

**Supplement**

**GIB AM Sustainable World Fund**

**A sub-fund of AFP UCITS ICAV**

**An open-ended umbrella Irish collective asset- management vehicle with segregated liability  
between sub-funds formed in Ireland under the Irish Collective Asset-management Vehicles Act  
2015 and authorised by the Central Bank as a UCITS pursuant to the Regulations**

**Dated 22 May 2024**

## **Important Information**

This Supplement contains information relating specifically to the GIB AM Sustainable World Fund (the "**Sub-Fund**"), a sub-fund of AFP UCITS ICAV (the "**ICAV**"), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank as a UCITS pursuant to the Regulations.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the ICAV dated 12 June 2023 (the "**Prospectus**").

As the price of Shares in the Sub-Fund may fall as well as rise, the ICAV shall not be a suitable investment for an investor who cannot sustain a loss on their investment. Investors may also refer to the KIID for the most up-to-date SRRRI measurement.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

Investors should read and consider Appendix III to the Prospectus (entitled "**Risk Factors**") before investing in the Sub-Fund.

## Definitions

<b>Business Day</b>	means any day on which commercial banks are open for business in Dublin and London, or such other day or days as the Directors may determine;
<b>Dealing Day</b>	means each Business Day and/or such other day or days as the Directors may in their absolute discretion determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each Month occurring at regular intervals, excluding days which have been determined as non-dealing days (the " <b>Non-Dealing Days</b> "). Non-Dealing Days are available from the Investment Manager and published on <a href="https://gibam.com/what-we-do/gib-sustainable-world-fund-2">https://gibam.com/what-we-do/gib-sustainable-world-fund-2</a> ;
<b>Dealing Deadline</b>	has the meaning given to it in the section "Timing of transactions";
<b>Emerging Markets</b>	means those countries defined as such by the MSCI World Index;
<b>Equity Related Securities</b>	means securities or instruments such as common stock, depositary receipts (including but not limited to American Depositary Receipts and Global Depositary Receipts), preferred shares, equity linked notes (unleveraged debt securities linked to the performance of equities), warrants and convertible securities (such as convertible preference shares);
<b>Initial Offer Period</b>	means; <ul style="list-style-type: none"><li>(i) in respect of A2 EUR (C), A2 EUR AD (D), A2 USD (C), A2 USD AD (D), I2 CHF (C), I2 CHF AD (D), I2 EUR (C), I2 EUR AD (D), I2 GBP (C), I2 GBP AD (D), I2 USD AD (D), J2 CHF (C), J2 CHF AD (D), J2 EUR (C), J2 EUR AD (D), J2 GBP (C), J2 GBP AD (D), J2 USD (C), J2 USD AD (D), R2 EUR (C), R2 EUR AD (D), R2 USD (C), R2 USD AD (D), X2 GBP (C), X2 USD (C), the period starting at 9 a.m. (Irish time) on 13 June 2023 and will finish at 5 p.m. (Irish time) on 21 November 2024; and</li><li>(ii) in respect of SE EUR (C), SE EUR AD (D), SE USD (C), SE USD AD (D), the period starting at 9 a.m. (Irish time) on 16 November 2023 and will finish at 5 p.m. (Irish time) on 21 November 2024,</li><li>(iii) in respect of all other Share Classes, save the Issued Classes, the period starting at 9 a.m. (Irish time) on 23 May 2024 and will finish at 5 p.m. (Irish time) on 21 November 2024 as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank,</li></ul> as may be shortened or extended by the Directors in accordance with the requirements of the Central Bank;
<b>Investment Grade</b>	means a rating of at least Baa by Moody's Investor Services or BBB by Fitch or BBB- by Standard & Poor's;

<b>Issued Classes</b>	means the following Classes that have issued at the date of this Supplement: I2 USD (C)
<b>Minimum Fund Size</b>	means \$25,000,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;
<b>Minimum Share Class Size</b>	means \$500,000 (or the currency equivalent thereof) or such other amount as the Directors may in their absolute discretion determine;
<b>Redemption Settlement Date</b>	means two (2) Business Days after the relevant Dealing Day, or such other time as the Directors in their absolute discretion may determine;
<b>Subscription Settlement Date</b>	means two (2) Business Days after the relevant Dealing Day, or such other time as the Directors in their absolute discretion may determine; and
<b>Valuation Point</b>	means 10 p.m. (Irish time).

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## Objective and Investment Policy

### Objective

The Sub-Fund seeks to achieve capital growth through investment in a portfolio of global equities issued by companies that the Investment Manager believes have the potential to create value while having a positive impact on global sustainability.

