stewardship measures such as biodiversity and water management are minimal or inconsistently applied. Engagement with indigenous communities is limited, and there are concerns around working conditions in parts of its supply chain. Overall, the company's activities fall short of contributing meaningfully to people and planet.

Set out in Figure 6 below is an illustrative example of the complete assessment through which a company will be assessed under the EdenTree Standard of Sustainability.

Figure 6: Illustrative example of a full company assessment.

Stage	Example: Bank, Large Cap, Developed Market	
Stage 1. Identification of material topics	**Material Topics:** Climate mitigation, climate adaptation, financing, human rights, decent work, community, product responsibility, information security, business conduct, oversight	
Stage 2. Analysis of company performance against sustainability expectations by material topic	**Planet:** *The bank makes a positive planetary contribution, and demonstrates leading practices in a number of areas – particularly financing, where client engagement and restrictions are very strong, and financing is directed towards green and socially sustainable projects. The bank shows strong governance and clear thinking on sustainability, and follow industry best practice by adopting specific and focused targets, which are supported by a detailed and clear emission reduction plan, resulting in a reduction in real-world emissions. Climate performance could be further strengthened in some segments, such as further involvement in industry initiatives.*	
	Climate mitigation:	Exceeding
	Climate adaptation:	Exceeding
	Financing:	Outperforming
	People: *The bank makes a positive societal contribution, whether that be to employees through decent work practices, wider stakeholders through deep supply chain management, and to customers through initiatives such as their efforts to increase financing to vulnerable customers. Information security practices meet expectations (such as ISO certified management systems), however could be enhanced through taking more proactive measures relating digital inclusion and ethical AI.*	
	Human rights:	Exceeding
	Decent work:	Exceeding
	Community:	Exceeding
	Product responsibility:	Exceeding
	Information security:	Delivering
	Governance: The bank has a strong culture of conduct and integrity, underscored by robust internal control frameworks and strong policies that go beyond what is required. Oversight structures and governance structures lend themselves to successfully managing sustainability risks and opportunities well, although accountability mechanisms could be strengthened.	
	Business conduct:	Exceeding
	Oversight:	Delivering
Stage 3. Determination of company rating	**Delivering:**	2
	Exceeding:	7
	Outperforming:	1
	Overall rating:	**Enhancing Value**

Independent Assessment

The EdenTree Standard of Sustainability is considered to be appropriate for the purposes of determining the investments the Fund will make in pursuit of the Sustainability Objective. This appropriateness is assessed through an independent review conducted by EdenTree's Product Governance Committee and the ACD.

Exclusions

A fund using a Sustainability Label must not invest in any assets that conflict with the sustainability objective. This section explains how the investment manager avoids conflicting assets and any other types of investment that it will not choose to hold for sustainability reasons.

The Fund does not invest in assets that the manager deems to conflict with the sustainability objective. This refers to assets that not only fail to meet the sustainability objective, but also actively conflict with the positive outcomes it seeks.

As the Fund aims to invest in organisations that provide a positive contribution to people and the planet, the investment manager defines conflicting assets as companies which have a significant negative effect on people and the planet. Such companies are identified as those scoring below "adding value" on the EdenTree Standard, as well as those involved in the excluded activities listed below.

Excluded sectors and activities: There are certain sectors and economic activities where we consider the sustainability risks fundamentally misaligned with the Manager's Sustainability Objective. The Manager therefore applies baseline exclusions to actively exclude such organisations from our investment universe.

The Fund will avoid investment in organisations which have a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high interest

(sub-prime) lending. It will also avoid organisations that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Exposure to oppressive regimes: The Fund will avoid companies and governments with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk based on assessment by Freedom House and Transparency International and operates this on a case-by-case basis. Further detail on how our Oppressive Regimes list is constructed, is available here.

Investor Stewardship

The manager will engage with organisations, where necessary, in order to support their contribution to the fund's sustainability objective.

- Fact finding engagement: Due diligence with organisations to monitor the investment and ensure it remains aligned to the Fund's sustainable objective.
- Thematic engagement: The Manager routinely identifies thematic priorities, which seek to drive positive change on topics related to people and the planet. These are reviewed annually and enable the Manager to ensure resources are dedicated to effecting long-term positive change.

The Manager's in-house Sustainable Investment Team oversees the Manager's engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties. In addition, the Manager's stewardship approach is overseen by an Independent Responsible Investment Advisory Panel.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship activities.

Escalation Plans

Where an organisation demonstrates insufficient performance against its expected contribution to the Fund's sustainability objective, the Manager will employ a combination of the steps outlined below to escalate its concerns. Insufficient performance is where organisations are no longer considered to be delivering a positive impact in line with the sustainability objective, and/or where it no longer meets our robust- evidence based standard. If an organisation is deemed to be in conflict with the sustainability objective, we will move directly to step 4 (divestment).

1. Initial outreach and conversations with the organisation – the Manager's engagement approach always begins with an initial outreach via email or letter, followed by meetings with Investor Relations or subject matter experts.
2. Formal correspondence – If an organisation does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, the Manager will initially escalate via a formal letter. This will set out the Manager's expectations, and potential means of escalation.
3. Collaborative intervention with other stakeholders – Failing this, the Manager will actively collaborate with other stakeholders including other investors, banks or the Debt Management Office to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. Divestment – If following a period of engagement, the Manager fails to achieve adequate progress, the position may be sold down. Maturing bonds will be directed towards alternative opportunities, while longer-dated bonds will be actively reduced within an appropriate timeframe.

Our in-house Sustainability Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties.

Ongoing Monitoring and Sustainability Metrics

The Fund's compliance with the requirement to invest at least 70% of its portfolio in sustainable organisations is monitored systematically on a daily basis via the manager's compliance control framework.

In addition, the Manager uses the following KPIs to illustrate whether the Fund has invested in organisations that are assessed as providing a positive contribution to people and the planet during the previous reporting period. The manager measures progress against these KPIs annually.

- **Percentage of sustainable investments:** The proportion of the portfolio that meets the EdenTree Standard of Sustainability (%) – this measures the actual proportion of the fund made up of sustainable organisations, as described under "how we select assets" above.
- **Overall sustainability of the fund:** EdenTree Standard is a measure of a company's positive contribution to people and the planet, enabling us to identify companies aligned with the objective of the fund. Based on the EdenTree Standard of Sustainability, as described under "how we select assets" above, all companies in the Fund are assigned a rating of "maximising value", "enhancing value", "adding value" or "damaging value". In order to measure the Fund's performance against its objective, manager assigns all companies in the Fund a rating, and the overall score presents the % of the fund within each rating (i.e. the split between "adding value", "enhancing value", and "maximising value"). This represents the extent of the Fund's positive contribution to people and the planet, in line with the sustainability approach of the Fund.

Fund Benchmark

As the Fund has greater exposure to short dated corporate bonds over gilts, we compare the Fund's performance to the iBoxx Non-Gilts 1-5 years ex BBB Benchmark, however the portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that our sustainability criteria will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class B gross income (£1m or more invested)	0% actual	0.35% actual
Class D gross income*	0% actual	0% actual
Class I gross income (£200m or more invested)	0% actual	0.30% actual

*D Class units are only available with prior approval from the ACD

EdenTree Green Impact Equity Fund – PRN 968601

SDR Label: Sustainability Impact

"Invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet."

INVESTMENT OBJECTIVE

Financial Objective

To provide capital growth over 5 years or more, with an income.

Sustainability Objective

To support a reduction in the level of greenhouse gas emissions, measured in tonnes of CO2e avoided on an annual basis, through the Fund's investment in, and engagement (as described below under "Investor Contribution: Investor Stewardship") with, companies whose products and services provide climate change solutions. These solutions are set out below within the "Sustainability Approach" section. For example, for the clean energy theme, the investee company has products/services that enable energy solutions that do not rely on the burning of fossil fuels (such as the generation, storage and distribution of clean energy).

Investors should note that the Fund's focus on companies providing solutions to climate change means that its choice of companies for investment is limited to a subset of the stock market and may result in periods of difference in the Fund's performance compared to its indicative benchmark.

The Fund holds a diversified portfolio of companies across a range of impact themes. The investment thesis for holding each company is based on the combination of its impact and long-term financial return. We consider the Fund's impact and financial goals to be complementary and are not looking to compromise on either or deliver concessionary financial returns.

Investment policy

The Fund invests at least 80% in the shares of listed companies globally. Up to 20% of the Fund may be invested in other assets, including shares of other companies, money-market instruments, derivatives and forward transactions, deposits, nil and partly-paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's objective. These investments will be held for diversification and risk management purposes.

The majority of the companies (and at least 70% of the assets of the Fund at all times) will be selected in accordance with the Sustainability Approach. Up to 30% of the Fund may be invested in other assets that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective.

The Fund does not currently intend to use derivatives for any purpose other than the efficient portfolio management. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

Investment themes

The Fund invests in companies whose products and services support a reduction in the level of greenhouse gas emissions across six pre-defined themes which offer solutions that address aspects of climate change. How assets are selected is described in the "Asset Contribution: How we select assets" section. The Manager will also engage with companies it invests in to enhance the Investors' contribution to the Sustainability Objective. This is described further in the "Investor Contribution: Investor Stewardship" section.

The table below illustrates the solutions provided under each theme ("what") and how that solution supports the Sustainability Objective and contributes to a reduction in the level of greenhouse gas emissions ("why"). Some holdings may provide solutions across more than one theme. The asset KPIs relevant to each theme are also shown (for further detail on KPIs please see below under "Ongoing Monitoring and Sustainability Metrics").

Theme	What	Why	Asset KPI
Clean Energy	The investee company has products or services that provide low carbon energy. These solutions generate energy without relying on the burning of fossil fuels (such as the generation, storage and distribution of clean energy).	Burning of fossil fuels to create energy emits carbon dioxide (CO2), into the atmosphere. Energy that doesn't rely on the burning of fossil fuels (i.e., alternative energy) does not release carbon dioxide into the atmosphere. If less fossil fuels are used to derive energy, and more alternative sources are used, there will be a reduction in global greenhouse gas emissions.	Avoided emissions (tCO2e)
Energy Efficiency	The investee company has products or services that enable reductions in energy use by their customers.	Most energy is produced by burning fossil fuels which emits carbon dioxide, into the atmosphere. A reduction in energy use means less fossil fuels are burnt, which will lead to a reduction in global greenhouse gas emissions.	Avoided emissions (tCO2e)

Theme	What	Why	Asset KPI
Circular Economy	The investee company has products or services that extend the life of existing resources and enable the more efficient management of natural resources.	By increasing the use rates of assets and recycling the materials used to make them, the demand for virgin steel, aluminium, cement and plastics is reduced. These materials are produced by burning fossil fuels, which emits carbon dioxide into the atmosphere. Keeping materials in circulation for longer limits the need to create new materials, leading to a reduction in greenhouse gas emissions.	Avoided emissions (tCO2e)
Water	The investee company has products or services that provide solutions for water conservation and management.	The pumping, treating and delivery of water is energy intensive, and therefore releases carbon dioxide into the atmosphere. Conserving water and enhancing water efficiency reduces the need to pump, treat and deliver more water, leading to a reduction in greenhouse gas emissions.	Avoided emissions (tCO2e)
Sustainable Transport	The investee company has products or services which enable low carbon transportation.	Most vehicles in use today rely on internal combustion engines which use petroleum-based fuels. When these are burned, carbon dioxide is emitted. Electric Vehicles (EVs) emit no direct emissions when driving, reducing greenhouse gas emissions. Public transport also reduces the individual journeys taken via internal combustion engines which leads to a reduction in greenhouse gas emissions.	Avoided emissions (tCO2e)
Natural Capital	(i) The investee company owns natural capital assets (for example forests) that provides natural carbon sequestration or, if used in industry or construction, lengthens the carbon cycle. The investee company could have products or services that support environmental preservation or restoration. (ii) The investee company may have products or services which enable low carbon food production.	(i) In order to reduce greenhouse gas emissions, society needs sustainable building materials, such as timber, to work effectively. Timber is a significantly less carbon-intensive building material than alternatives like concrete and steel. If sustainably managed, timber forestry represents real asset investment that can lead to net gains in forest cover and reduction in carbon dioxide emissions. (ii) Food production is energy intensive. The use of agricultural machinery, food processing, transport and packaging rely on energy or petroleum-based fuels, which release carbon dioxide. We invest in companies that provide solutions that encourage more efficient and sustainable agricultural practices with lower ecological impacts. We measure the emissions avoided by these solutions (e.g. machinery, transport, packaging) which promote precision farming and conservation agriculture.	Avoided emissions (tCO2e)

Theory of Change

The Fund has a Theory of Change which explains the link between the Fund's investment activity and the reduction in carbon emissions that it is seeking.

There is scientific consensus that the Earth's climate is becoming warmer. The chief causes of this climate change are greenhouse gases in the Earth's atmosphere, such as carbon dioxide. Human activities currently release more greenhouse gases into the atmosphere than natural processes (like trees) can remove. At the current rate of climate change, experts expect far-reaching and highly damaging environmental and social impacts. A reduction in humanmade greenhouse gas emissions will slow the rate of climate change and prevent these damaging effects.

Unsustainable business practices are currently contributing to this problem (such as products/services that rely on the burning of fossil fuels as an energy source). Addressing climate change requires rapid changes to the world's energy, transport, agriculture, build environment and industrial systems through large-scale and targeted investment in products, services and technologies that provide climate solutions by helping to mitigate and reverse the harmful effects that have already occurred.

We expect the Fund to contribute to a reduction in greenhouse gas emissions through our asset contribution and investor contribution, as detailed below:

Asset Contribution: The Fund, as shareholder, will have an ownership stake in companies whose products and services offer climate solutions across one or more of our six themes, as set out above. We believe companies whose business is based on the provision of solutions that address aspects of climate change will enable a reduction in the level of greenhouse gas emissions. This includes products, services and solutions that – in line with the six themes set out above – reduce the global economy's reliance on fossil fuels, increase energy efficiency, offer alternative energy sources, or improve the sustainable use of natural resources. How we select assets is detailed further in the "Asset Contribution: How we Select Assets" section.

