EdenTree Green Future Fund

SFDR Website Disclosures

SUMMARY

The EdenTree Green Future Fund ("The Fund") aims to invest in companies which at the core of their business provide sustainable solutions to the world's environmental challenges, while also seeking to provide long term capital growth over five years or more with an income.

The sustainable investment objective of the Fund is to invest 80% of the Fund in shares of companies whose core products and services address global sustainability challenges, with a particular focus on the environment. The Fund will focus on companies whose products and services offer solutions for the following themes:

- Alternative Energy (the generation, storage and distribution of clean energy)
- Energy Efficiency (the enabling of a low carbon transition)
- Circular Economy (solutions for sustainable materials and resource stewardship)
- Environmental Services (pollution control, testing and environmental impact management)
- Water Management (water conservation and management)
- Future Mobility (technologies and services enabling sustainable transportation)
- Regenerative Agriculture (sustainable food production)

The Investment Manager considers an investment to be substantially focused on such activities if the revenues generated from such activities or the capital expenditure attributable to such activities is at least 20% of the company's total revenue or capital expenditure.

The team uses a combination of top-down and bottom-up proprietary research in the investment process. Fundamental analysis is undertaken to ensure that the Fund's investments are consistent with its policy of seeking to invest in companies providing solutions to global sustainability challenges. Prior to investment, each company must be reviewed as one that provides an environmental solution at the core of its business. This process is referred to as 'positive' screening as it determines whether a company can be included in the portfolio.

An investment must also pass a negative screen. The Fund will avoid investment where there is 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. The Fund will avoid companies with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk, and operates this on a case by case basis. 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.

All sustainable investments made by the Fund are subject to an initial and ongoing review by the Investment Manager to ensure that they do not significantly harm any other social or environmental objective. As part of this "Do No Significant Harm" ("DNSH") assessment, the Investment Manager considers all the mandatory principal adverse indicators listed in Table 1 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288. These adverse impacts are considered by the Fund through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities

The Investment Manager uses a variety of data sources within its investment process. In particular the Investment Manager uses reported company data such as annual reports and sustainability reports, investment research, third party financial providers, trusted NGOs (such as the PRI, IIGCC, CDP, Workforce Disclosure Initiative, World Benchmarking Alliance), and third-party data providers, such as ISS, which act as an extra layer of due diligence. ISS' ESG rating, norms-based screening, SFDR analysis and climate analysis may be consulted by the Investment Manager.

Active engagement is an important and integrated part of the Fund's investment process. Several engagement methods are used by the Investment Manager to further understand, expose, and improve disclosures, policies,

and practices of investee companies including thematic engagement, stock-related engagement and reactive engagement.

NO SIGNIFICANT HARM TO THE SUSTAINABLE INVESTMENT OBJECTIVE:

All sustainable investments made by the Fund are subject to an initial and ongoing review by the Investment Manager to ensure that they do not significantly harm any other social or environmental objective. This is known as the 'Do No Significant Harm' test. As part of the DNSH assessment, the Investment Manager considers all the mandatory principal adverse indicators listed in Table 1 of Annex 1 of the Commission Delegated Regulation (EU) 2022/1288. Assessing a Fund against these indicators provides a view as to whether an investment is having a material adverse impact against the sustainable investment objective. The 14 principle adverse indicators include:

1. GHG emissions
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact sector
7. Activities negatively affecting biodiversity sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste
10. Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

These adverse impacts are considered by the Fund through a combination of portfolio management decisions, engagement, and the exclusion of issuers associated with controversial conduct or activities. Specifically, PAI 1-9 and 11-13 are considered through portfolio management and engagement activities. PAIs 10 and 14 are taken into account as per the Fund's exclusion list. A broad range of data sources are utilised as part of this assessment to ensure proposed sustainable investments are appropriately analysed.

Where a DNSH assessment identifies an issue in respect of a company, investment in that company will only be permitted where the Investment Manager is satisfied that appropriate remedial actions have been implemented. The Fund's performance against the PAI indicators is monitored on an ongoing basis using a third-party data provider.

The Investment Manager's investment due diligence process on each investment includes an initial evaluation and ongoing monitoring of companies' alignment with OECD guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

SUSTAINABLE INVESTMENT OBJECTIVE OF THE FUND:

The sustainable investment objective of the Fund is to invest 80% of the Fund in shares of companies whose core products and services address global sustainability challenges, with a particular focus on the environment. The Fund will focus on companies whose products and services offer solutions for the following themes:

- Alternative Energy
- Energy Efficiency
- Circular Economy
- Environmental Services

- Water Management
- Future Mobility
- Regenerative Agriculture

No reference benchmark has been designated for the purpose of attaining the sustainable objectives followed by the Fund.

INVESTMENT STRATEGY:

The EdenTree Green Future Fund aims to capture the long-term opportunities at the heart of the Green Revolution. It does this this by investing in innovative companies that are providing solutions to the planet's environmental challenges.

The Fund uses an unconstrained, blended approach which combines value and growth opportunities worldwide, with the core focus being identifying companies that will provide the greatest upside potential over the long term, as well as delivering a positive environmental impact.