Investors should be aware there is no guarantee that the Sub-Fund will achieve its investment objective.

### Investments

The Sub-Fund seeks to achieve its investment objective by investing primarily in equities and Equity Related Securities listed or traded on a Permitted Market that are issued by companies that the Investment Manager believes can create value from products, services or operations that have a positive impact on the Sustainability Themes (as defined below). Issuers will represent a broad range of sectors and industries and may be located anywhere in the world.

A maximum of 30% of Net Asset Value of the Sub-Fund may be invested in the equities of issuers that are domiciled, listed or traded in an Emerging Market country, and up to 10% of Net Asset Value may be invested in securities listed or traded on the Moscow Exchange.

The Sub-Fund may hold cash and instruments that may be readily converted to cash (including cash deposits, treasury bills, Investment Grade government bonds and short-term corporate bonds (fixed or floating rate), commercial paper, short term money market instruments and certificates of deposit). In normal market conditions, such investment shall not exceed 20% of the Net Asset Value of the Sub-Fund.

Under normal market conditions, the Investment Manager will target a relatively concentrated portfolio of between 30 and 65 securities. As a consequence, the Sub-Fund may have a higher level of annualised volatility than a more diversified portfolio.

### Benchmark

The Sub-Fund is actively managed. The MSCI World Index serves only as an indicator for assessing the Sub-Fund's performance. The

Investment Manager's discretion in constructing the portfolio is not limited to, or constrained by, the constituents of the MSCI World Index. Further, the Sub-Fund has not designated the MSCI World Index as a reference benchmark for the purpose of the Disclosure Regulation as it is a broad market index, which does not assess or include its constituents on the basis of ESG (as defined below) factors and therefore is not aligned with the sustainable investment objective the Sub-Fund.

### Derivatives

The Sub-Fund may use derivatives for efficient portfolio management purposes only (as described under the sections of the Prospectus entitled "**Efficient Portfolio Management**" and "**Use of FDI**") but only to the extent that such use does not impact the Sub-Fund's sustainable investment objective.

In particular, the Sub-Fund may make use of derivatives (including derivatives that focus on equities and foreign exchange) to reduce risk (e.g. hedge equities and foreign exchange risk) and as a way to reduce the cost of gaining exposure to equities and Equity Related Securities.

The types of FDI in which the Sub-Fund may invest in are limited to (i) futures; (ii) forwards; and (iii) options.

### Base currency USD

## Management Process

To establish the investment universe, the Investment Manager first excludes certain issuers, as described under "**Excluded Issuers**" below. The Investment Manager then utilises the disciplined bottom-up analysis approach described below, which seeks to integrate fundamental environmental, social, and governance ("**ESG**") factors in order to identify companies that create value through products, services or operations that have a positive impact on the Sustainability Themes (as defined below). The Investment Manager also considers the good governance practices of proposed investee companies, described below, as part of its consideration of the issuers included in the investment universe. All of the Sub-Fund's investments will be subject to an ESG assessment, but the Investment

Manager's process is not designed to exclude a specific percentage of the investment universe.

#### *ESG assessment*

The Investment Manager will rely on research provided by third parties in addition to its own proprietary research (e.g. global and regional sustainability agreements, academia, research and corporate standards) to identify recognised global sustainability challenges such as those contained in the United Nations Sustainability Development Goals, the Paris Agreement and the Stockholm Resilience Centre's Nine Planetary Boundaries ("**Sustainability Drivers**").

The Sustainability Drivers are then utilised by the Investment Manager to define the key themes ("**Sustainability Themes**") that are integrated into the Sub-Fund's management process. Examples of Sustainability Themes include, but are not limited to, healthcare, education, nutrition, transport safety, clean energy, e-mobility, resource efficiency and water. The Investment Manager will focus on issuers it believes can positively impact one or more of the Sustainability Themes and that have the potential for long term value creation.

Sustainability Drivers and derived Sustainability Themes are subject to change in the event of amendment to existing Sustainability Drivers, and/or the creation of new Sustainability Drivers which the Investment Manager in its sole discretion determines are appropriate for purposes of the Sub-Fund's management process.

Finally, the Investment Manager integrates ESG-specific data into its fundamental analysis to complete a detailed assessment of each issuer. This includes alignment of the company to its corresponding Sustainability Theme; analysis of the company's product and service offerings; the operations of the business, including its governance practices. The Investment Manager will use its assessment of each issuer and its view of the relevant Sustainability Theme(s) to produce its own forecast of the company's future earnings and valuation, together (where possible) with an assessment of the positive ESG impacts associated with those forecasts. This will enable the Investment Manager to form an

ESG-integrated view of the value of the company and invest where it believes there is potential for long-term value creation.