Investor Contribution: The Investor Contribution will be realised through our engagement activities. The Manager seeks to establish positive, collaborative and long-term relationships with companies, which facilitates constructive engagement. The Manager has an active engagement approach, delivered with the intention of enhancing the investee company's contribution to the Sustainability Objective, i.e., our engagement activities will seek to increase the greenhouse gas emissions reductions delivered by a company. To deliver our investor contribution, we engage via two broad categories:

Engagement activities:

1. **Increase Positive Impacts:** This type of engagement activity seeks to increase the investee company's delivery of positive impact. It will increase the greenhouse gas emissions reductions delivered by a company by encouraging them to increase the rate of avoided emissions generated via their climate solutions. This type of engagement will seek to influence a business's strategy in regard to increasing the delivery of a reduction in greenhouse gas emissions, for example encouraging a Utility to hasten plans to phase out fossil fuel power and increasing the percentage of renewable power in its energy mix. It will also seek to influence the company's reinvestment decisions (including capital raising and allocation) to increase the reduction in greenhouse gas emissions, such as through the development of new renewable energy capacity or encouraging growth in a part of the business that is supporting industrial efficiency. These activities support an increase in the quantum of avoided emissions and hence support the Fund's overall Theory of Change.
2. **Reduce Potential Negative Impacts:** This type of engagement activity seeks to decrease the investee company's potential negative impacts. It will increase the greenhouse gas emissions reductions delivered by a company by reducing the scope 1, 2 & 3 emissions that are a consequence of solutions production, and via ensuring a company maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to generate avoided emissions.

- An example of this type of engagement activity could be encouraging companies to set science-based targets to reduce their emissions. By setting a Science-Based Target (SBT), a company commits to reducing its greenhouse gas emissions in line with a 1.5C pathway. This pathway is aligned with net zero scenarios, making it steeper than the pathway would be if the target was not science- based. As such, the quantum of reduction in emissions increases when a company sets an SBT.
- Under this second category of engagement, we will also engage on issues which pose a risk to an asset delivering its positive impact. While the impact of these engagements in relation to the Fund meeting its Sustainability Objective is difficult to quantify, we will pursue these sorts of engagement where there is evidence that the risk we seek to address poses a material risk to the achievement of this Objective. An example of this type of engagement activity could be encouraging a company to put in place human rights policies and due diligence processes. The consequences of not managing human rights effectively are significant, and have caused renewable energy projects across the world to pause or shut down entirely, reducing a company's ability to generate avoided emissions. By effectively managing human rights risks, the company will strengthen its social licence to operate and reduce the risk of an interruption in the delivery of its products or services. This will enable it to continue delivering a reduction in greenhouse gas emissions through its products or services, increasing the quantum of greenhouse gas emissions reduced compared to the amount that would be achieved if the company had to limit, or entirely shut down, its production due to having insufficient human rights processes in place. This type of engagement will be measured by bespoke engagement KPIs (as described below), and also indirectly via the asset level KPI of avoided emissions.

For each engagement we undertake we will set a specific engagement objective, bespoke to the company and topic in question. This objective will be aligned to the Theory of Change, with a clear and relevant link back to the Fund's overarching Sustainability Objective. As we utilise bespoke objectives, we will also utilise bespoke KPIs to measure the outcomes of our engagement activities. We will define this KPI along with the objective at the start of the engagement. As we engage with the company, we will track progress towards the objective (and therefore delivery of the KPI) via a five-milestone approach. Our approach to investor engagement is detailed further in the "Investor Contribution: Investor Stewardship" section below, and our approach to measuring outcomes is detailed further in the "Ongoing Monitoring and Sustainability Metrics" section below.

Asset Contribution: How we select assets

Our stock selection process involves two levels of sustainability assessments.

1. **An assessment of the intentionality and materiality of a company's products and services**

   This assessment asks whether the company is **intentional** about the climate impact of its products and services. Intentionality refers to the company's commitment to providing climate solutions, i.e., whether those solutions are part of the company's long-term strategy and growth plans. To demonstrate intentionality, a company is expected

to set out how that climate solution will feature as a core part of the company's business model over the next 5-10 years, and how these plans are credible. This demonstrates whether or not the impact is likely to be sustained.

A second test is whether a **material** part of the company's business is focused on solutions to climate change. This will be the case if the company's activities, that align with at least one of the six themes set out above, are expected to represent 50% or more of the company's total revenue or capital expenditure. The 50% **materiality** revenue threshold is appropriate because it ensures that the company's impact contribution makes up **the majority of the company's revenues or capital expenditure** and is therefore material to the business. In practice, most holdings in the Fund will have revenue alignments of much higher than 50%. By setting the threshold at 50%, we consider, in line with the UN PRI framework, that climate change solutions are such companies' "main reason for being". This also ensures that there can be no greater revenue source for the company in question. The 50% threshold is also recognised in other industry standard frameworks, such as the London Stock Exchange's Green Economy Mark framework. Given this, we believe a 50% minimum threshold provides assurance that the majority of a holding's activities support the Fund's sustainability objective to support a reduction in greenhouse gas emissions, in line with the Theory of Change. Where a company does not disclose specific revenues related to an impact outcome or Fund theme, the investment team rely upon proprietary analysis of factors such as the business's operational activities and output (for example megawatt hours of renewable energy produced) and indicators such as capital expenditure allocation towards outcomes that are aligned with the Fund's investment intentions and themes.

2. **An assessment of the company's own operations**

   We consider the environmental, social and governance impact of the company's own business and the potential for negative environmental and social outcomes such as human rights issues, high carbon emissions, high water use and other environmental and social factors.

   Based on this assessment, only a company which is deemed to not breach environmental and social norms (and therefore not have any material negative environmental or social outcomes or conflict with the Fund's Sustainability Objective) will be suitable for investment. In addition to our own assessment, we utilise the Sustainalytics Controversy Category Level. Companies with a red ISS flag or a category 5 Sustainalytics rating are deemed to have material negative outcomes and would prompt escalation measures. Both scores are derived with reference to international standards around environmental and social norms, thus are deemed appropriate to use for this assessment.

   Only a company which is deemed to not have any material negative environmental or social outcomes will be suitable for investment. This assessment is in addition to the baseline exclusions applied, which impose additional restrictions on specific sectors and activities which are considered to be misaligned with the sustainability objective (see "Exclusions" below for further details).

EdenTree's Product Governance Committee and the EdenTree Investment Management Limited Board assess the stock selection process to ensure it is suitable for choosing assets that meet the sustainability objective. They have data analysis skills, know the regulatory criteria for asset selection standards, and are independent from the investment process, providing an objective view to the assessment.

Exclusions

There are certain sectors and economic activities that we consider fundamentally unethical or misaligned with our sustainability objective, and we apply baseline exclusions to remove such companies from the pool of potential investments.

The Fund will avoid investments where there is a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, the publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high-interest (sub- prime) lending. The Fund will also avoid companies with material operations in oppressive regimes. It will also seek to avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

Investor Contribution: Investor Stewardship

We will engage with companies held in the Fund, as set out in the Theory of Change above ("Investor Contribution"), to fulfil our investor contribution.

We will engage directly with companies and will also seek to collaborate with other investors and organisations where appropriate, for example with policy makers or other asset managers where supportive of our engagement goals.

Our engagement is carried out across all six themes. Successful engagement can take time to be realised, potentially stretching over several years and we seek to invest for long holding periods to create successful engagement partnerships with investee businesses. With this in mind, we will engage with at least 70% of the portfolio (i.e. all holdings that meet the Fund's minimum Sustainability Impact threshold) over the average holding period.

Our engagement activities seek to increase the greenhouse gas emissions reductions delivered by a company. To deliver this contribution, we engage via two broad categories:

1. **Increase Positive Impacts.** This type of engagement will increase the greenhouse gas emissions reductions delivered by a company by encouraging them to increase the rate of avoided emissions generated via their climate solutions.
2. **Reduce Potential Negative Impacts.** This type of engagement will increase the greenhouse gas emissions reductions delivered by a company by reducing their scope 1, 2 & 3 emissions that are a consequence of solutions production, and via ensuring a company maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to generate avoided emissions.

For each engagement we undertake we will set a specific engagement objective, bespoke to the company and topic in question. This objective is time-bound and addresses a targeted concern. The objective under both categories will

be aligned to the Fund's Theory of Change, with a clear and relevant link back to the Fund's overarching Sustainability Objective. In some cases, we may utilise an initial engagement prior to investing to gain a better understanding of a company's strategy and where our engagement activities should focus in order to deliver greenhouse gas emissions reductions. Our engagement path with a company is likely to evolve through time, and it is common to identify additional areas where our engagement could contribute to greenhouse gas emissions reductions during the holding period.

We use five milestones to represent the investor contribution process. These milestones track the completion of our engagement objective, starting at no response (i.e. "1. Company has not acknowledged") through to the company fully enacting the changes we have engaged on (i.e. "5. Company has implemented a strategy to address"). This allows us to identify the positive relationship between our engagement and the direction of progress made by the company towards the engagement objective being achieved.

1. Company has not acknowledged (i.e., the company has not responded to our request for dialogue/ information).
2. Company has acknowledged (i.e., the company has responded to our request for dialogue/ information, acknowledging the topic, but not sharing information on steps they are taking to address it).
3. Company has shared information (i.e., through a two- way dialogue the company has shared information on the steps they will take to address the topic).
4. Company has committed to address (i.e., the company has pledged to improve its existing approach and make specific changes to address the concern/topic).
5. Company has implemented a strategy to address (i.e., the company has followed through and made specific changes to address the concern/topic).

As the engagement progresses (i.e., as we enter into dialogue with a company), we record progress towards our engagement objective and update the status of the engagement milestone accordingly. Once a company has reached the fifth and final milestone, we expect this to result in an outcome which supports a reduction in GHG emissions. The KPIs we use to track these outcomes are further detailed in the "Ongoing Monitoring and Sustainability Metrics" section.

Not every engagement activity will necessarily proceed sequentially through each milestone. There may be times when steps 3, 4 and 5 overlap with new information or strategic planning requiring further dialogue and engagement where we believe our support could further increase the quantum of greenhouse gas emissions reductions (as per the Fund's Sustainability Objective). Where progress through the milestones is deemed to be insufficient, we will employ a combination of the steps outlined below to escalate our concerns. There are several indicators that typically raise concerns that an engagement may not succeed, including poor levels of responsiveness from companies (steps 1 and 2), a lack of progress towards previously stated targets despite assurances (between steps 4 and 5 above), or notably slower progress than peers. If the concern is severe and requires immediate action, we will move immediately to step 5 and sell the investment within an appropriate timeframe, usually within 90 days.

1. Initial outreach and conversations with company – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. Formal correspondence – If a company does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. Collaborative intervention with other investors – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. AGM Voting – Where necessary, and where there is further need for escalation, we will exercise its voting power at company meetings.
5. Divestment – If following a period of engagement, we fail to achieve adequate progress, the position may be sold within an appropriate timeframe.

Our in-house Sustainablity Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties. In addition, the stewardship approach is overseen by the EdenTree Sustainablity Investment Advisory Panel. We are a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Example: Waste Management Company

Investment Theme: Circular Economy

Problem: The Earth's climate is becoming warmer. The chief causes of this climate change are greenhouse gases in the Earth's atmosphere, such as carbon dioxide.

Cause: Unsustainable businesses practices are contributing to this problem. One such practice is the linear economy, a system where resources are extracted to make products that are not used to their full potential and eventually end up as waste and are thrown away. Incineration of these materials releases their embodied carbon back into the atmosphere, and the practice of creating replacement products utilises energy, also releasing carbon dioxide into the atmosphere.

Solution: The company generates revenue by converting waste into secondary materials, which they sell to their customers. Materials such as glass, wood, paper, metals, plastics, minerals, electronics, and organic matter are given new life. By keeping materials in circulation for longer, the company prevents embodied carbon from being released into the atmosphere, and reduces the number of new materials that need to be created through carbon-intensive processes.

Asset contribution: The company is a leading European waste-to-product company, and is solely focused on waste and recycling. Its vision and strategic priorities are all aligned with the objective to be a leader in recycling and secondary material production, and it therefore passes our assessment

of intentionality. It also passes the materiality assessment, with 100% of all attributable revenues aligned with the Fund's "Circular Economy" theme.

Engagement contribution: We sought to enhance the company's contribution to the Sustainability objective via our engagement activities. We identified that by converting waste into secondary materials, the company has high scope 1&2 emissions; a negative impact resulting from the production or distribution of solutions. As such, we engaged with the company under our second broad engagement category to influence targets and strategies for reducing this negative impact. Under this broad aim, we set the specific objective for the company to set a Science Based Target. We have engaged with the company since 2019 against this objective.

Outcome: The outcome sought in our Sustainability Objective is a reduction in greenhouse gas emissions.

Our KPI for monitoring asset contribution to the sustainability objective is avoided emissions. In 2024, the company generated 2,468,000 tonnes of avoided emissions. This represents carbon that would otherwise have been emitted. By generating avoided emissions, the company delivers against the asset-level KPI and thus contributes to the Sustainability Objective.

Our KPIs for monitoring the investor contribution are the adoption of a science-based target and a reduction in the company's scope 1&2 emissions. Both of these KPIs reflect the specific engagement objective sought. When we first started engaging with the company, they acknowledged our concern, reaching engagement milestone 2. As our conversations continued, the company moved through the milestones, and in 2023 reached the fifth milestone: 'company has implemented a strategy to address the concern'. The outcome (as measured against our KPIs) was adoption of a science-based target and a 15% reduction in their scope 1&2 emissions. Whilst we don't claim to have been the sole driving force behind these outcomes, we believe our investor activities were a contributing factor.

As such, via both our asset activities and our investor activities we contributed to the Fund's Sustainability Objective of reducing greenhouse gas emissions.

Ongoing Monitoring and Sustainability Metrics

We will monitor performance against the Fund's Sustainability Objective on an ongoing basis, against a range of KPIs. All KPIs will be reported on an annual basis.

Asset Activities

This KPI monitors asset-level activities. It demonstrates the positive outcomes that arise as a result of directing capital towards companies that provide climate solutions.

Avoided emissions (tCO2e) – avoided emissions represent CO2e emissions that would otherwise have been released into the atmosphere if it weren't for the product or service. Therefore, companies that generate avoided emissions contribute to our sustainability objective as by preventing emissions from entering the atmosphere, the company supports the reduction of global greenhouse gas emissions. CO2e stands for carbon dioxide equivalent and includes other greenhouse gases with the same global warming potential. This KPI applies across all six investment themes as they all have the potential to generate avoided emissions.

At a minimum, we expect each of the Fund's assets to contribute positively towards a reduction in greenhouse gas emissions every year, measured by avoided emissions. If an asset fails to make a positive contribution to avoided emissions within a year, this would be addressed through the escalation plans detailed above.