The ESG investment strategy used by the Investment Manager is as follows:

Investments are substantially oriented towards the following sustainable themes (typically by assessing indicators such as the level of revenue or capital expenditure related to economic activity that is contributing to the themes)

- Alternative Energy (the generation, storage and distribution of clean energy)
- Energy Efficiency (the enabling of a low carbon transition)
- Circular Economy (solutions for sustainable materials and resource stewardship)
- Environmental Services (pollution control, testing and environmental impact management)
- Water Management (water conservation and management)
- Future Mobility (technologies and services enabling sustainable transportation)
- Regenerative Agriculture (sustainable food production)

The Investment Manager considers an investment to be substantially focused on such activities if the revenues generated from such activities or the capital expenditure attributable to such activities is at least 20% of the company's total revenue or capital expenditure.

The team uses a combination of top-down and bottom-up proprietary research in the investment process. The Fund's investment universe comprises around 1,500 companies worldwide that are already making an active contribution to the environmental value chain as well as having a low environmental impact. The Investment Manager focuses on companies that rank highly in terms of thematic alignment, growth prospects, managerial commitment and valuation as they believe these are enduring qualities over the long term, particularly within the context of ESG performance. The universe is then refined down to a more focused list of 200 companies from which the managers build a portfolio of high conviction ideas. The Investment Manager follows these companies closely and seeks to understand the nuances of their business processes.

The Fund incorporates negative screening to avoid companies whose activities are harmful to society. The Fund will avoid investment where there is 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. The Fund will avoid companies with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk, and operates this on a case by case basis. 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. It will invest in pharmaceuticals companies that may conduct animal testing but will encourage the adoption of the 3R principles: refine, reduce, and replace.

The outcomes of a positive screen are also used to ensure all potential investments are managing their material sustainability risks. These risks are considered in the investment process and form part of the ongoing monitoring of companies in which the Fund is invested.

The Investment Manager conducts research and due diligence to ensure that companies in the Fund follow good governance. As part of this, the Investment Manager assesses prospective investments for issues relating but not limited to ownership and control, board structure, board diversity, pay practices, accounting and tax practices, political and lobbying practices, and stakeholder engagement. To conduct this assessment, the Investment Manager reviews policies, such as codes of conduct and anti-bribery and corruption policies, as well as compliance infrastructure. The Investment Manager also examines the history and pattern of corporate behaviour going back five years and assesses remediation of governance controversies.

PROPORTION OF INVESTMENTS

The Fund invests at least 80% globally in shares of companies whose core products and services address global sustainability challenges, with a particular focus on the environment. Up to 20% of the Fund may be invested in other assets, including shares of other companies, open-ended funds (including funds managed by EdenTree and its associates), 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.

MONITORING OF SUSTAINABLE INVESTMENT OBJECTIVE

The Investment Manager monitors all portfolio holdings on an ongoing basis, including their attainment of the sustainable investment objective. Monitoring is conducted in multiple ways, including through news flow monitoring, company reporting, engagement meetings, analysis of third-party research reports and the assessment of other, credible information relevant to the delivery of the investment objective and strategy.

Any issues in relation to the Fund's sustainable investment objective identified by the Investment manager from its monitoring will be investigated further and could lead to a decision to sell the investment.

Monitoring of the Fund's negative screens is done through the trading system. The trading system places tags on all excluded stocks, preventing the Investment Manager from dealing. Companies that fall into breach (i.e., they acquire a business that breaches the ethics screen) would be sold down over a period of time – usually three months. The Charles River system will prevent any further investment. Compliance reviews are regularly conducted to ensure compliance.

METHODOLOGIES

This section describes the methodologies used to measure the attainment of the Fund's sustainable objective.

The Fund Manager uses a revenue or capital expenditure test to determine whether a company's core products and services are substantially focused on activities that contribute to one of the Fund's seven sustainable solutions themes:

- Alternative Energy (the generation, storage and distribution of clean energy)
- Energy Efficiency (the enabling of a low carbon transition)
- Circular Economy (solutions for sustainable materials and resource stewardship)
- Environmental Services (pollution control, testing and environmental impact management)
- Water Management (water conservation and management)
- Future Mobility (technologies and services enabling sustainable transportation)
- Regenerative Agriculture (sustainable food production)

At minimum, 20% of an issuer's revenue or capital expenditure must be attributable to one of the seven themes. A "pass-fail approach" is used in relation to this threshold.

DATA SOURCING AND PROCESSING

The Investment Manager uses a variety of data sources within its investment process. In particular the Investment Manager uses reported company data such as annual reports and sustainability reports, investment research, third party financial providers, trusted NGOs (such as the PRI, IIGCC, CDP, Workforce Disclosure Initiative, World Benchmarking Alliance), and third-party data providers, such as ISS, which act as an extra layer of due diligence. ISS' ESG rating, norms-based screening, SFDR analysis and climate analysis may be consulted by the Investment Manager.

Sustainability data is sourced and utilised according to need. Relevant uses may include (but are not limited to) sustainability analysis of individual securities, sustainability analysis of the portfolio, ensuring compliance with do no significant harm policies, negative and positive screening, impact reporting and other sustainability-related regulatory reporting.