Upon investment and over the life of an investment, the Investment Manager assesses and monitors Sustainability Risk and considers the principal adverse impact of an investment decision on the Sustainability Factors.

#### *Excluded issuers*

The excluded issuers specified in the Responsible Investment Policy (as further detailed in the section of the Prospectus entitled "**Overview of Responsible Investment Policy**") will be excluded from the investible universe. In addition, companies whose operations have, in the Investment Manager's opinion, a negative impact on the Sustainability Themes or that contravene the Investment Manager's responsible investment policy will also be excluded. This currently includes, but is not limited to, operations relating to:

- weapons;
- fossil fuels;
- adult entertainment;
- tobacco;
- alcohol production;
- gambling; and
- any other products and services determined by the Investment Manager to negatively impact Sustainability Themes.

The Investment Manager will also exclude from the eligible investment universe issuers that are subject to United Nation, European Union, United Kingdom or United States sanctions due to their systematic breach of standards.

Details of the Investment Manager's responsible investment policy can be found at <https://gibam.com/about/governance>.

#### *Good governance practices of investee companies*

The Investment Manager's analysis of an issuer will include, but is not limited to, its corporate governance structure and practices, such as the soundness of its management structures; the extent of management's engagement with its workforce and employee engagement

scores; the diversity of the issuer’s board; and statistics concerning fatalities, injuries and illness in the workplace and staff turnover.

### Disclosures Regulation

The Manager, in conjunction with the Investment Manager, has categorised the Sub-Fund as meeting the provisions set out in Article 9 of the Disclosures Regulation for products that have a Sustainable Investment objective.

Additional information relating to the Sub-Fund’s sustainable investment objective, including details on the sustainability indicators and “do no significant harm” assessments utilised to measure the attainment of the Sub-Fund’s investment objective, as well as how the Investment Manager considers the principal adverse impacts on sustainability factors, can be found in the annex appended to this Supplement ("**Annex I**").

### Taxonomy Regulation

The Sub-Fund seeks to increase the value of your investment over the recommended holding period, through investment in Sustainable Investments pursuant to Article 9 of the Disclosure Regulation.

For the purpose of the Taxonomy Regulation, the Sub-Fund does not presently intend to be invested in investments that take into account the EU criteria for environmental sustainable economic activities. Therefore, as at the date of this Supplement, 0% of the Sub-Fund’s investments are invested in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

### Main Risks

Investors should consider the risk factors in Appendix III to the Prospectus entitled “Risk Factors”. In addition, investors should be aware of the following risks applicable to the Sub-Fund:

- Equity Risks
- Efficient Portfolio Management Risk
- Financial Markets and Regulatory Change
- Sustainable
- Investment Fund Risk
- Volatility Risk
- Concentration Risk
- Depository Risk
- Emerging Market

Investment Risk Risk

Investors should also note that the Sub-Fund may perform differently or underperform relative to other comparable funds that do not integrate Sustainability Risks into their investment decisions.

### Techniques and instruments

The Sub-Fund will not use securities financing transactions and Total Return Swaps, which are subject to the requirements of SFTR.

### Risk management method

Commitment Approach.

### Investment Manager

#### Gulf International Bank (UK) Limited

Gulf International Bank (UK) Limited was established in the United Kingdom as a limited company (Registration No: 1223938) and is regulated by the Financial Conduct Authority and authorised and regulated by Prudential Regulation Authority and has been cleared by the Central Bank of Ireland to provide investment management services to Irish collective investment schemes.

The fees and expenses of the Investment Manager shall be discharged out of the Sub-Fund’s assets for each respective Class.

### Planning Your Investment

See the section entitled "**Share Dealings – Classes**" in the Prospectus for further information.

### Profile of a Typical Investor

Suitable for investors:

- With a broad knowledge of investing in funds;
- Who understand the risk of losing some or all of the capital invested; and
- Seeking to increase the value of their investment over the recommended holding period of five years.

Investment in the Sub-Fund should be considered long-term and may not be suitable for a short-term investment.

### **Initial Offer Period**

During the Initial Offer Period relevant to a Class, Shares of that Class will be issued at the Initial Issue Price set out below, except for the Issued Classes. After the Initial Offer Period, Issued Classes, and other Classes whose Initial Offer Period have closed at the discretion of the Directors, will be available for subscription on each Dealing Day at the then prevailing Net Asset Value per Share.

### **Timing of Transactions**

Applications for subscriptions, redemptions and conversions must be received before 11 am (Irish time) on the relevant Dealing Day (the "**Dealing Deadline**").