In addition, over a 5-year rolling period we would expect to see an increase in the rate of avoided emissions delivered through the Fund's activities as a result of the growth in output of the underlying assets, the growth of the fund and our investor contribution, and our engagement activity to increase the contribution of companies in the fund. However, we recognise that the rate of avoided emissions delivered by the Fund may fluctuate year-on-year due to external factors such as changes to broader economic conditions.

Please refer to the "Methodology for monitoring and KPI data collection" below for further information about how we calculate the Fund's impact.

Additional Metrics

The following additional metrics are measured and apply only to certain investment themes, as only certain types of products and services have the potential to generate these outcomes. All three contribute to the Fund's Sustainability Objective to support a reduction in the level of greenhouse gas emissions, as described below. These metrics will be converted into avoided emissions (measured in tCO2e) for the purpose of reporting progress towards the Fund's Sustainability Objective (the data from which will be incorporated into the Fund's KPIs for asset activities outlined above). However, they are also disclosed separately, where relevant, to provide additional information on the positive outcomes the Fund seeks to generate.

Renewable energy installed capacity (MW) – the amount of electricity a generator can produce when running at full operation. High renewable energy installed capacity helps to reduce the reliance of the global energy system on fossil fuels as there is less need for fossil-fuel derived power to fulfil capacity requirements. The lower the need to burn fossil fuels, the fewer greenhouse gas emissions that are released, supporting the Fund's Sustainability Objective. Each MW of installed capacity is therefore directly linked to a level of CO2 emissions avoided. The level of CO2 emissions avoided will depend on the technology and displaced fuel.

Renewable energy generated (MWh) – the amount of electricity generated by a power plant. Renewable energy is a form of low-carbon energy, thus the more that is generated, the less need there is to burn fossil fuels to create energy, which reduces the amount of greenhouse gas emissions released into the atmosphere, supporting the Fund's Sustainability Objective. Each MWh of renewable energy generated is therefore directly linked to a level of CO2 emissions avoided. The level of CO2 emissions avoided will depend on the technology and displaced fuel.

Carbon sequestered and stored (tCO2e) – the amount of carbon sequestered and stored by forests. Sustainably managed forests sequester carbon through photosynthesis whereby trees absorb carbon dioxide and emit oxygen.

Once sequestered, carbon is stored in forests and soils, and continues to be stored in forest products, such as timber and paper. Although carbon sequestration and storage does not technically contribute to the Fund's primary avoided emissions KPI, natural forms of carbon removal are crucial for mitigating climate change and represent relevant impact outcomes from the forestry assets held in the Fund.

Water saved/treated/provided (m^3) – the volume of water that is treated/saved/provided by a company's products and services. The higher the figure, the greater the abundance of global freshwater supplied, thus the lower the need to pump and deliver more water. Pumping and delivering water is highly energy intensive and therefore releases greenhouse gas emissions into the atmosphere. By reducing the need to do this, we can also reduce the greenhouse gas emissions released, thereby supporting the Fund's Sustainability Objective. Each litre of water saved/treated/provided is therefore directly linked to a level of CO2 emissions avoided.

Investor Activities

This KPI monitors the success of our engagement activities and our investor contribution in line with the Fund's theory of change.

As described above, our engagement activities seek to increase the greenhouse gas emissions reductions delivered by a company. To deliver this contribution, we engage via two broad categories:

1. **Increase Positive Impacts.** This type of engagement seeks to increase the greenhouse gas emissions reductions delivered by a company by encouraging them to increase the rate of avoided emissions generated via their climate solutions.
2. **Reduce Potential Negative Impacts.** This type of engagement seeks to increase the greenhouse gas emissions reductions delivered by a company by reducing their scope 1, 2 & 3 emissions that are a consequence of solutions production, and via ensuring a company maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to generate avoided emissions.

For each engagement we undertake, we will set a specific engagement objective, bespoke to the topic and company in question. This objective will be aligned to the Theory of Change with a clear and relevant link back to the Fund's overarching Sustainability Objective, meaning all objectives will ultimately seek to generate a reduction in greenhouse gas emissions. However, the method by which this is sought may vary, reflecting the need for bespoke objectives. All objectives will be time-bound and address a targeted concern or topic.

As set out in the "Investor Contribution: Investment Stewardship" section, progress towards these is measured through five milestones. These milestones feed through to an escalation framework, which we will utilise if progress is deemed to be insufficient.

Due to the use of bespoke engagement objectives, the KPIs for measuring the success of our investor contribution are also bespoke and linked specifically to the stated objective. The KPI for measuring success will be identified at the outset of the engagement, alongside the bespoke objective. This makes the KPI unique to the topic and company in question.

It should be noted that companies can make changes for a number of reasons and that determining a direct causal relationship between the engagement and outcome may not be possible. Despite this, we believe our activities do contribute towards certain outcomes, and setting a bespoke KPI for each engagement enables us to appraise this link between our activities and the outcomes each seeks to achieve to support the Fund's theory of change. Bespoke KPIs are therefore used to demonstrate the outcomes of our investor contribution. We provide investors with details of the Fund's engagement activities, including KPIs, the number of engagements carried out, the progress made and their outcomes as part of the Fund's annual disclosure.

For example, we will report on the number of companies that have adopted Science Based Targets, or are in the process of doing so, following our engagements throughout a given reporting year.

A list of commonly used KPIs that would be used for reporting the outcomes of our engagement is provided below to illustrate the link between an engagement objective and the engagement KPI. This a non-exhaustive list of examples, but in all cases these KPIs will be relevant to the Fund's overall Sustainability Objective and will be reported annually in the Fund's Sustainability disclosures.

We monitor and report on the outcomes of these bespoke KPIs separately to the Fund's overall KPI (avoided emissions). Whilst the bespoke engagement KPIs are more granular and specific to the objective set for engagement (as shown in the table below), the overall objective of these engagement activities is to support a reduction in the level of greenhouse gas emissions and this reduction will be measured and captured via the asset level KPIs.

Broad engagement objective	Example of bespoke engagement objective	Example of bespoke KPI used to track engagement outcomes	How outcome supports Fund Sustainability Objective
Enhance the delivery of the company's impact contribution as measured by a reduction in greenhouse gas emissions.	For a Utility company to successfully phase out its fossil fuel power plants by a certain date.	Number of fossil fuel power plants (#)	By decreasing the number of fossil fuel plants, the company prevents a greater amount of greenhouse gas emissions from being released into the atmosphere. This will be captured in the asset-level KPI (avoided emissions).
	For a Utility company to transition its energy mix to a greater percentage of renewable power.	Renewable energy installed capacity (MW)	By increasing its renewable capacity, the company reduces reliance on thermal power (which is more carbon intensive) thus prevents a greater amount of greenhouse gas emissions from being released into the atmosphere. This will be captured in the asset-level KPI (avoided emissions).
Reduce an asset's potential negative impact by improving the company's management of ESG risks, which if left unmanaged could lessen the overall quantum of greenhouse gas emissions reductions delivered.	For an industrials company providing products that enable customers to improve their energy efficiency, to set a science-based target and reduce its scope 1&2 emissions that arise when manufacturing its products.	Presence of a Science Based Target (Y/N) Quantum of scope 1&2 emissions reductions (tCO2e)	By setting a science-based target, the company commits to reducing its greenhouse gas emissions in line with a 1.5C pathway, which reduces its GHG emissions over time. By reducing its scope 1&2 emissions, the company releases less greenhouse gas emissions into the atmosphere when manufacturing its solution-oriented products. This will be captured in the asset-level KPI (avoided emissions).
	For a renewable energy installation company, to improve its management of human rights and indigenous rights in order to maintain its social licence to operate.	Presence of a human rights policy (Y/N) Commitment to Free, Prior and Informed Consent (which is a framework for supporting Indigenous Rights) (Y/N)	By effectively managing human rights risks, the company will maintain its social licence to operate. The consequences of not managing community relations effectively are significant and can cause renewable energy projects to shut down or pause, inhibiting the company's ability to generate carbon avoidance. By managing it effectively, its projects will not be forced to shut down and it will be able to expand its operations and continue to deliver avoided emissions. This will be captured in the asset-level KPI (avoided emissions).

Methodology for asset-level KPI measurement

When calculating avoided emissions, we seek to source data where possible from the investee companies' themselves. This data is sourced directly by our in-house team and with assistance from third-party vendors.

For each holding, we adopt an enterprise value approach to calculating the Fund's share of the asset's impact in terms of avoided emissions (and relevant additional metrics). This approach divides the value of the Fund's holding in the business by the entire value of the company (combining stock and debt valuations) to determine the Fund's share of the overall enterprise. This is then multiplied by the asset's reported impact (their avoided emissions, and any other relevant additional metrics) to calculate the Fund's share of the impact. We are conscious of the risk of double counting and will seek to adjust for cases where other funding sources are contributing to the impact sought by the Fund. This process provides the basis for the Fund's aggregate impact.

As the Fund's absolute impact will change according to general fund flows, we will also present the impact in terms of its intensity per £1m invested, a figure which should increase in line with the Fund's broader KPI.

If companies do not report avoided emissions but do report an alternative impact measure (for example renewable energy generated) we will convert this measure into avoided emissions using industry standard carbon conversion factors, for the purpose of reporting against our core asset KPI.

Data quality of impact reporting can vary across companies. In cases where a company provides insufficient data, with the help of third-party vendors, we employ models based on scientific literature (for example, that include lifecycle analysis which assess the environmental impact of a product from production

to disposal) and methods produced by leading bodies such as the Global Impact Investing Network (GIIN), to estimate the data required to calculate the Fund's asset- level KPI. In cases where company reported data does not provide sufficient information to estimate impact metrics, we will seek to engage with companies to provide relevant data in their reports.

We are also cognisant that improvements to company reporting and to calculating ESG data can lead to what might be considered "technical" changes (increases or decreases) in the data associated with the Fund's KPIs which we will disclose as part of the Fund's Annual Disclosure. We will also look to evolve our processes, adopting improvements that are aligned with industry best practices, and challenging our own approach.

Fund Benchmark

As the Fund invests globally in companies we compare the Fund's performance to the MSCI ACWI GBP Net Total Return Index. For the USD Classes, we compare the performance to the MSCI ACWI USD Net Total Return Index. The portfolio manager is, however, not bound or influenced by the index when making investment decisions and the fund's holdings may deviate from the benchmark's constituents.

Investors should note that our investment focus on companies providing solutions to global environmental challenges will mean the exclusion of investments within the index which may lead to underperformance by the Fund versus the benchmark. Over the long term, however, we believe that environmental sustainability is fully aligned with economic sustainability, and that this should translate to a combination of positive impact and financial return.

Shares Offered	Initial Charge	Annual Charge
Class B net income (£1m or more invested)	0% actual	0.75% actual
Class D net income	0% actual	0.00% actual
Class I net income (£100 or more invested)	0% actual	0.40% actual
Class I net accumulation (£100 or more invested)	0% actual	0.40% actual

*D Class units are only available with prior approval from the ACD

EdenTree Global Impact Bond Fund – PRN 968602

SDR Label: Sustainability Impact

"Invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet."

INVESTMENT OBJECTIVE

Financial Objective

To invest in fixed income securities globally to deliver a regular level of income, payable quarterly.

Sustainability Objective

To generate positive environmental and social impacts with the following goals:

(i) To support a reduction in the level of greenhouse gas (GHG) emissions caused by human activity by investing in bonds that provide sustainable solutions and engaging with the companies that issue them (as described below under "Investor Contribution: Investor Stewardship"). This includes solutions that increase the provision of environmental solutions such as renewable energy, enable a circular economy, or improve water management. This will be measured in tonnes of carbon dioxide equivalent (CO_2e) avoided on an annual basis.

(ii) To support an increase in access to basic services for underserved communities by investing in bonds that improve outcomes in areas such as healthcare, financial and digital inclusion, education and social housing, and engaging with the companies that issue them (as described below under "Investor Contribution: Investor Stewardship"). For example, for the social infrastructure theme, issuers, through the terms of the bond or its products/services increase the development of social infrastructure for underserved communities. This includes the construction and maintenance of social and affordable housing, access to digital services, and urban regeneration. This will be measured by the total number of beneficiaries across Fund themes on an annual basis.

The bonds may be labelled bonds (such as Green, Social and Sustainability bonds) whose proceeds will be used in a way that aligns to these themes, or non-labelled bonds issued by entities whose products or services contribute to the themes. For more information on our Impact Framework, including how we ensure no negative material social and environmental outcomes please see "Asset Contribution: How we select assets".

The fixed income market provides a breadth of opportunities for impact investing and the Fund holds a diversified portfolio of bonds across a range of impact themes. The investment thesis for holding each company is based on the combination of its impact and long-term financial return. We consider the Fund's impact and financial goals to be complementary and are not looking to compromise on either or deliver concessionary financial returns. The impact intention will not be detrimental to the risk and return profile of the Fund.

Investment policy

The Fund aims to invest at least 80% in publicly listed bonds (or other fixed interest securities). These securities are selected in accordance with the Sustainability Approach. Up to 20% of the Fund may be invested in other assets that do not meet the Sustainability Approach but will not conflict with the Fund's sustainability objective. These include units in collective investment schemes, money-market instruments, derivatives and forward transactions, deposits, nil and partly paid securities, bonds, convertible bonds, cash and near cash as deemed economically appropriate to meet the Fund's investment objective.

The Fund does not currently intend to use derivatives for any purpose other than efficient portfolio management. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

Investment themes

The Fund invests in sustainability labelled bonds (such as Green, Social and Sustainability bonds) whose proceeds will be used to support a reduction in greenhouse gas emissions and/or enable greater access to basic services for underserved communities. The Fund also invests in non-labelled bonds issued by entities whose products or services support the same two goals. How assets are selected is described in the "Asset Contribution: How we select assets" section. The Manager will also engage with the issuers of bonds the Fund invests in to enhance the Investors' contribution to the Sustainability Objective. This is described further in the "Investor Contribution: Investor Stewardship" section.

Issuers must make a material contribution to at least one sustainability theme within the Fund's People and Planet framework. The table below illustrates the solutions provided under each theme ("what") and how that solution supports the Sustainability Objective and contributes to a reduction in the level of greenhouse gas emissions and/ or an increase in access to basic services for underserved communities ("why"). The asset KPIs relevant to each theme are also shown (for further detail on KPIs please see "Ongoing Monitoring and Sustainability Metrics").