The majority of sustainability data used in the analysis is sourced directly from companies and from specialised data providers, which may incorporate some degree of estimation. The Investment Manager seeks to avoid self-estimation of sustainability data, unless sufficient conviction to support an estimation can be built. Self-estimated sustainability data represents a small proportion of all sustainability data used in the analysis.

LIMITATIONS TO METHODOLOGIES AND DATA

The methodologies and data used have the following limitations:

- Data Quality. As it relates to carbon emissions, robust calculation methodologies of avoided emissions remain at early stage and lack standardisation. One of the main challenges in such calculations remains the difficulty to ensure that fair proportional attribution of avoided emissions along the value chain is performed.

- Lack of datapoints. As the Fund invests in different sustainable solution themes that extend beyond climate change, relevant environmental performance metrics also extend beyond avoided carbon. Standardised metrics for other sustainable themes are rarely available, even though they may be a critical part of a company's sustainability proposition.

- Coverage. With respect to external data providers, although the number of companies covered by data providers has increased significantly over time, and continues to increase, there may be instances where a specific company is not assessed by them. This is because either the data provider does not cover the company in question, or the company has not provided the data necessary for a proper assessment by the data provider.

The Investment Manager recognises the current limitations associated with sustainability data outlined above. Therefore, the analysis incorporates both qualitative and quantitative assessments to ensure holdings contribute to the sustainable investment objective. Focus is largely placed on completing a strong qualitative evaluation of the contribution provided by the products and services of a company. As a result, the limitations outlined above do not affect the attainment of the sustainable investment objective.

DUE DILIGENCE

Fundamental analysis is undertaken to ensure that the Fund's investments are consistent with its policy of seeking to invest in companies providing solutions to global sustainability challenges.

Prior to investment, each company must be reviewed as one that provides an environmental solution at the core of its business. This process is referred to as 'positive' screening as it determines whether a company can be included in the portfolio.

An investment must also pass a negative screen. The Fund will avoid investment where there is 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. The Fund will avoid companies with material operations in oppressive regimes. The Fund has a proprietary means of assessing oppressive regime risk, and operates this on a case by case basis. 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. It will invest in pharmaceuticals companies that may conduct animal testing but will encourage the adoption of the 3R principles: refine, reduce, and replace. Given the Fund's investment themes, it is rare for candidate companies to pass the positive screen but fail the negative screen. The negative screens therefore do not typically constrict the Fund's investment universe.

Companies are monitored on an ongoing basis through engagement and investment reviews.

ENGAGEMENT POLICIES

Active engagement is an important and integrated part of the EdenTree's investment process. Several engagement methods are used by the Responsible Investment Team to further understand, expose, and improve disclosures, policies, and practices of investee companies:

- Thematic engagement: this type of engagement usually focuses on a particular issue such as climate change, board diversity, modern slavery, or biodiversity, as well as on the Responsible Investing Teams' annual predetermined thematic engagement strategy. The RI team may engage with the company on its own, or in collaboration with other stakeholders (i.e., such as NGOs or the PRI).
- Stock-related engagement: while conducting analysis on new investment ideas and reviewing existing holdings, the RI team may engage with a company on its general management of ESG or sustainability issues
- Reactive engagement: in case of negative news or emerging sustainability-based controversies (i.e. obtained by the RI Team via news flow or ISS controversy alerts), the team will use reactive engagement. The RI team will conduct a short engagement to seek information and the company's position of response. Following the meetings, the RI team will evaluate whether the company is managing the controversy sufficiently. In case of a breach of EdenTree's Ethics screens, divestment from the company may be recommended.

When – after many attempts – the engagement with a company stall, the Investment Manager can decide to escalate the engagement using different methods:

- Attempt to engage with Senior Management
- Utilise House brokers to facilitate contact and dialogue
- Collaborate with other like-minded investors
- Advise the Management Company to (1) support shareholder resolutions where appropriate; and (2)
- Exercise voting power at company meetings.

For more information, please check the External Investment Manager's Engagement Policy: c00880-how-we-engage-v2.pdf (edentreeim.com)

ATTAINMENT OF THE SUSTAINABLE INVESTMENT OBJECTIVE

The Investment Manager seeks to attain the Fund's sustainable investment objective through investing in companies that are substantially oriented towards the following sustainable solution themes (typically by assessing indicators such as the level of revenue or capital expenditure relating to economic activity that is contributing to the themes):

- Alternative Energy (the generation, storage and distribution of clean energy)
- Energy Efficiency (the enabling of a low carbon transition)
- Circular Economy (solutions for sustainable materials and resource stewardship)
- Environmental Services (pollution control, testing and environmental impact management)
- Water Management (water conservation and management)
- Future Mobility (technologies and services enabling sustainable transportation)
- Regenerative Agriculture (sustainable food production)

At minimum, 20% of an issuer's revenue or capital expenditure must be attributable to one of the seven themes. A "pass-fail approach" is used in relation to this threshold.

No specific ESG-related index has been designated for this Fund.