Please note that the list of Non-Dealing Days is available from the Investment Manager and published on <https://gibam.com/what-we-do/gib-sustainable-world-fund-2>.

Subscription monies should be paid to the Subscriptions/Redemptions Account so as to be received in cleared funds by no later than the Subscription Settlement Date.

Payment of Redemption Proceeds will normally be made by electronic transfer to the account of the redeeming Shareholder at the risk and expense of the Shareholder by the Redemption Settlement Date, provided that all the required documentation has been furnished to and received by the Administrator.

### **Conversions**

Conversions between Classes within the Sub-Fund are permitted, but conversions between Classes of the Sub-Fund and another sub-fund of the ICAV are not permitted.



## Share Classes and Fees

Class Label	Minimum initial investment	Initial Issue Price*	Investment Management Fee (Max)	Administration Fee (Max)**	Entry Charge (Max)	Exit Charge (Max)	Conversion Charge (Max)	CDSC (Max)	Distribution Fee (Max)
A2	\$1,000	\$10	1.50%	0.20%	None	None	None	None	None
I2	\$500,000	\$100	0.75%	0.20%	None	None	None	None	None
J2	\$500,000	\$100	0.75%	0.20%	None	None	None	None	None
R2	\$1,000	\$10	1.50%	0.20%	None	None	None	None	None
SE	\$500,000	\$100	0.60%	0.20%	None	None	None	None	None
X2	\$20,000,000	\$100	0%	0.20%	None	None	None	None	None

\*The initial issue price will be in the designated currency of the relevant Class as listed in Appendix I.

\*\*This fee is subject to a minimum fee of \$62,500 per annum for the first year following the close of the Initial Offer Period for the Class that closes first and a minimum fee of \$125,000 per annum thereafter, payable to the Manager monthly in arrears in respect of its role in managing the assets of the Sub-Fund and administrative and operational support, which involves, procuring the provision of administration and depositary services as well as a range of other services as set out in further detail in the section "Administrative Fee" of the Prospectus.

## Share Class Characteristics

The characteristics and investor eligibility requirements as set out in the section of the Prospectus entitled "Share Dealings" are not applicable to the share classes in the Sub-Fund.

The characteristics and investor eligibility requirements for the Sub-Fund's share classes are set out as follows:

Class Label	Available To
A2	All investors
I2	Institutional investors
J2	Reserved for institutional intermediaries or providers of individual portfolio management services that are prohibited, by law or contract, from retaining inducements
R2	Reserved for intermediaries or providers of individual portfolio management services that are prohibited, by law or contract, from retaining inducements

SE	Institutional investors; The Class SE shares are available for subscription until: (i) assets of USD \$100,000,000 (or currency equivalent) in Class SE shares have been reached, or (ii) until such a time as determined by the Directors in their absolute discretion, after which the Class SE shares will be closed for subscription from new investors. Once assets of USD \$100,000,000 (or currency equivalent) are reached in the Class SE shares, additional subscriptions from existing shareholders of Class SE shares may be subject to limits agreed with the Investment Manager.
X2	Institutional investors; The Class X2 shares shall only be made available for subscription to employees of the Investment Manager and its affiliates, or as the Manager may determine from time to time in its absolute discretion.

The foregoing Classes may be made available in the Sub-Fund. Please refer to Appendix I for further details of the classes that are currently available in the Sub-Fund.

The Net Asset Value per Share in each Class will be calculated in the relevant Class currency. In addition, all subscriptions and redemptions will be effected in that currency.

The fees and expenses set out in the above table, expressed as a percentage of the Net Asset Value per Share may be incurred by a Shareholder as a result of its investment in a particular Class.

The Sub-Fund's establishment and organisation expenses, which are estimated not to exceed USD \$54,000, shall be borne out of the assets of the Sub-Fund and shall be amortised over the first three accounting periods following Central Bank approval of the Sub-Fund.

For further detail in respect of the fees and expenses applicable to the ICAV and the Sub-Fund see the section entitled "**Fees and Expenses**" in the Prospectus.

### **Swing Pricing**

The Directors have adopted a swing pricing mechanism in respect of the Sub-Fund. Please refer to the section entitled "**Swing Pricing Mechanism**" in the Prospectus for further detail.

### **Material Contracts**

The Investment Management Agreement may be terminated by a party on giving not less than 90 days' prior written notice to the other parties. The Investment Management Agreement may also be terminated forthwith by a party giving notice in writing to the other parties upon certain breaches as outlined in the Investment Management Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Investment Manager accepts responsibility for all Losses (as defined therein) suffered or incurred by the Manager or the ICAV to the extent that Losses are due to a breach of the Investment Management Agreement or due to the negligence, fraud, bad faith, or wilful default by the Investment Manager or its Delegates (as defined therein) in the performance of its obligations or duties under the Investment Management Agreement and the Investment Manager will not otherwise be liable for Losses suffered or incurred by the Manager or the ICAV.