People

Theme	What	Why	Asset KPI
Social Infrastructure	The issuer allocates proceeds to/ has products and services that increase the development of social infrastructure for underserved communities. This includes the construction and maintenance of social and affordable housing, providing access to education, training and employment opportunities targeting underserved communities (for example, investing in bonds that provide capital to support small and medium enterprises that create jobs).	The lack of sufficient social infrastructure impedes local economic development, creating underserved communities that don't have access to affordable housing, education and employment. This can impede social cohesion and equality creating underserved groups which don't have access to schools, learning materials, basic banking services, or equal employment opportunities. Investing in social infrastructure enables these communities to access these services, increasing the number of underserved beneficiaries. In turn, this supports community development, closes the economic gap, and avoids areas being left behind.	Number of underserved beneficiaries (# people)
Healthcare	The issuer allocates proceeds to/ has products and services that, increase access to medicines, healthcare and critical care for underserved communities.	The lack of access to basic healthcare impedes social development and wellbeing, creating underserved communities that don't have access to affordable medicine, healthcare or critical care. Investing in health and wellbeing solutions enables these communities to access these services, increasing the number of underserved beneficiaries. In turn, this supports social mobility and economic development.	Number of underserved beneficiaries (# people)
Financial Inclusion	The issuer allocates proceeds to/ has products and services that, increase access to education, training and human development, and financial and digital inclusion for underserved communities.	The lack of access to financial resources, such as basic banking services, creates inequality and restricts opportunities for underserved groups, with detrimental effects on the management of personal finances, access to lending and, ultimately, employment opportunities. Investing in financial inclusion enables these communities to access these services, increasing the number of underserved beneficiaries. In turn, this can reduce wealth gaps and increase resilience in communities.	Number of underserved beneficiaries (# people)
Technological Transformation	The issuer allocates proceeds to/has products and services that enable increased participation in digital services, for example through the development of digital infrastructure or innovative technological solutions that support inclusion.	Digital exclusion, where underserved people are unable to use the internet due to cost or a lack of digital infrastructure, is a cause of social inequalities and restricts developmental opportunities. Investing in bonds whose proceeds support the development and provision of digital infrastructure help to bridge the digital divide and improve growth opportunities for underserved populations.	Number of underserved beneficiaries (# people)

Planet

Theme	What	Why	Asset KPI(s)
Energy Efficiency	The issuer allocates proceeds to/has products or services that, that enable reductions in energy use in various areas of the economy, including industry, the built environment and transportation.	Most energy is produced by burning fossil fuels which emits carbon dioxide, into the atmosphere. A reduction in energy use means less fossil fuels are burnt, which will lead to a reduction in global greenhouse gas emissions.	Avoided emissions (tCO2e)
Clean Energy	The issuer allocates proceeds to/has products or services that that provide low carbon energy. These solutions generate energy without relying on the burning of fossil fuels (such as the generation, storage and distribution of clean energy). This includes investment in bonds issued by banks to finance clean energy projects.	Burning of fossil fuels to create energy emits carbon dioxide (CO2), into the atmosphere. Energy that doesn't rely on the burning of fossil fuels (i.e., alternative energy) does not release carbon dioxide into the atmosphere. If less fossil fuels are used to derive energy, and more alternative sources are used, there will be a reduction in global greenhouse gas emissions.	Avoided emissions (tCO2e)
Sustainable Transportation	The issuer allocates proceeds to/has products or services that that enable low carbon transportation. This can include investment in bonds issuers developing transport infrastructure.	Most vehicles in use today rely on internal combustion engines which use petroleum-based fuels. When these are burned, carbon dioxide is emitted. Electric Vehicles (EVs) emit no direct emissions when driving, reducing greenhouse gas emissions. Public transport also reduces the individual journeys taken via internal combustion engines which leads to a reduction in greenhouse gas emissions.	Avoided emissions (tCO2e)
Water	The issuer allocates proceeds to/ has products or services that provide solutions for water conservation and management. This can include investment in water utilities as well as specialist water treatment businesses.	The pumping, treating and delivery of water is energy intensive, and therefore releases carbon dioxide into the atmosphere. Conserving water and enhancing water efficiency reduces the need to pump, treat and deliver more water, leading to a reduction in greenhouse gas emissions	Avoided emissions (tCO2e)

Theory of Change

The Fund has a Theory of Change which explains the link between the Fund's investment activity and its dual objective to: 1) reduce greenhouse gas emissions and 2) increase access to basic services for underserved communities. A theory of change supports each aspect of the Fund's objective.

1. **Climate Change:** There is scientific consensus that the Earth's climate is becoming warmer. The chief causes of this climate change are greenhouse gases in Earth's atmosphere, such as carbon dioxide (CO2). Human activities currently release more carbon dioxide into the atmosphere than natural processes (like trees) can remove. At the current rate of climate change, experts expect far-reaching and highly damaging environmental and social impacts. Slowing the pace of humanmade CO2 emissions will slow the rate of climate change and mitigate its damaging effects. Unsustainable business practices are currently contributing to this problem (such as products/services that rely on the burning of fossil fuels as an energy source).

   Our theory of change states that addressing climate change requires rapid changes to the world's energy and industrial system through large-scale and targeted investment in products, services and technologies that provide either alternative, sustainable solutions, or help to mitigate and reverse the harmful effects that have already occurred.

2. **Underserved Communities:** Current economic practices contribute to the unequal provision of, and access to, basic services in many parts of the world, which restrict development and have created underserved communities. We define underserved communities as groups who have limited or no access to resources or that are otherwise disenfranchised. These include groups who have limited access to quality healthcare; are socioeconomically disadvantaged; have limited language proficiencies; are geographically isolated; are educationally disenfranchised; are part of a demographic minority (whether that be gender, race, ethnicity, age, or ability); or lack access to healthcare, healthy food and safe drinking water.

The existence of underserved communities has accentuated social problems such as poverty and poor health, which pose significant sustainable development challenges. Studies have shown that increasing access to basic services amongst underserved groups can be an effective way of reducing poverty and generally increasing development opportunities. Our theory of change states that we need to shift resources, attention, and capital into underserved communities to bridge existing inequalities and ensure greater access for them to basic services.

We expect the Fund to contribute to an increase in greenhouse gas emissions reductions and an increase in access to basic services for underserved communities through our asset contribution and investor contribution, as detailed below:

Asset contribution: The Fund, as bondholder, will directly finance projects and companies which reduce greenhouse gas emissions and/or increase access to basic services for underserved communities across the Fund's People and Planet themes, as set out above. We allocate capital to issuers where the impact alignment to our thematic framework is clear and measurable to provide confidence that the activities, products and solutions offered using proceeds of the bonds within the Fund will enable a reduction in greenhouse gas emissions and/or an increase in access to basic services for underserved communities. How we select assets is detailed further in the "Asset Contribution: How we Select Assets" section.

Investor Contribution: The Investor Contribution will be realised through our engagement activities. The Manager seeks to establish positive, collaborative and long-term relationships with issuers, which facilitates constructive engagement. The Manager has an active engagement approach, delivered with the intention of enhancing the bond's contribution to the Sustainability Objective, i.e., our engagement activities will seek to reduce the greenhouse gas emissions and/or increase access to basic services for underserved communities delivered by a bond. To deliver our investor contribution, we engage via two broad categories:

Engagement activities:

1. **Increase Positive Impacts:** This type of engagement activity seeks to increase the delivery of positive impact at the bond and/or bond issuer level. Depending on the bond, this type of engagement will seek to influence the use of proceeds and/or business strategy in regard to increasing the delivery of a reduction in greenhouse gas emissions and/ or increase access to basic services for underserved communities. Where our influence is limited in terms of how proceeds are used, we will seek to influence refinancing plans, including look-back periods to encourage higher levels of additionality at the point of bond issue. For example, the Manager may encourage a Utility to hasten plans to phase out fossil fuel power and increasing the percentage of renewable power in its energy mix, or may encourage a green bond issuer from the property sector to improve plans for the use of proceeds to improve the energy efficiency of buildings. It will also seek to influence the company's reinvestment decisions (including capital raising and allocation) to support an increase in the quantum of avoided emissions and basic service provided to underserved communities and hence support the Fund's overall Theory of Change.
2. **Reduce Potential Negative Impacts:** This type of engagement activity seeks to decrease the investee company's potential negative impacts. It will increase the greenhouse gas emissions reductions delivered by a company by reducing the scope 1, 2 & 3 emissions that are a consequence of solutions production, and via ensuring a company maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to generate avoided emissions.

   An example of this type of engagement activity could be encouraging companies to set science-based targets to reduce their emissions. By setting a Science-Based Target (SBT), a company commits to reducing its greenhouse gas emissions in line with a 1.5°C pathway. This pathway is aligned with net zero scenarios, making it steeper than the pathway would be if the target was not science-based. As such, the quantum of reduction in emissions increases when a company sets an SBT over time.

   Under this second category of engagement, we will also engage on issues which pose a risk to an asset delivering its positive impact. While the impact of these engagements in relation to the Fund meeting its Sustainability Objective are difficult to quantify, we will pursue these sorts of engagement where there is evidence that the risk we seek to address poses a material risk to the achievement of this Objective. An example of this type of engagement activity could be encouraging a company to put in place human rights policies and due diligence processes. The consequences of not managing human rights effectively are significant, and have caused renewable energy projects across the world to pause or shut down entirely, reducing a company's ability to generate avoided emissions. By effectively managing human rights risks, the company will strengthen its social licence to operate and reduce the risk of an interruption in the delivery of its products or services. This will enable it to continue delivering a reduction in greenhouse gas emissions through its products or services, increasing the quantum of greenhouse gas emissions reduced compared to the amount that would be achieved if the company had to limit, or entirely shut down, its production due to having insufficient human rights processes in place. This type of engagement will be measured by bespoke engagement KPIs (as described below), and in this example indirectly via the asset level KPI of avoided emissions. We follow the same process for cases where the engagement is related to risks to the provision of services for underserved communities.

For each engagement we undertake we will set a specific engagement objective, bespoke to the bond and topic in question. This objective will be aligned to the Theory of Change, with a clear and relevant link back to the Fund's overarching Sustainability Objective. As we utilise bespoke objectives, we will also utilise bespoke KPIs to measure the outcomes of our engagement activities. We will define this KPI along with the objective at the start of the engagement. As we engage with the company, we will track progress towards the objective (and therefore delivery of the KPI) via a five-milestone approach. Our approach to investor engagement is detailed further in the "Investor Contribution: Investor Stewardship" section below, and our approach to measuring outcomes is detailed further in the "Ongoing Monitoring and Sustainability Metrics" section below.

Asset Contribution: How we select assets

To determine whether an asset is contributing to the Fund's sustainability objective, all investments will be assessed against our proprietary Impact Framework, grounded in the Fund's Theory of Change. The Impact Framework includes four levels of assessment.

1. An assessment of the **intentionality** of the prospective investment

   We assess the intentionality of a prospective investment, to ensure a clear contribution to a reduction in greenhouse gas emissions and/or greater access to basic services.

   (a) **Labelled bonds:** Labelled bonds, such as green, social, sustainable bonds, have use of proceeds provisions which explain how the proceeds will be allocated, the expected objectives of the bond and the impacts the bond is aiming to generate. For labelled bonds, the issuer needs to clearly state the outcomes that are expected to result from the activity funded by the bonds. Each bond should have robust guidelines as to the nature of the green and/or social expenditures included under its allocation programme, as well as any excluded expenditures, which are aligned with the Fund's sustainability objective, in order to be considered suitable.

   (b) **Non-labelled bonds:** Non-labelled bonds must be issued by entities whose products or services make a **material** positive contribution to one of the People and Planet investment themes. We will assess how much of the issuer's expected revenue or capital investment is aligned with the investment themes, and therefore with the Fund's sustainability objective. A non-labelled bond's contribution is considered material if over 50% of the revenues of the company issuing the bond are aligned with one of the Fund's themes set out above. The 50% revenue threshold is appropriate because it ensures that the company's impact contribution makes up the majority of the company's revenues and is therefore material to the business. By setting the threshold at 50%, we consider, in line with the UN PRI framework, that the relevant investment theme or themes are such companies' "main reason for being". This also ensures that there can be no greater revenue source for the company in question. The 50% threshold is also recognised in other industry standard frameworks, such as the London Stock Exchange's Green Economy Mark framework. Given this, we believe a 50% minimum threshold provides assurance that the majority of a holding's activities support the Fund's sustainability objective to either support i) an increase in access to basic services for underserved communities, or ii) a reduction in greenhouse gas emissions, in line with the Theory of Change. Where a company does not disclose specific revenues related to an impact outcome or Fund theme, the investment team rely upon proprietary analysis of factors such as the business's operational activities and output (for example megawatt hours of renewable energy produced) and indicators such as capital expenditure allocation towards outcomes that are aligned with the Fund's investment intentions and themes.

   When investing in non-labelled bonds in addition to meeting our materiality threshold, we also seek to ensure that the intention behind the issuer is aligned with one of the Fund's investment themes and that the bond's impact in terms of greenhouse emissions reduction or the provision of basic services for underserved communities is measurable. To demonstrate intentionality, a company is expected to set out how the product/service will feature as a core part of the company's business model and whether those solutions are part of the company's long-term strategy and growth plans, and how these plans are credible. This demonstrates whether or not the impact is likely to be sustained, at a minimum over the bond's term to maturity or the expected holding period.

2. An assessment of the **contribution** of the prospective investment

   When gauging the issuer's contribution, we seek to establish whether the planned projects fulfil a social or environmental need that would have otherwise not been met. The bond's proceeds should be allocated to projects which specifically support the reduction in greenhouse gas emissions and/or enable greater access to basic services for underserved communities.

3. An assessment of the **impact measurement and credibility** of the prospective investment

   We seek assurance that the bonds impact framework is credible, measurable and has a robust reporting framework which provides evidence of how proceeds are used and their impact. Issuers should clearly outline and track how the bond's proceeds will be allocated to meet the bond's sustainability goals, and report on the impact generated by the bond, typically on an annual basis. For bonds linked to the provision of basic services we seek assurance that the activities provided by the bond will provide measurable support to underserved communities and clarity about which community groups will benefit from the bond.

   For labelled bonds, we assess its **label credibility**; each bond should meet the standards of an appropriate globally recognised framework, such as the International Capital Market Associated (ICMA) Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) or the Sustainability-Linked Bond Principles (SLBP), as well as the European Green Bonds (EuGB) standard In addition, we will consider whether it has received pre-issuance assurance from an independent agency (e.g. the Carbon Trust) to ensure the use-of-proceeds framework is credible.