The Investment Manager accepts responsibility for and shall indemnify the Manager and the ICAV and any of their respective directors, officers or employees against any Losses suffered as a direct result of the Investment Manager's fraud, negligence or willful default.

No party shall be responsible for the loss of, or damage to, any property of another party or for any failure to fulfil its obligations hereunder if such loss, damage or failure shall be caused by a Force Majeure Event (as defined therein), or other cause whether similar or otherwise which is beyond the reasonable control of the

relevant party provided that the relevant party shall use all reasonable efforts to minimise the effects of any such event.

No party shall be responsible for the loss of, or damage to, any property of another party or for any failure to fulfil its obligations thereunder if such loss, damage or failure shall be caused by a Force Majeure Event (as defined therein), or other cause whether similar or otherwise which is beyond the reasonable control of the relevant party provided that the relevant party shall use all reasonable efforts to minimise the effects of any such event.

The Investment Management Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Investment Management Agreement.

### Miscellaneous

At the date of this Supplement, the other sub-funds of the ICAV in existence are:

- Euro Credit Bond
- GIB AM Emerging Markets Active Engagement Fund
- GIB AM Sustainable World Corporate Bond Fund
- GIB AM European Focus Fund

## Appendix I

### Share Class Information

Share Class	Distributing Status
A2 CHF (C)	Non-Distributing
A2 CHF AD (D)	Distributing
A2 DKK (C)	Non-Distributing
A2 DKK AD (D)	Distributing
A2 EUR (C)	Non-Distributing
A2 EUR AD (D)	Distributing
A2 NOK (C)	Non-Distributing
A2 NOK AD (D)	Distributing
A2 SEK (C)	Non-Distributing
A2 SEK AD (D)	Distributing
A2 USD (C)	Non-Distributing
A2 USD AD (D)	Distributing
I2 CHF (C)	Non-Distributing
I2 CHF AD (D)	Distributing
I2 DKK (C)	Non-Distributing
I2 DKK AD (D)	Distributing
I2 EUR (C)	Non-Distributing
I2 EUR AD (D)	Distributing
I2 GBP (C)	Non-Distributing
I2 GBP AD (D)	Distributing
I2 NOK (C)	Non-Distributing
I2 NOK AD (D)	Distributing
I2 SEK (C)	Non-Distributing
I2 SEK AD (D)	Distributing
I2 USD (C)	Non-Distributing
I2 USD AD (D)	Distributing
J2 CHF (C)	Non-Distributing
J2 CHF AD (D)	Distributing
J2 EUR (C)	Non-Distributing
J2 EUR AD (D)	Distributing
J2 GBP (C)	Non-Distributing
J2 GBP (AD) (D)	Distributing
J2 USD (C)	Non-Distributing
J2 USD AD (D)	Distributing
R2 EUR (C)	Non-Distributing
R2 EUR AD (D)	Distributing
R2 GBP (C)	Non-Distributing
R2 GBP AD (D)	Distributing
R2 USD (C)	Non-Distributing

R2 USD AD (D)	Distributing
SE CHF (C)	Non-Distributing
SE CHF AD (D)	Distributing
SE DKK (C)	Non-Distributing
SE DKK AD (D)	Distributing
SE EUR (C)	Non-Distributing
SE EUR AD (D)	Distributing
SE GBP (C)	Non-Distributing
SE GBP AD (D)	Distributing
SE NOK (C)	Non-Distributing
SE NOK AD (D)	Distributing
SE SEK (C)	Non-Distributing
SE SEK AD (D)	Distributing
SE USD (C)	Non-Distributing
SE USD AD (D)	Distributing
X2 CHF (C)	Non-Distributing
X2 CHF AD (D)	Distributing
X2 DKK (C)	Non-Distributing
X2 DKK AD (D)	Distributing
X2 EUR (C)	Non-Distributing
X2 EUR AD (D)	Distributing
X2 GBP (C)	Non-Distributing
X2 GBP AD (D)	Distributing
X2 NOK (C)	Non-Distributing
X2 NOK AD (D)	Distributing
X2 SEK (C)	Non-Distributing
X2 SEK AD (D)	Distributing
X2 USD (C)	Non-Distributing
X2 USD AD (D)	Distributing

The Sub-Fund is a multi-class fund with the Classes of Shares set out above denominated in currencies as set out above. The Net Asset Value per Share in each Class will be calculated in the relevant Class currency. In addition, all subscriptions and redemptions will be effected in that currency.

For conversions between Classes denominated in different currencies, the currency conversion will be made at the exchange rate applicable on the effective transaction day. For further details, see the section of the Prospectus entitled "Conversion of Shares".

## Annex I – ESG Related Disclosures Annex

### Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: GIB AM Sustainable World Fund (the “Fund”)

Legal entity identifier: 21300UYYUDD2YW3G135

## Sustainable investment objective

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

### Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective**: 0-100%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It will make a minimum of **sustainable investments with a social objective**: 0-100%

It promotes E/S characteristics, but **will not make any sustainable investments**

### What is the sustainable investment objective of this financial product?

The Fund invests 100% of its assets in sustainable investments, excluding cash and instruments used for efficient portfolio management, as noted in the Fund’s supplement.



The allocation between environmental or social investments can range between 0-100% provided that the total allocation to environmental and social investments is always 100%.

The Fund's objective is to invest in global equities issued by companies that the Investment Manager believes create a positive impact on global sustainability.

### **Sustainability indicators**

measure how the sustainable objectives of this financial product are attained.

### ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The Fund uses the following sustainability indicators to measure the attainment of the sustainable investment objective:

Companies that have:

- A majority of revenue from product or services that are having a positive impact on our Sustainability Themes;
- A maximum 0-5% revenue exposure to the below excluded activities;
  - Weapons (including nuclear weapons, warheads and/or whole nuclear missiles, conventional and controversial weapons, and civilian firearms) (0% )
  - Fossil fuels (0%)
  - Tobacco (0%)
  - Adult entertainment (5%)
  - Alcohol (5%)
  - Gambling (5%)
- ESG-specific data points used to complete a detailed assessment of each issuer. The Fund requires:
  - No companies with very severe controversies defined as an MSCI Red Flag, where covered by MSCI (or similar);
  - No companies with a 'Fail' under compliance with the United Nations Global Compact principles where covered by MSCI (or similar).

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

In order to ensure that identified potential sustainable investments do not cause significant harm to the sustainable investment objectives both prior and after investment, the Investment Manager follows three steps:

1. Run exclusion screens with the following thresholds:
  - Weapons (including nuclear weapons and warheads, and/or whole nuclear missiles, conventional and controversial weapons, and civilian firearms) (0%)

- Fossil fuels (0%)
  - Tobacco (5%)
  - Adult entertainment (5%)
  - Alcohol (5%)
  - Gambling (5%)
2. Use ESG-specific data points used to complete a detailed assessment of each user. The Fund requires that the following companies are excluded:
- Companies with very severe controversies defined as an MSCI Red Flag, where covered by MSCI (or similar); and
  - Companies with a Fail under compliance with the United Nations Global Compact principles where covered by MSCI (or similar).
3. Assess each investment against a set of indicators of principle adverse impacts in accordance with the methodology set out below, and exclude potential investments which do not meet thresholds for selected principal adverse impacts (“PAI”).

When creating and monitoring the investment universe, the Investment Manager applies a **do no significant harm** criteria to the environmental and social investment objective by excluding companies that engage in harmful activities that are contrary to the Fund’s sustainability themes, or that do not meet the Fund’s ESG exclusion criteria.

The Investment Manager assesses and then monitors company securities based on the PAI indicators listed in Table 1, where data is available.

**TABLE 1**

PAI		Metrics (for indication purposes only, and where available)
1	GHG emissions	Carbon Emissions - Scope 1, 2 and 3 (metric tons) - policy, target or intent
2	Carbon footprint	
3	GHG intensity of investee companies	Carbon Emissions - Scope 1, 2 and 3 Intensity (t/USD million sales) - policy, target or intent
4	Exposure to companies active in the fossil fuel sector	Thermal Coal - Maximum Percentage of Revenue Oil Sands - Maximum Percentage of Revenue Shale Gas - Maximum Percentage of Revenue Shale Oil - Maximum Percentage of Revenue
5	Share of non-renewable energy consumption and production	Renewable energy usage as a percentage of total energy consumption - policy, target or intent



6	Energy consumption intensity per high impact climate sector	Same as #1, 2, and 3.
7	Activities negatively affecting biodiversity-sensitive areas	Environment - Land Use and Biodiversity Flag
8	Emissions to water	Environment – Water Stress Assessment Flag
9	Hazardous waste and radioactive waste ratio	Environment - Toxic Spills & Releases Flag
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Global Compact Compliance
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprise	
12	Unadjusted gender pay gap	Percentage difference in average annual compensation for women to men (%) – policy, target or intent
13	Board gender diversity	Female Directors Percentage – policy, target or intent.
14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Controversial Weapons - Any Tie

PAI indicator monitoring is undertaken as part of the security selection process and on an ongoing basis. The Investment Manager integrates ESG-specific data into its fundamental analysis to complete a detailed assessment of each issuer.