   For all bonds, we assess the bond's **reporting framework**. Issuers should demonstrate a robust reporting framework, which provides investors with transparency about how proceeds are allocated, residual balances and any changes to the intentionality of the bond, as well as details of social and environmental impacts. This will be monitored on an ongoing basis to ensure proceeds support the reduction in greenhouse emissions caused by human activities and/or enable greater access to basic services for underserved communities. During this analysis we seek to understand the credibility of how issuers source and report data, with particular reference to the quality of the data and how this

data is aligned with our impact intention (and the Fund's themes) and evidences the Fund's KPIs, whether related to underserved beneficiaries or avoided emissions. We seek specific metrics to provide confidence in the impact that the bond will achieve, which is particularly relevant for bonds issued to fund a range of projects, potentially across themes.

4. An assessment of the **issuer's operations** (i.e. the organisation issuing the bond):

   Finally, we consider the environmental, social and governance impact of the issuer's own business and the potential for negative environmental and social outcomes such as human rights issues, high carbon emissions, high water use and other environmental and social factors. Based on this assessment, only a company which is deemed to not breach environmental and social norms (and therefore not have any material negative environmental or social outcomes) will be suitable for investment. In addition to our own assessment, we utilise the Sustainalytics Controversy Category Level. Companies with a red ISS flag or a category 5 Sustainalytics rating are deemed to have material negative outcomes and would prompt escalation measures. Both scores are derived with reference to international standards around environmental and social norms, thus are deemed appropriate to use for this assessment.

   Only a company which is deemed to not have any material negative environmental or social outcomes will be suitable for investment.

   This assessment is in addition to the baseline exclusions applied, which impose additional restrictions on specific sectors and activities which are considered to be misaligned with the sustainability objective (see "Exclusions" below for further details).

   Exclusions

   There are certain sectors and economic activities that we consider fundamentally unethical or misaligned with our Sustainability Objective, and we apply baseline exclusions to remove such companies from the pool of potential investments.

   The Fund will avoid investments where there is a material involvement (10% or more) in alcohol and tobacco production, conventional weapon production, gambling, the publication of violent or explicit materials, intensive farming, fossil fuel exploration and production and high-interest (sub- prime) lending. The Fund will also avoid companies with material operations in oppressive regimes. It will also seek to avoid companies that have exposure to the manufacture of unconventional weapons where these are defined as nuclear, biological and chemical weapons, land mines and cluster bombs. Finally, the Fund will seek to avoid companies using animals to test cosmetic, beauty or household products.

EdenTree's Product Governance Committee and the EdenTree Investment Management Limited Board assess the methodology to ensure it is suitable for choosing assets. They have data analysis skills, know the regulatory criteria for asset selection standards, and are independent from the investment process, providing an objective view to the assessment.

Investor Contribution: Investor Stewardship

We will engage with companies held in the Fund (bond issuers), as set out the Theory of Change above ("Investor Contribution"), to fulfil our investor contribution. We will engage directly with companies and will also seek to collaborate with other investors and organisations where appropriate, for example with policy makers or other asset managers where supportive of our engagement goals and the Fund's Theory of Change.

Our engagement is carried out across all themes. Successful engagement can take time to be realised, potentially stretching over several years and we seek to invest in bonds for long holding periods (in accordance with the term structure of the bond) to create successful engagement partnerships with issuers. With this in mind, we will engage with at least 70% of the portfolio (i.e. all holdings that meet the Fund's minimum Sustainability Impact threshold) over the Fund's recommended average holding period.

Our engagement activities seek to increase the greenhouse gas emissions reductions delivered by a company and/or increase the provision of basic services delivered by a company. To deliver this contribution, we engage via two broad categories:

1. **Increase Positive Impacts:** This type of engagement activity seeks to increase the bond's delivery of positive impact. It will increase the greenhouse gas emissions reductions and/or increase the basic services delivered by a bond by seeking to positively influence, where possible, use of proceeds decisions to maximise these impacts.
2. **Reduce Potential Negative Impacts:** This type of engagement seeks to decrease the issuer's potential negative impacts. It will ensure that an issuer maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to deliver basic services for underserved communities and/ or generate avoided emissions.

For each engagement we undertake we will set a specific engagement objective, which reflects the aim of the bond and its use of proceeds framework, the nature of the issuer, and the topic in question. This objective is time-bound and addresses a targeted concern. The objective under both categories will be aligned to the Fund's Theory of Change, with a clear and relevant link back to the Fund's overarching Sustainability Objective. In some cases, we may utilise an initial engagement prior to investing to gain a better understanding of an issuer's strategy and where our engagement activities should focus in order to deliver greenhouse gas emissions reductions and/or an increase in basic services for underserved communities. Our engagement path with a company is likely to evolve through time, and it is common to identify additional areas where our engagement could contribute to enhanced outcomes during the holding period.

We use five milestones to represent the investor contribution process. These milestones track the completion of our engagement objective, starting at no response (i.e. "1. Issuer has not acknowledged") through to the company fully enacting the changes we have engaged on (i.e. "5. Issuer has implemented a strategy to address"). This allows us to identify the positive relationship between our engagement and the direction of progress made by the issuer towards the engagement objective being achieved.

1. Issuer has not acknowledged (i.e., the issuer has not responded to our request for dialogue/ information)
2. Issuer has acknowledged (i.e., the issuer has responded to our request for dialogue/ information, acknowledging the topic, but not sharing information on steps they are taking to address it).
3. Issuer has shared information (i.e., through a two-way dialogue the issuer has shared information on the steps they will take to address the topic).
4. Issuer has committed to address (i.e., the issuer has pledged to improve its existing approach and make specific changes to address the concern/topic).
5. Issuer has implemented a strategy to address (i.e., the issuer has followed through and made specific changes to address the concern/topic).

As the engagement progresses (i.e., as we enter into dialogue with a bond issuer), we record progress towards our engagement objective and update the status of the engagement milestone accordingly. Once an issuer has reached the fifth and final milestone, we expect this to result in an outcome which supports a reduction in GHG emissions and/ or an increase in basic services for underserved communities. The KPIs we use to track these outcomes are further detailed in the "Ongoing Monitoring and Sustainability Metrics" section.

Not every engagement activity will necessarily proceed sequentially through each milestone. There may be times when milestones 3, and 4 and 5 overlap with new information or strategic planning requiring further dialogue and engagement where we believe our support could further increase the quantum of greenhouse gas emissions reductions or an increase in basic services for underserved communities (as per the Fund's Sustainability Objective). Where progress through the milestones is deemed to be insufficient, we will employ a combination of the steps outlined below to escalate our concerns. There are several indicators that typically raise concerns that an engagement may not succeed, including poor levels of responsiveness from issuers (during milestones 1 and 2 above), a lack of progress towards previously stated targets despite assurances (between milestones 4 and 5 above), or notably slower progress than peers. If the concern is severe and requires immediate action, we will move immediately to step 4 below and sell the investment within an appropriate timeframe, as soon as possible, with consideration to a bond's remaining time to maturity.

1. **Initial outreach and conversations with issuer** – The engagement approach usually begins with an initial outreach via email or letter, followed by meetings with management and/or subject matter experts.
2. **Formal correspondence** – If an issuer does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, we will initially escalate via a formal letter to the CEO or Board. This will set out our expectations, and potential means of escalation.
3. **Collaborative intervention with other investors** – Failing this, we will actively collaborate with other investors to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
4. **Divestment** – If following a period of engagement, we fail to achieve adequate progress, the position may be sold down. Maturing bonds will be directed towards alternative opportunities, while longer-dated bonds will be actively reduced within an appropriate timeframe.

Our in-house Sustainablity Team oversees engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties. In addition, the stewardship approach is overseen by the EdenTree Sustainablity Investment Advisory Panel. We are a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship.

Example: Electricity Grid Operator – Labelled Green Bond

Investment Theme: Clean Energy

Problem: The Earth's climate is becoming warmer.

The chief causes of this climate change are greenhouse gases in the Earth's atmosphere, such as carbon dioxide.

Cause: Unsustainable business practices are contributing to this problem. One such practice is burning fossil fuels to create energy as it releases carbon dioxide into the atmosphere.

Solution: The company designs, builds, maintains and operates a high-voltage electricity network in northern Europe. The network carries electricity from where it is made to where it is used. In particular, the company aims to connect renewable energy to the grid. The process of generating renewable energy does not release carbon dioxide into the atmosphere. Therefore, by improving the infrastructure needed to transport renewable energy, the company enables more renewable energy to be used, which reduces reliance on fossil fuel derived energy sources, thus reducing their use, and in turn reducing the carbon dioxide emitted.

Asset contribution: The company has issued a labelled green bond as part of its Green Financing Framework. It passes our intentionality assessment as proceeds are used only to invest in green power transmission projects in Germany and the Netherlands, which connect offshore wind to the electricity grid thereby increasing the transmission capacity of renewable energy. The company has ambitious targets to connect over 40GW of offshore wind power to the grid by 2030, up from 9.9GW. The bond passes our contribution assessment as without the improved capacity of the network enabled by the bond's proceeds, the offshore wind facilities would not be connected to the grid. It passes our impact measurement assessment and reporting assessment, as the bond reports annually on the avoided emissions generated via the bond's proceeds. It passes our credibility assessment as its Green Financing Framework has been verified by ISS ESG, an approved verifier for the Climate Bond Initiative. Finally, the bond passes our issuer operations assessment as it passes all our baseline standards and our sustainable business assessment, with the company's environmental and social risk management deemed strong.

Engagement contribution: We sought to enhance the company's contribution to the Sustainability objective via our engagement activities. We identified that via operating an electricity grid network, the company has very high scope 2 emissions, largely from grid losses which occur in transportation of energy from production to consumption. High scope 2 emissions from poor management of grid losses are a negative impact which results from the production or distribution of solutions. As such, we engaged with the company under our second broad engagement category to reduce negative impacts. Under this broad aim, we set a specific objective for the company to set a Climate Transition Plan, specifically for managing its grid losses. We have engaged with the company since 2023 against this objective.

Outcome: The outcome sought in our Sustainability Objective is a reduction in greenhouse gas emissions.

Our KPI for monitoring asset contribution to the sustainability objective is avoided emissions. In 2023, the company generated 1,028,239 tonnes of avoided emissions. This represents carbon that would otherwise have been emitted. By generating avoided emissions, the company delivers against the asset-level KPI and thus contributes to the Sustainability Objective. Our KPI for monitoring the investor contribution was the publication of a climate transition plan. This KPI reflects the specific engagement objective sought. When we first started engaging with the company, they shared information on the concern, reaching engagement milestone 3. They stated they had started working on a transition plan, but it was not yet ready. We encouraged the company to expedite this work and release a full transition plan into the public domain. In 2024, the company reached the fifth milestone: 'company has implemented a strategy to address the concern'. The outcome (as measured against our KPI) was publication of a climate transition plan. By adopting a transition plan, the company is significantly more likely to meaningfully reduce its scope 2 emissions. Whilst we don't claim to have been the sole driving force behind this outcome, we believe our investor activities were a contributing factor.

As such, via both our asset activities and our investor activities we contributed to the Fund's Sustainability Objective of reducing greenhouse gas emissions. This outcome should be captured in the asset level KPI (avoided emissions) over time, although it may be impossible to accurately measure the Fund's contribution given the complex factors involved in both the investee company's decision and future avoided emissions.

Ongoing Monitoring and Sustainability Metrics

We will monitor performance against the Fund's Sustainability Objective on an ongoing basis, against a range of KPIs. All KPIs will be reported on an annual basis.

Asset Activities

These KPIs monitor asset-level activities. They demonstrate the positive outcomes that arise as a result of directing capital towards issuers that provide products and solutions that reduce carbon emissions and/or increase access to basic services for underserved communities.

- **Avoided emissions (tCO2e)** – emissions reductions that occur as a result of the use of the product or service. Avoided emissions embody represent CO2e emissions that have not been released into the atmosphere, thus reducing global warming, and so mitigating the harmful consequences of climate change. CO2e stands for carbon dioxide equivalent and includes other greenhouse gases adjusted to the same measure of global warming potential. This KPI applies across all Planet investment themes.
- **Number of Underserved Beneficiaries (# people)** – the total number of underserved people that benefit from improved access to basic services as a result of the product or service. This includes underserved people who receive access to healthcare, social infrastructure, education and financial

resources. This KPI applies across all People investment themes as they all have the potential to generate greater access to basic services for underserved communities. When issuers report a specific category of beneficiaries (i.e., number of healthcare beneficiaries or number of education beneficiaries), we will aggregate these numbers to measure, at a Fund level, the total number of underserved beneficiaries (#).

At a minimum, we expect each of the Fund's assets to contribute positively towards a reduction in greenhouse gas emissions every year, measured by avoided emissions, and/ or an increase in access to basic services for underserved, measured by total number of underserved beneficiaries. If an asset fails to make a positive contribution within a year, this would be addressed through our escalation plans.

In addition, over a 5-year rolling period we would expect to see an increase in the rate of avoided emissions and the total number of underserved beneficiaries derived through the Fund's activities, as a result of the growth in output of the underlying assets, the growth of the fund, and our engagement activity to increase the contribution of companies in the Fund. However, we recognise that this rate may fluctuate year-on-year due to external factors such as changes to broader economic conditions.

Please refer to the "Methodology for monitoring and KPI data collection" below for further information about how we calculate the Fund's impact.

Additional Metrics

The following additional metrics are measured and apply only to certain investment themes, as only certain types of products and service have the potential to generate these outcomes. They contribute to the Fund's sustainability objective to support an annual reduction in the level of greenhouse gas emissions, as described below. These metrics will be converted into avoided emissions (measured in tCO2e) for the purpose of reporting progress towards the Fund's Sustainability Objective (the data from which will be incorporated into the Fund's KPIs for asset activities outlined above). However, they are also disclosed, where relevant, to provide additional information on the positive outcomes the Fund seeks to generate.

- **Renewable energy installed capacity (MW)** – the amount of electricity a generator can produce when running at full operation. High renewable energy installed capacity helps to reduce the reliance of the global energy system on fossil fuels as there is less need for fossil-fuel derived power to fulfil capacity requirements. The lower the need to burn fossil fuels, the fewer greenhouse gas emissions that are released, supporting the Fund's sustainability objective. Each MW of installed capacity is therefore directly linked to a level of CO2 emissions avoided. The level of CO2 emissions avoided will depend on the technology and displaced fuel.
- **Renewable energy generated (MWh)** – the amount of electricity generated by a power plant. Renewable energy is a form of low-carbon energy, thus the more that is generated, the less need there is to burn fossil fuels to create energy, which reduces the amount of greenhouse gas emissions released into the atmosphere, supporting the Fund's sustainability objective. Each MWh of renewable energy generated is therefore directly linked to a level of CO2 emissions avoided. The level of CO2 emissions avoided will depend on the technology and displaced fuel.
- **Water saved/treated/provided (m^3)** – the volume of water that is treated/saved/provided by a company's products and services. The higher the figure, the greater the abundance of global freshwater supplies. The pumping, treating and delivery of water is energy intensive, and therefore releases carbon dioxide (CO2) into the atmosphere. Conserving water and enhancing water efficiency will lead to a reduction in carbon dioxide emissions. Each litre of water saved/ treated/provided is therefore directly linked to a level of CO2 emissions avoided and, in some cases, a number of underserved beneficiaries (#). This also supports the provision of basic services.