Upon investment and over the life of an investment, the Investment Manager assesses and monitors these issuers using a variety of qualitative and quantitative data, where available. Examples of the qualitative and quantitative metrics that may be used, where data is available, are listed in the above table.

*How have the indicators for adverse impacts on sustainability factors been taken into account?*

The Investment Manager screens company securities against the thresholds for each of the indicators listed in Table 2 below (from those listed in Table 1), where data is available.

**TABLE 2**

PAI		Stated Threshold
1	GHG emissions	Reducing emissions intensity or absolute emissions (estimated where data is not available), or evidence of policy or target or intention, to reduce emissions intensity or absolute emissions (estimated where data is not available).
2	Carbon footprint	
3	GHG intensity of investee companies	
4	Exposure to companies active in the fossil fuel sector	No Fossil Fuel Exposure flag - in line with Fund's guidelines - or evidence of no material revenue exposure to oil sands or shale oil or shale gas or thermal coal.  (Data from external providers such as MSCI or collected by the Investment Manager's research).
7	Activities negatively affecting biodiversity-sensitive areas	No "Land Use and Biodiversity" Red Flag (or equivalent) or evidence of policy or target or intention, to protect biodiversity-sensitive areas.  (Data from external providers such as MSCI or collected by the Investment Manager's research).
10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	No breach or policy or target or intention, to respect international guidelines.  (Data from external providers such as MSCI or collected by the Investment Manager's research).
11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprise	
13	Board gender diversity	Evidence of Board gender diversity.
14	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	0% controversial weapons exposure in revenue screens. No Tie flagged or evidence of material exposure to controversial weapons.  (Data from external providers such as MSCI or collected by Investment Manager's research).

The Investment Manager assesses the additional PAIs below, where material and where data is available:

Other Indicators	Actions taken / planned, and targets set for the subsequent reference period
------------------	--

Investments in companies without water management policies	Engagement: Where the Investment Manager believes it to be material, they will engage companies that do not have adequate water management policies.
Non-recycled waste ratio	Engagement: Where the Investment Manager believes it to be material, they will engage with companies with poor waste recycling ratios.
Number of days lost to injuries, accidents, fatalities or illness	Engagement: Where the Investment Manager believes it to be material, they will engage with companies with poor safety metrics.

The indicators for adverse impacts on sustainability factors are assessed against quantitative exposure, qualitative thresholds or controversy thresholds, where data is available.

*How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

OECD Guidelines for Multinational enterprises and UN Guiding Principles on Business and Human Rights form the basis of our exclusion principles for The Fund.

These metrics are captured by PAI 10, "Violation of UN Global Compact Principles" and PAI 11, "Lack of process and compliance mechanisms to monitor compliance with UN Global Compact Principles", and companies that are in violation of these principles as determined by our third party data providers (where covered) are excluded from the investment universe.



**Does this financial product consider principal adverse impacts on sustainability factors?**

- Yes,
- No

If, following review against the relevant indicators mentioned above, an investment does not qualify against a particular threshold, the Fund will not make that investment. If the investment does meet the threshold then the Fund can make the investment - assuming all other criteria are met. The impact of the Fund's investments against the relevant indicators will continue to be monitored as outlined above on a periodic basis.



**What investment strategy does this financial product follow?**

The Fund will have 100% exposure to sustainable investments (excluding cash and instruments used for efficient portfolio management purposes as noted in the Fund's Supplement).

In order to achieve this, the manager follows the below investment approach:

The Investment Manager invests in companies whose products and services they believe have a positive impact on one of their Sustainability Themes which are divided between People and Planet. They then integrate environmental, social, and governance factors into their long-term assessment of each of these companies and invest in those that they believe to be sustainable throughout the business.

The first requirement is that at least the majority of the company's revenue is derived from products or services that the Investment Manager believes will have an impact on one of their Sustainability Themes. The Sustainability Themes represent the solutions to what the Investment Manager believes are the great global sustainability challenges of our time such as those contained in the United Nations Sustainability Development Goals and the Paris Agreement on Climate Change. Sustainability Themes are divided between People (Social) and Planet (Environment). People examples include Medical Innovation, Nutrition, Fitness and Inclusive Economies. Planet examples include Clean and Safe Mobility, Clean Energy, Resource Efficiency and Sustainable Logistics.