Investor Activities

This KPI monitors the success of our engagement activities and the investor contribution of the Fund, in line with the Fund's Theory of Change.

As described above, our engagement activities seek to increase the greenhouse gas emissions reductions and/ or increase access to basic services for underserved communities delivered by a bond. To deliver this contribution, we engage via two broad categories:

- **Increase Positive Impacts:** This type of engagement activity seeks to increase the bond's delivery of positive impact. It will increase the greenhouse gas emissions reductions and/or increase the basic services delivered by a bond by seeking to positively influence, where possible, use of proceeds decisions to maximise these impacts.
- **Reduce Potential Negative Impacts:** This type of engagement seeks to decrease the issuer's potential negative impacts. It will ensure that a company maintains its licence to operate (which can be affected by a variety of E, S and G factors) and can therefore continue to deliver basic services for underserved communities and/or generate avoided emissions.

For each engagement we undertake, we will set a specific engagement objective, bespoke to the topic and company in question. This objective will be aligned to the Theory of Change with a clear and relevant link back to the Fund's overarching Sustainability Objective, meaning all objectives will ultimately seek to generate a reduction in greenhouse gas emissions and/ or increase the basic services to underserved communities delivered by a bond. However, the method by which this is sought may vary, reflecting the need for bespoke objectives. All objectives will be time-bound and address a targeted concern or topic.

As set out in the "Investor Contribution: Investment Stewardship" section, progress towards these is measured through five milestones. These milestones feed through to an escalation framework, which we will utilise if progress is deemed to be insufficient.

Due to the use of bespoke engagement objectives, the KPIs for measuring the success of our investor contribution are also bespoke and linked specifically to the stated objective. The KPI for measuring success will be identified at the outset of the engagement, alongside the bespoke objective. This makes the KPI unique to the topic and company in question.

It should be noted that companies can make changes for a number of reasons and that determining a direct causal relationship between the engagement and outcome may not be possible. Despite this, we believe our activities do contribute towards certain outcomes, and setting a bespoke KPI for each engagement enables us to appraise this link between our activities and the outcomes each seeks to achieve to support the Fund's theory of change. Bespoke KPIs are therefore used to demonstrate the outcomes of our investor contribution. We provide investors with details of the Fund's engagement activities, including KPIs, the number of engagements carried out, the progress made and their outcomes as part of the Fund's annual disclosure.

A non-exhaustive list of example KPIs that would be used for reporting the outcomes of our engagement is provided below to illustrate the link between an engagement objective and the engagement KPI. These KPIs will be reported annually in the Fund's Sustainability disclosures.

We monitor and report on the outcomes of these bespoke KPIs separately to the Fund's overall KPIs. Whilst the bespoke engagement KPIs are more granular and specific to the objective set for engagement (as shown in the table below), the overall objective of these engagement activities is to support a reduction in the level of greenhouse gas emissions and or increased provision of basic services to underserved communities and these outcomes will be measured and captured via the asset level KPIs.

Broad engagement objective	Example of bespoke engagement objective	Example of bespoke KPI used to track engagement outcomes	How outcome supports Fund Sustainability Objective
Enhance the delivery of the company's impact contribution as measured by a reduction in greenhouse gas emissions and/ or increase the basic services for underserved communities.	For a utility company to transition its energy mix to a greater percentage of renewable power, through the deployment of proceeds or influencing reinvestment and capital raising decisions.	Renewable energy installed capacity (MW)	By increasing its renewable capacity, the company reduces reliance on thermal power (which is more carbon intensive) thus prevents a greater amount of greenhouse gas emissions from being released into the atmosphere. This will be captured in the asset-level KPI (avoided emissions).
	For a Water Utility company that has issued a labelled bond to provide clean drinking water to those in financial difficulty, who are otherwise unable to pay for the cost of their water bills.	Number of customers reached by bill support schemes (#), as intended by the bond's use of proceeds framework	By supporting households who are unable to pay their water bills, the company provides greater access to basic services (water) for underserved communities (those unable to pay their bills). As such, the number of beneficiaries increases. This will be captured in the asset-level KPI (underserved beneficiaries).
Reduce an asset's potential negative impact by improving the company's management of ESG risks, which if left unmanaged could lessen the overall quantum of greenhouse gas emissions reductions delivered and/or number of social beneficiaries reached.	For an industrials company providing products that enable customers to improve their energy efficiency, to set a science-based target and reduce its scope 1&2 emissions that arise when manufacturing its products.	Presence of a Science Based Target (Y/N) Quantum of scope 1&2 emissions reductions (tCO2e)	By setting a science-based target, the company commits to reducing its greenhouse gas emissions in line with a 1.5C pathway, which reduces its GHG emissions over time. By reducing its scope 1&2 emissions, the company releases less greenhouse gas emissions into the atmosphere when manufacturing its solution-oriented products. This will be captured in the asset-level KPI (avoided emissions).

Methodology for asset-level KPI measurement

When calculating avoided emissions and the number of underserved beneficiaries, we seek to source data where possible from the investee companies themselves. This data is sourced directly by our in-house team and with assistance from third-party vendors.

For each holding, we adopt an enterprise value approach to calculating the Fund's share of the asset's impact in terms of avoided emissions (and relevant additional metrics) or number of underserved beneficiaries. This approach divides the value of the Fund's holding in the business by the entire value of the company (combining stock and debt valuations) to determine the Fund's share of the overall enterprise. This is then multiplied

by the asset's reported impact to calculate the Fund's share of the impact. We are conscious of the risk of double counting and will seek to adjust for cases where other funding sources are contributing to the impact sought by the Fund. This process provides the basis for the Fund's aggregate impact.

As the Fund's absolute impact will change according to general fund flows, we will also present the impact in terms of its intensity per £1million invested, a figure which should increase in line with the Fund's broader KPI.

If companies do not report avoided emissions or number of underserved beneficiaries, but do report an alternative impact measure (for example renewable energy generated, number of vaccines provided) we will convert this measure into avoided emissions and underserved beneficiaries using industry standard carbon conversion factors, for the purpose of reporting against the asset KPI.

Data quality of impact reporting can vary across companies. In cases where a company provides insufficient data, with the help of third-party vendors, we employ models based on scientific literature and methods produced by leading bodies such as the Global Impact Investing Network (GIIN), to estimate the data required to calculate the Fund's asset-level KPI. We will also seek to engage with companies to improve the quality of reporting where appropriate.

We are also cognisant that improvements to company reporting and to calculating ESG data can lead to what might be considered "technical" changes (increases or decreases) in the data associated with the Fund's KPIs which we will disclose as part of the Fund's Annual Disclosure. We will also look to evolve our processes, adopting improvements that are aligned with industry best practices, and challenging and improving our own approach.

OTHER INFORMATION

This Fund is marketable to all retail investors.

The Fund will be managed in line with the requirements for inclusion in an Individual Savings Account (ISA).

Fund Benchmark

iBoxx Global Green, Social & Sustainability Bonds Total Return Index (GBP Hedged)

This benchmark is a comparator against which the overall performance of the Fund can be measured. It has been chosen based on the Fund's multi-currency portfolio of debt instruments, the bulk of which possess a clear use of proceeds and as such are labelled Green, Social and or Sustainable. We are not bound or influenced by the index when making investment decisions and the Fund's holdings may deviate from the benchmarks constituents. Investors should note that our Responsible and Sustainable Investment Policy will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark.

Shares Offered	Initial Charge	Annual Charge
Class B gross income (£1m or more invested)	0% actual	0.40% actual
Class I gross income (£100m or more invested)	0% actual	0.30% actual

EdenTree Global Sustainable Government Bond Fund – PRN 1019281

SDR Label: Sustainability Focus

"Invests mainly in solutions to sustainability problems, with an aim to achieve a positive impact for people or the planet."

Financial Objective:

The Fund aims to generate a regular income payable quarterly with some capital growth over a period of five years or more through investment in a portfolio of government and government-related green, social, sustainable, or impact bonds.

Sustainability Objective:

To invest in government and government-related green, social, sustainable or impact bonds whose proceeds will be used to finance new or existing projects that support a reduction in the level of carbon emissions caused by human activities (measured in tonnes of carbon dioxide equivalent CO2 avoided), and/or to enable greater access to basic social services (measured in number of beneficiaries).

The fixed income market provides a breadth of opportunities for sustainable investing and the Fund holds a diversified portfolio of bonds across a range of sustainable themes. The investment thesis for holding each company is based on the combination of its sustainability characteristics and long-term financial return. We consider the Fund's sustainability and financial goals to be complementary and are not looking to compromise on either or deliver concessionary financial returns.

INVESTMENT POLICY

The Fund will invest at least 80% of its assets in government and government-related bonds from developed markets with use-of-proceeds provisions. These assets will include sovereigns, sub-sovereigns, and agencies (debt securities issued or guaranteed by governments and their agencies), and supra-nationals (debt securities issued or guaranteed by supra-national bodies) denominated in any currency and will be selected in accordance with the Sustainability Approach.

Up to 20% of the Fund may be invested in other assets that do not meet the Sustainability Approach but will not conflict with the Fund's non-financial objective. These may include units in collective investment schemes, floating rate notes (FRNs), money-market instruments, derivatives and forward transactions, deposits, bonds, convertible bonds, government and government-related bonds from emerging markets, cash and near cash. All government and government-related bonds, as well as any other assets held, will be required to meet the Manager's oppressive regimes assessment.

The Fund may invest in derivatives for investment purposes as well as efficient portfolio management (EPM). Currently the Fund only uses derivatives for EPM. If derivatives are used for the purpose of meeting the investment objective of the Fund, it is not intended that the use of derivatives would cause the Net Asset Value of the Fund to have higher volatility or otherwise cause the existing risk profile of the Fund to change.

SUSTAINABILITY APPROACH

The Fund will invest at least 80% in a portfolio of government and government-related green, social, sustainable or impact bonds where the proceeds will be used specifically to finance new or existing projects that:

- support a reduction in carbon emissions caused by human activities (as measured in tonnes of carbon dioxide equivalent CO2 avoided)
- and/or enable greater access to basic social services (as measured in number of beneficiaries).

Governments and supranational authorities play a crucial role in supporting environmental and social sustainability through direct project finance and concessions to the private sector to support communities and individuals.

The capital raised through government-related use of proceed and impact bonds can support policy goals associated with climate change. This includes providing capital for projects that aim to reduce greenhouse gas emissions, such as those that increase the provision of renewable energy, improve energy efficiency, advance the circular economy, or improve water management. Capital raised can also support policy goals associated with social development. This includes providing capital for projects that improve access to basic social services, such as healthcare, education, healthy food, safe drinking water, employment opportunities, affordable housing and digital services. For example, providing capital to a healthcare project enables more people to access vaccines, medicines and critical care, which creates a healthier society.

The fund's social objective "to enable greater access to basic social services" is supportive of increasing social sustainability through the use of proceeds to achieve positive social outcomes. As such, the Fund seeks to achieve this objective by investing in bonds whose proceeds are directed towards projects which increase access to basic social services. Specifically, the Fund will finance projects in the areas where people and communities don't have access to the resources they need to meet their needs.

Only assets which offer basic social services are considered to be improving social sustainability, and therefore pursuing positive sustainability outcomes. Each asset we invest in provides a clear framework about the projects it seeks to support through the use of proceeds provisions, and reports on this impact annually. This enables us to determine whether an asset aligns with our intended sustainability outcome – to increase access to basic social services.

Assets are determined as sustainable if they meet the four step process described in the "How we select assets" section. This ensure that only bonds which support the fund's sustainability objective are included in the fund.

Labelled bonds, such as related green, social, sustainable or impact bonds, have use of proceeds provisions which explain how the proceeds will be allocated, the expected objectives of the bond and the impacts the bond is aiming to generate. These bonds raise funds for new and existing projects that specifically address or mitigate a specific social or environmental issue and/or seek to achieve positive social outcomes. Proceeds must be tracked and allocated to the specific spending set out, and allocations and the impact generated is publicly reported, typically on an annual basis. In addition, to achieve a label, each bond must meet the standards of an appropriate globally recognised framework: the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) or the Sustainability-Linked Bond Principles (SLBP).

How we select assets

At least 80% of the portfolio will be invested in green, social, sustainable or impact bonds, where the proceeds will be used to fund projects that support a reduction in the level of carbon emissions caused by human activities (measured in tonnes of carbon dioxide equivalent CO2 avoided) and/ or enable greater access to basic social services. To be selected for investment, each bond will be assessed against the Fund's Sustainability Standard, which includes four levels of assessment. Together, these requirements make up the Fund's robust evidence-based standard:

5. **Intentionality:** The Manager assesses the intentionality of a prospective investment. This ensures the issuer's positive contribution is sought deliberately and is capable of supporting the outcomes the Fund is seeking.

   To pass this assessment, each bond must have robust guidelines as to the nature of the green and/or social expenditures included under its allocation programme, as well as any excluded expenditures. Guidelines are considered to be robust if they clearly define the financing parameters, i.e., state plainly which types of projects are permissible for financing and which are not. Importantly, these parameters must ensure all proceeds are directed to projects which support the Fund's sustainability objective, i.e., towards projects which reduce carbon emissions caused by human activities and/or enable greater access to basic social services.

   When selecting assets we cannot guarantee that there will never be negative impacts associated with investing in the underlying investments and there is always the possibility of unintended impacts resulting from pursuing the sustainability objective (e.g. increase in emissions as a result of investing in a new hospital). However, we take steps to prevent assets from conflicting with the Fund's Sustainability outcomes by considering within our assessment the negative environmental and/or social outcomes which may result from the bond's allocation programme.
6. **Label Credibility:** Each bond must be aligned with the relevant Principles set out by the International Capital Markets Association (ICMA). This includes the Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP) (together "the Principles"). We evaluate the bond against the core components of these principles to give assurance around the sustainability credentials of the bond,A bond will pass this assessment if 1) it has received pre-issurance assurance from an independent agency and/or is aligned with the core components of the relevant Principles, 2) the issuer has measures in place to track the allocation of proceeds and the temporary use of funds, and 3) there is governance within the issuer to manage use of proceeds, including supervision, tracking and ring fencing of proceeds.
7. **Reporting Framework:** Issuers should demonstrate a robust reporting framework, which provides investors with transparency about how proceeds are allocated, residual balances and any changes to the intentionality of the bond, as well as details of social and environmental impacts. This will be monitored on an ongoing basis to ensure proceeds support the reduction in carbon emissions caused by human activities and/or enable greater access to basic social services.
8. **Responsibility:** The Fund will avoid investments where there is exposure to "Oppressive Regimes." Issuers need to pass the Manager's responsibility screen which endeavours to mitigate any adverse impacts from an issuer's broader activities, through the assessment of oppressive regimes, as detailed below:
   - EdenTree maintains an annual list of governments
   - on the Oppressive Regimes list, and bonds issued by the government of any country identified as having an oppressive regime are excluded from our investment universe. Bonds issued by quasi-government or state-owned organisations of countries on the list are also excluded from our investment universe. These issuers are deemed to be fundamentally unethical and/or misaligned with the Fund's non-financial objective.
   - Our Oppressive Regimes list is based on the assessments of Freedom House (Freedom in the World), Transparency International (Corruption Perceptions Index), and the World Economic Forum (Gender Gap assessment). Each of these assessments considers a range of criteria when determining a country's score, such as human rights standards, freedom of belief and political expression, use of torture, and civil liberties. Based on the relevance of each organization's criteria to our assessment of oppressive regimes, we have developed a weighted average – strongly skewed towards the Freedom House score – for every country's regime. For our purposes, countries which fall under a certain threshold – 30% – are considered to be an Oppressive Regime.
   - The 30% threshold is appropriate because it excludes all countries which are considered "not free" by Freedom House's "Freedom in the World" assessment. Freedom in the World is an annual global report on political rights and civil liberties, composed of numerical ratings and descriptive texts for each country and a select group of territories. Countries and territories are assessed by external analysts to determine a country/ territory's status of Free, Partly Free, or Not Free. The analysts' conclusions are then vetted by teams of expert advisers, and the country report narratives are vetted in a fact-checking process., to determine the final country status.
   - Further detail on how our Oppressive Regimes list is constructed, is available here.

EdenTree's Product Governance Committee and the EdenTree Investment Management Limited Board assess the selection approach to ensure it is suitable for choosing assets. They are independent from the investment process. The robust evidence-based standard set out above is deemed appropriate for selecting assets because it is derived from internationally recognised frameworks within the labelled-bond market, which are independently certified to ensure that the Manager can identify issuers where the bonds proceeds are allocated to projects which support a reduction in greenhouse gas emissions and/or an increase in access to basic social services. Over 80% of the portfolio will be made up of labelled bonds. This is described further in the "sustainability approach" section above.

Below are two examples of labelled bonds that have been assessed against the Fund's Sustainability Approach.

	Bond: Buoni Poliennali Del Tes (IT0005508590) **Issuer:** Italian Government	**Bond: International Finance Facility for Immunisation (XS2333299324)** **Issuer:** International Finance Facility for Immunisation (IFFIm)
1. Intentionality	Buoni Poliennali Del Tes (IT0005508590) is a Green use-of-proceeds bond. The activities the bond supports includes funding energy efficiency in buildings, the construction of subways in metropolitan areas, and pollution prevention and control. The bond therefore contributes the Fund's non- financial objective to support a reduction in the level of carbon emissions caused by human activities. This impact can be quantifiably measured in CO2 emissions avoided.	International Finance Facility for Immunisation (XS2333299324) is a Social "Vaccine Bond". The core purpose of the bond is to accelerate the availability of life-saving vaccines for the world's most vulnerable children. This includes procuring COVID-19 vaccines for lower-income countries and supporting core vaccine programmes to ensure protection against vaccine-preventable disease. The bond therefore contributes to the Fund's non-financial objective to enable greater access to basic social services. This impact can be measured by the number of vaccinations funded which can be taken as the number of beneficiaries supported.
2. Label Credibility	The proceeds allocation is overseen by the Interministerial Committee for the monitoring and publication of the information necessary for the issuance of sovereign Green Bonds, in line with the principles of the International Capital Market Association (ICMA). In addition, external review of the report is provided by ISS ESG.	IFFIm Vaccine Bonds align with all four components of the Social Bond Principles (SBP), as set out by the International Capital Markets Association (ICMA). Potential vaccine investments are evaluated by an Independent Review Committee (IRC), which is made up of independent technical experts, and which reports to the Board. In addition, assurance of their report is provided by Deloitte LLP.
3. Reporting Framework	An amount equal to the net proceeds of the issuance of the bond is used by the issuer to finance and/or refinance expenditures aimed at promoting the fight against climate change, energy efficiency, circular economy, protection of the environment and social and territorial cohesion. The allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories. KPIs reported by the issuer include: • C02 avoided emissions (tonnes) • Benefit in terms of air pollutants (tonnes/year) The KPIs recorded by the issuer directly align to the Fund's relevant KPI which quantifies supporting the reduction in the level of carbon emissions caused by human activities through measuring the tonnes of CO2 avoided. The KPIs reported by the issuer are recorded and aggregated at the Fund level to assess the Fund's progress towards the non-financial objective.	An amount equal to the net proceeds of the issuance of the bond is used by the issuer to accelerate the development of vaccines and access to immunisation in developing countries. IFFIm provides annual reporting as part of its Trustee Report and Financial Statements on all amounts approved for disbursement to fund programmes which accelerate access to life- saving vaccines for children in the world's lowest-income countries. KPIs reported by the issuer include: • Number of vaccinations funded • Number of people vaccinated The KPIs recorded by the issuer map directly onto the Fund's relevant KPI which quantifies enabling access to basic social services through measuring the number of beneficiaries. The KPIs reported by the issuer are recorded and aggregated at the Fund level to assess the Fund's progress towards the non-financial objective.
4. Responsibility	This bond is issued by the Italian Government, which scores 80 on our proprietary Oppressive Regimes assessment. It is therefore not considered an Oppressive Regime and passes the Responsibility assessment.	This bond is issued by the International Finance Facility for Immunisation (IFFIm). IFFIm is jointly funded by private investors and government donors. It is not issued by a country on our Oppressive Regimes list, nor is it controlled by an oppressive regime, and therefore passes the Responsibility assessment.

Investor stewardship

The manager will engage with issuers, where necessary, in order to support their contribution to the fund's sustainability objective. This includes engagement and advocacy to support the issuers' contribution to a reduction in carbon emissions caused by human activities and access to services, as well as engagement as a means of escalation where a lack of progress against the KPIs is observed.

- **Fact finding engagement:** Due diligence with issuers to monitor the investment and ensure it remains aligned to the Fund's sustainable objective.
- **Thematic engagement:** Engagement with a specific objective to support the issuers' contribution to a reduction in carbon emissions caused by human activities and access to basic social; services including through policy and advocacy, working with the wider asset management industry, and adding to a body of transparency.

The Manager's in-house Sustainablity Team oversees the Manager's engagement and stewardship activities. Engagement is an internal function and is not outsourced to third parties. In addition, the Manager's stewardship approach is overseen by an Independent Sustainablity Investment Advisory Panel.

The Manager is a signatory of the UK Stewardship Code, published by the Financial Reporting Council, demonstrating its commitment to appropriately resourcing and conducting stewardship activities.

Escalation plans

Where an issuer demonstrates insufficient performance against its expected contribution to the Fund's sustainability objective, the Manager will employ a combination of the steps outlined below to escalate its concerns. Insufficient performance is where issuers are no longer considered to be delivering a positive impact in line with the sustainability objective, and/or where it no longer meets our robust- evidence based standard. If an issuer is deemed to be in conflict with the sustainability objective, we will move directly to step 4 (divestment).

9. **Initial outreach and conversations with the issuer** – the Manager's engagement approach always begins with an initial outreach via email or letter, followed by meetings with Investor Relations or subject matter experts.
10. **Formal correspondence** – If an issuer does not respond to multiple attempts of contact, or if it demonstrates insufficient progress and the topic is of a severity that necessitates further action, the Manager will initially escalate via a formal letter. This will set out the Manager's expectations, and potential means of escalation.
11. **Collaborative intervention with other stakeholders** – Failing this, the Manager will actively collaborate with other stakeholders including other investors, banks or the Debt Management Office to escalate the engagement. This will include joining or leading collaborative engagement efforts or signing onto joint letters.
12. **Divestment** – If following a period of engagement, the Manager fails to achieve adequate progress, the position may be sold down. Maturing bonds will be directed towards alternative opportunities, while longer-dated bonds will be actively reduced within an appropriate timeframe.

Ongoing monitoring and sustainability metrics

The Manager will monitor performance against the Fund's Sustainable Objective on an ongoing basis, against a range of KPIs.

- **The proportion of the portfolio invested as a sustainable investment (%)** – this measures the proportion of the Fund invested in labelled bonds, and therefore contributing to the sustainable objective. The minimum requirement for this KPI is 80%.
- **The proportion of the portfolio invested to support a reduction of carbon emissions (%)** – this measures the proportion of the Fund invested to contribute to the objective of supporting a reduction in carbon emissions.
- **The proportion of the portfolio invested to enable greater access to services (%)** – this measures the proportion of the Fund invested to contribute to the objective of providing access to basic social services.
- **Avoided emissions (tCO2e)** – emissions reductions that occur as a result of deployment of the proceeds of the bond. Avoided emissions represent CO2 emissions that have not been released into the atmosphere, thus reducing global warming, and so mitigating the harmful consequences of climate change. KPIs reported by issuers are recorded at the bond level and aggregated to report on avoided emissions across the Fund's relevant holdings, and thereby assess the Fund's progress towards the non- financial objective.
- **Number of Social Beneficiaries (# people)** – the number of beneficiaries which have received access to basic social services as a result of deployment of the proceeds of the bond. KPIs reported by issuers are recorded at the bond level and aggregated to report on the number of social beneficiaries across the Fund's relevant holdings, and thereby assess progress against the non- financial objective.

We expect the Fund to demonstrate improving performance over the recommended holding period, as measured by the quantum of avoided emissions and number of social beneficiaries. A lack of improvement, which the Manager monitors on an ongoing basis, would prompt escalation measures.

At a minimum, we expect each of the Fund's assets to contribute positively towards at least one of the Fund level KPIs. If an asset fails to make a positive contribution, this would be addressed through the escalation plans detailed below.

All KPIs will be reported on an annual basis in the Fund's sustainability report.

Methodology for asset-level KPI measurement

When calculating avoided emissions and the number of beneficiaries, we seek to source data where possible from the investee issuers themselves. This data is sourced directly by our in-house team and with assistance from third-party vendors.

For each holding that is labelled, we calculate the Fund's share of a bond's impact in terms of avoided emissions and/or number of beneficiaries. For a labelled bond, we divide the bond value held within the portfolio by the total value of that bond to determine the Fund's share of the overall bond. This is then multiplied by the bond's reported impact to calculate the Fund's share of the impact.

As the Fund's absolute impact will change according to general fund flows, we will also present the impact in terms of its intensity per £1m invested, a figure which should increase in line with the Fund's broader KPI.

If issuers do not report avoided emissions or number of beneficiaries, but do report an alternative impact measure (for example renewable energy generated, number of vaccines provided) we will convert this measure into avoided emissions and underserved beneficiaries using industry standard carbon conversion factors, for the purpose of reporting against the asset KPI.

Data quality of impact reporting can vary across issuers. In cases where an issuer provides insufficient data, with the help of third-party vendors, we employ models based on scientific literature and methods produced by leading bodies such as the Global Impact Investing Network (GIIN), to estimate the data required to calculate the Fund's asset-level KPI. We will also seek to engage with issuers to improve the quality of reporting where appropriate.

We are also cognisant that improvements to company reporting and to calculating ESG data can lead to what might be considered "technical" changes (increases or decreases) in the data associated with the Fund's KPIs which we will disclose as part of the Fund's Annual Disclosure. We will also look to evolve our processes, adopting improvements that are aligned with industry best practices, and challenging our own approach.

CHARGES AND OTHER INFORMATION

This Fund is marketable to all retail investors.

The Fund will be managed in line with the requirements for inclusion in an Individual Savings Account (ISA).

Fund Benchmark

The Manager compares the Fund's performance to the Bloomberg Global Aggregate Treasuries Total Return Index Hedged GBP. This index has been chosen as it best reflects the scope of the Fund's investment policy. The portfolio manager is not bound or influenced by the index when making investment decisions. Investors should note that the Fund's Sustainability Approach will mean the exclusion of certain investments within the index which may lead to greater variance in the Fund's performance versus the benchmark, however the Fund will have access to a wide range of alternative issues with similar risk characteristics to substitute for those exclusions. The Sustainability Approach is not therefore expected to materially hinder the Fund's ability to replicate benchmark fixed interest risk and return characteristics at total Fund level.

Shares Offered	Initial Charge	Annual Charge
Class B gross income (£1m or more invested)	0% actual	0.35% actual
Class I gross income (£100m or more invested)	0% actual	0.25% actual

Appendix 2 – Investment Restrictions

The principal investment restrictions applying to each of the Funds of the Company under the FCA Rules are set out below. These are, however, subject to the qualifications and exceptions contained in the FCA Rules. Any additional investment restrictions for other Funds will be formulated by the ACD at the time of creation of such Funds. The limits on investment are set out in the FCA Rules, a summary of which is as follows:

1.1
A Fund can invest only in 'transferable securities' within the meaning of the FCA Rules, money-market instruments, cash and near cash, deposits, derivative instruments and forward transactions and units or shares in collective investment schemes.

1.2
There is no limit on the value of the property of the Fund that may consist of 'approved securities' within the meaning of the FCA Rules (broadly, listed securities in a member state of the European Union or European Economic Area ('Member State') and securities traded on or under the rules of an eligible securities market (as listed in Appendix 3) provided that such securities meet the criteria set out in the Collective Investment Schemes Sourcebook which in summary are:

(a) The potential loss that any Fund may incur in connection with the transferable security is limited to the amount paid for it;

(b) Its liquidity does not affect the ACD's ability to redeem shares;

(c) A reliable valuation can be obtained for it;

(d) It is negotiable; and

(e) Its risks are adequately captured by the risk management process of the ACD. Transferable securities tracked on an eligible market will be deemed to meet these criteria unless the ACD knows otherwise.