Following an assessment of alignment with theme and exclusion of negative activities analysis then covers the operations and behaviours of the business, including material ESG issues, principal adverse indicators and good governance practices. Fundamental analysis is undertaken against a range of ESG and financial data points to complete a detailed assessment of the sustainability of each issuer.

The Investment Manager integrates its sustainable and financial assessment of each issuer to produce its own forecast of the company's future earnings and valuation, together (where possible) with an assessment of the positive and negative ESG impacts associated with those forecasts.

Upon investment and over the life of an investment, the Investment Manager assesses and monitors Sustainability Risk and considers the principal adverse impact of an investment decision on the Sustainability Factors.

#### **The investment strategy**

guides investment decisions based on factors such as investment objectives and risk tolerance.

#### ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

All GIB AM funds comply with the GIB AM Responsible Investment Policy, which is located at [www.gibam.com](http://www.gibam.com).

The Fund only invests in companies that the Investment Manager believes have the potential to impact one or more of our Sustainable Themes. We require a material percentage of revenues, capital expenditure or development capital expenditure of a company to be theme aligned to be considered for inclusion in the portfolio.

The Fund also excludes any company with above threshold revenue exposure to our excluded activities.

The Fund further avoids investment in any companies that are in breach of the UN Global Compact (which refers to OECD Guidelines for Multinational enterprises and UN Guiding Principles on Business and Human Rights) as detailed in this document.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

The Fund will also exclude companies that do not meet their PAI thresholds, as detailed in this document.

***What is the policy to assess good governance practices of the investee companies?***

To ensure investee companies have good governance practices, the Investment Manager carries out an internal assessment of the investee company’s corporate governance structure and practices.

This analysis may include, but is not limited to the below qualitative and quantitative factors:

Qualitative

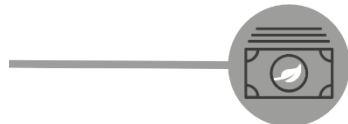
- Balance of skills, experience and independence on the board;
- Evidence of the company avoiding governance controversies.

Quantitative

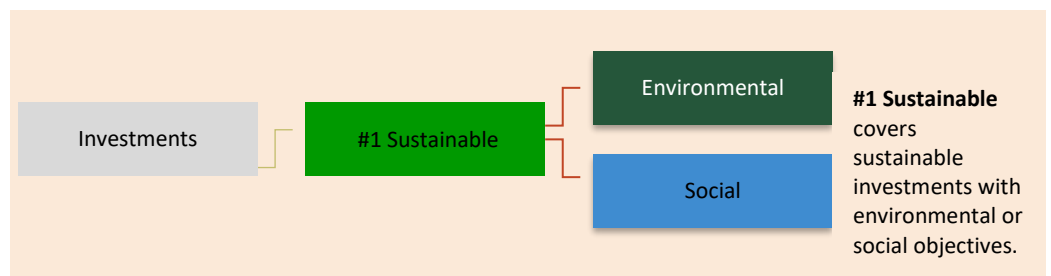
- Board of directors’ independence and gender diversity;
- Alignment of management interests, including shareholding requirements and whether incentive structures include sustainability metrics;
- The position of financial expert(s) on the Audit Committee.

Where data is limited, external data vendors such as MSCI are used to source data, and engagement (in line with minority shareholder interaction) is also used in this process.

**What is the asset allocation and the minimum share of sustainable investments?**



**Asset allocation** describes the share of investments in specific assets.



The Fund invests 100% of its assets in sustainable investments as detailed in this document.

The allocation to social investments and environmental investments each can range between 0-100% at any given time, provided that the allocation to environmental and social investments is 100% in total.

## How does the use of derivatives attain the sustainable investment objective?

The Fund has the ability to use derivatives; however, any usage of the derivatives will be for efficient portfolio management purposes but only to the extent that such use does not impact the Fund's sustainable investment objective.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

0% of the Sub-Fund's investments are invested in economic activities that qualify as environmentally sustainable under the EU Taxonomy.

As the Fund's investments are not aligned with EU Taxonomy, the EU Taxonomy graphs, minimum share of investments in transitional and enabling activities, and minimum share of sustainable investments with an environmental objective details are not applicable.

## Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

- Yes:
- In fossil gas                       In nuclear energy
- No



**What is the minimum share of sustainable investments with a social objective? The allocation to social investments can range between 0-100% at any given time, provided that the total allocation to environmental and social investments is 100% in total.**



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Not Applicable, see response above.



**Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

The Fund is actively managed, and while it uses the MSCI World Total Return Index for assessing the Fund's performance, it has not designated the Index as a reference benchmark for the purpose of the Disclosure Regulation.



### **Where can I find more product specific information online?**

More product-specific information can be found on the website:  
[www.gibam.com](http://www.gibam.com)