1.3
Up to 10% in value of the Fund's property may consist of transferable securities which are not 'approved securities' within the meaning of the FCA Rules.

1.4
Up to 35% in value of the Fund's Property may consist of government and other public securities issued by any one issuer, and, provided that the Depositary agrees with the ACD that the issuer is one which is appropriate in accordance with the Fund's investment objectives and subject to the conditions in the FCA Rules, more than 35% and up to 100% in value of the Fund's property may consist of government and other public securities issued by or on behalf of or guaranteed by any one or more of:

(a) The government of the United Kingdom or Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Denmark, Ireland, Greece, Spain, Portugal, Austria, Finland ,Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, Romania and Bulgaria;

(b) The government of any of the countries for the time being specified in Appendix 4; or are issued by or on behalf of any international organisation of which the United Kingdom or another Member State is a member, including The European Investment Bank.

1.5
Save in respect of Government and other public securities:

(a) No more than 20% in value of the Fund's property may consist of deposits with a single body.

(b) No more than 5% in value of the Fund's property may consist of transferable securities issued by any one issuer, but this latter limit can be regarded as 10% in value in respect of up to 40% of the value of the property of the Fund.

(c) A Fund's exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Fund's property or 10% where the counterparty is an approved bank.

(d) No more than 20% in value of the Fund's property may consist of transferable securities and deposits issued by the same group of companies.

(e) No more than 20% in value of the Fund's property may consist of units in any one collective investment scheme.

(f) No more than 20% in value of the Fund's property may consist of any combination of transferable securities or money-market instruments or deposits or OTC derivatives issued by or made with a single body.

1.6
There is no more than 5% of the value of the Fund's Property that may consist of warrants but the Fund has power to invest in warrants only if it is reasonably foreseeable that the rights to subscribe conferred by such warrants could be exercised without contravening the FCA Rules. The Fund also has power to invest in nil or partly- paid transferable securities but only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be met by the Fund at the time when payment is required without contravening the FCA Rules. Subject to that requirement there is no limit on the value of the Fund's Property that may be invested in nil or partly-paid transferable securities.

1.7
The Fund's Property may not include more than:

(a) 10% of the non-voting shares issued by a body corporate;

(b) 25% of the units of a collective investment scheme.

1.8
The Fund may not:

(a) Acquire more than 10% of the debt securities issued by any single body;

(b) Acquire more than 10% of the money-market instruments issued by a single body;

(c) Be invested in another Fund of the Company.

1.9
Up to 10% of the value of any Fund may be invested in units of another collective investment scheme provided that the second scheme is either a UCITS scheme or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive or is recognised under the Financial Services and Markets Act 2000 (FSMA), or is an authorised non UCITS retail scheme under FSMA or authorised in another EEA state, or is authorised in an OECD member country in accordance with the COLL provisions.

Investment by any Fund in any of the schemes described above is permitted provided that the second scheme has terms that prohibit more than 10% of its property being invested in collective investment schemes. The Funds will not invest in such other collective investment schemes with an initial management fee of over 5%. Any shares which are not approved securities count towards the 10% limit described in 1.3 above.

1.10
The Instrument of Incorporation provides that the Fund may invest in the shares of collective investment schemes which are managed or operated by the ACD or by an associate of the ACD but this is subject to certain restrictions set out in the Regulations, including restrictions to avoid double charging, and the limits referred to in 1.8 above.

1.11
A Fund may invest in approved money-market instruments provided that they are normally dealt in on the money- market, are liquid and their value can be accurately determined at any time and they are issued by a body whose securities are dealt on an eligible market or issued or guaranteed by any of the bodies listed in the FCA rules. Up to 10% in value of the property of a Fund may consist of money-market instruments that do not meet the above criteria, and any such money-market instruments count towards the 10% limit described in 1.3 above.

1.12
Subject to certain conditions set out in the Regulations, underwriting or sub-underwriting transactions and stocklending transactions may be entered into on behalf of the Fund.

1.13
Cash and near cash where this may reasonably be regarded as necessary in order to enable redemption of shares, efficient management of the Fund in question in accordance with its objectives or other purposes which may reasonably be regarded as ancillary to the objectives of that Fund. Within the context of the ACD's policy of active asset allocation the liquidity of the Funds may vary in response to market conditions. Where the ACD considers that a defensive investment strategy is appropriate, cash and near cash may comprise up to 25% by value of the property of a Fund. This range may be exceeded in exceptional circumstances.

2. Transactions in derivatives

The ACD may enter into transactions in derivatives (i.e. futures, options, contracts for differences or forward transactions) but will do so only for the purposes of hedging the Funds' investments or 'efficient portfolio management'. There is no set limit on the amount of scheme property which may be used for efficient portfolio management but in most situations the transaction must be economically appropriate for the purpose of the reduction of the relevant risk or costs and/or for the generation of additional capital or income of the Fund with an acceptably low level of risk and the exposure must be fully 'covered' by cash or other property sufficient to meet any obligation to pay or deliver that could arise.

Such transactions may include derivatives which are dealt in or traded on an eligible derivatives market (as listed in Appendix 3) or, in special circumstances, 'off-exchange options' or 'synthetic futures' and forward transactions in currencies with certain counterparties.

2.1
Transactions in approved derivatives:
Will be only of a type permitted under COLL. These include approved derivatives where the underlying asset is one of the following: transferable securities, money- market instruments, deposits, derivatives, collective investment schemes, financial indices, interest rates, foreign exchange rates and currencies.

2.2
Must be entered into with an approved counterparty and must not cause divergence from the investment objectives of the Funds.

2.3
Must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money-market instruments, units in collective investment schemes, or derivatives, or cause a Fund to exceed the investment limits set out in this Prospectus through exposure to the underlying asset of the derivative. Any transaction that leads to delivery of property can be entered into only if the Fund concerned is permitted to hold such property.

Any transactions in over-the-counter (OTC) derivatives can be entered into only with an approved counterparty, on approved terms, that is, once the Depositary has ensured that the counterparty has agreed with the Company to provide a reliable and verifiable valuation at least on a daily basis and at any other time on request and that it will at the request of the Company close out the transaction at a fair value.

The ACD is permitted to use derivatives for investment purposes and not just for efficient portfolio management. The ACD's current intention is not to adopt such wider use of derivatives for the time being. If a decision is taken at a later date to do so then shareholders will be informed of the details of such use at that time on 60 days' notice. Any proposed wider use of derivatives will comply with the rules in COLL and, in particular:

Risk management policy
In order to monitor any potential additional risk arising as a result of exposure of a Fund's assets to open derivative positions the Company will employ a derivatives risk management policy which will be notified to the FCA in advance of being adopted and will include details of:

(a) The methods for estimating risk in derivative and forward transactions; and

(b) The types of derivatives and forwards to be used by a Fund together with the underlying risks and any relevant quantitative limits.

3. Borrowing and lending powers

The Company may borrow money from an eligible institution or approved bank for the use of any Fund, on terms that the borrowing is to be repayable out of the property of the Fund. Borrowings may be made only on a temporary basis and in any event must not exceed three months without the prior consent of the Depositary which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis. Borrowing must not, on any business day, exceed 10% of the

value of the property of the Fund. This limit does not apply to 'back to back' borrowing for currency hedging purposes.

4. Movable and immovable property

The Company will not have any interest in any immovable property or tangible moveable property.

5. Significant influence provisions

The Company will not hold or exercise control of more than 20% of the voting rights of the transferable securities in a body corporate.

Transferable securities

5.1 Transferable securities are:

(a) Shares in companies and other securities equivalent to shares in companies;

(b) Debentures;

(c) Government and public securities;

(d) Warrants; and

(e) Any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange.

The Company may invest only in transferable securities that fulfil the following criteria (and subject to the investment limits set out below):

(i) The potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;

(ii) Its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder;

(iii) Reliable valuation is available for it as follows:

  (1) In the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

  (2) In the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(iv) It is negotiable; and

(v) Its risks are adequately captured by the risk management process of the ACD.

Transferable securities admitted to or dealt in on an eligible market will be deemed to meet the conditions in (ii) and (iv) unless the ACD has information that would lead to a different determination. The ACD will assess the liquidity risk that may result from investment in illiquid transferable securities in the light of its obligations to redeem shares at the request of shareholders.

An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party (which does not include the issuing body corporate or any members of debenture holders of it).

Also an investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

Transferable securities held by the Company must be approved securities, that is admitted to or dealt on an eligible market, and must remain so until disposed of by the Company. Up to 10% in value of the scheme property may consist of transferable securities which are not approved securities. See Appendix 3 for details of the eligible markets of the Company.

If a market ceases to be an eligible market, investments on that market cease to be approved securities and must then be included in the calculation of the 10% restriction on investing in non-approved securities.

6. Money-market Instruments

The Company may invest in money-market instruments provided that:

(a) They are normally dealt in on an eligible money-market;

(b) They are liquid;

(c) Their value can be accurately determined at any time; and

(d) The money-market instrument has been issued by or guaranteed by a central, regional or local authority; a central bank of an EEA state, the European Central Bank, the European Union or the European Investment Bank, a non-EEA state or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA states belong; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by European Union law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union Law; or issued by a body, any securities of which are dealt in on an eligible market.

Save that, the Company may invest up to 10% of the scheme property in money-market instruments which do not meet these criteria.

In addition to instruments admitted to or dealt in on an eligible market the Company may with the express consent of the FCA by waiver application invest in an approved money-market instrument meeting the following requirements:

(i) The issue or the issuer is regulated for the purpose of protecting investors and savings; and

(ii) The instrument is issued or guaranteed by one of the bodies listed for the purpose in the COLL Sourcebook.

For the condition in (i), the issue or the issuer of a money-market instrument (other than one dealt in on an eligible market) shall be regarded as regulated for the purpose of protecting investors and savings if:

1. The instrument is an approved money-market instrument;
2. Appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with the COLL Sourcebook; and
3. The instrument is freely transferable.

Appendix 3 – List of eligible markets

Eligible securities markets

In addition to any market established in a member state of the European Union, or any other state which is within the European Economic Area ('Member State') on which transferable securities admitted to official listing are traded, the following securities markets are also eligible markets.

The principal market or only market established under the rules of any of the following investment exchanges:

Australia
- Australian Securities Exchange Limited (ASX)

Brazil
- Bolsa de Valores de Sao Paulo (BM & FBOVESPA)

Canada
- Toronto Stock Exchange
- Montreal Stock Exchange
- TSX Venture Exchange

Hong Kong
- Hong Kong Stock Exchange

Japan
- Tokyo Stock Exchange
- Osaka Securities Exchange
- Fukuoka Stock Exchange

Republic of Korea
- Korea Exchange

Malaysia
- Bursa Malaysia

Mexico
- The Mexican Stock Exchange

New Zealand
- New Zealand Stock Exchange

Singapore
- Singapore Exchange

South Africa
- JSE Securities Exchange

Switzerland
- Six Swiss Exchange

Taiwan
- The Taiwan Stock Exchange
- The Taipei Stock Exchange

Thailand
- Stock Exchange of Thailand

Turkey
- Istanbul Stock Exchange

United Kingdom
- Alternative Investment Market (AIM) Grey Book Market

United States
- NYSE Euronext
- The NASDAQ Stock Market
- NASDAQ OMX BX
- National Stock Exchange
- Chicago Stock Exchange
- Pacific Stock Exchange
- NYSE Arca Inc.
- NASDAQ OMX PHLX
- Philadelphia Stock Exchange
- The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers.

Eligible derivatives markets

- The London International Financial Futures and Options Exchange (Euronext LIFFE)

Appendix 4 – List of all government and other public securities

Specified in Appendix 2, Item 1.4:

- United Kingdom or any other Member State of the European Union
- Australia
- Brazil
- Canada
- Chile
- Egypt
- Hong Kong
- Japan
- Korea
- New Zealand
- Norway
- Singapore
- Switzerland
- Turkey
- United States

Appendix 5 – List of subcustodians

Country/Market	Subcustodian	Address
Argentina	The Branch of Citibank, N.A. in the Republic of, Argentina	Ciudad de Buenos Aires
Australia	Citigroup Pty Limited	Melbourne
Australia	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Kingdom of Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Belgium	The Bank of New York Mellon SA/NV	Brussels
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Banco Santander (Brasil) S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco Santander Chile	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
China	Bank of China Limited	Beijing
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	Citibank Europe Plc, Greece Branch	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Estonia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Euromarket	Clearstream Banking S.A.	Luxembourg
Euromarket	Euroclear Bank SA/NV	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
France	BNP Paribas SA	Paris
France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	Citibank Europe Plc, Greece Branch	Athens
Hong Kong	Citibank N.A. Hong Kong	Hong Kong
Hong Kong	Deutsche Bank AG	Hong Kong
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Standard Chartered Bank, India Branch	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Indonesia	Standard Chartered Bank, Indonesia Branch (SCB)	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Bank of Jordan	Amman
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Latvia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Lithuania	AB SEB bankas	Vilnius
Lithuania	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt

Country/Market	Subcustodian	Address
Luxembourg	Euroclear Bank SA/NV	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Standard Chartered Bank Malaysia Berhad (SCB)	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco Citi México, S.A. Institución de Banca Múltiple, Grupo Financiero Citi México	Ciudad de Mexico
Mexico	Banco S3 CACEIS Mexico, S.A., Institución de Banca Multiple	Ciudad de Mexico
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe, Windhoek
Netherlands	The Bank of New York Mellon SA/NV	Brussels
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanbic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Oman	Standard Chartered Bank Oman branch	Ruwi
Pakistan	Deutsche Bank AG	Karachi
Panama	Citibank N.A., Panama Branch	Panama City
Peru	Citibank del Peru S.A.	Lima
Philippines	Standard Chartered Bank, Philippines Branch	Makati City
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	Qatar National Bank	Doha
Qatar	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	AO Citibank	Moscow
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Singapore	Standard Chartered Bank (Singapore) Limited	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenija d.d.	Ljubljana
South Africa	Standard Chartered Bank, Johannesburg Branch	Sandton
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	Standard Chartered Bank Korea Limited (SCB)	Seoul
South Korea	The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	CACEIS Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	BNP Paribas	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited (HBME)	Dubai
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A.	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC “Citibank”. Full name Joint Stock Company “Citibank”	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d’Ivoire	Abidjan
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

Appendix 6 – Authorised collective investment schemes of which the ACD is the authorised corporate director

EdenTree Investment Funds – Series 2

Directory

AUTHORISED CORPORATE DIRECTOR (ACD)

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Whose Registered and Head Office is:

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Monday to Friday 9am to 5pm.
We may monitor or record calls to improve our service.

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