SFDR Article 8 (Sub-)Funds – Website Disclosures Sections based on Articles 23 to 36 SFDR Delegated Regulation (EU) 2022/1288

Full name of the Article 8 (sub-) fund: CIM INVESTMENT FUND ICAV - CIM DIVIDEND INCOME FUND

Legal entity identifier: 213800YSMJV1R5NC9798

Date of review: 30/09/2022

Disclaimer: The present working document may be subject to further regulatory changes.

Separate Website Section titled, ‘Sustainability-related disclosures’

Website section ‘Summary’

Since formation, Santa Lucia Asset Management’s goal has been to uphold ethical standards that reflect the values of its founding principals in investing. Following the Principles of Responsible Investments has allowed us to transform a potentially subjective effort into a more systematic approach. As long-term value investors we at SLAM understand the importance of investing with a margin of safety against future values that are consistent with a sustainable and realistic future state of the world. SLAM and its principals have a long record of responsible investment and the incorporation of sustainability characteristics in investment strategy. We see no a priori contradictions to maximizing long-run profits as a long-term investor.

In public markets, impactful investing dares to venture where the answers are not black or white, and we are ready to embrace forward-looking transition and integration approaches even when backward-looking indicators look challenging. At a minimum, responsible investment to us means to “do no avoidable harm”, i.e. we do not invest in activities for which an acceptable (and less harmful) substitute exists. As a result, certain business activities are excluded. We act as a long-term investor and incorporate respect vis-à-vis sustainability concepts in all our investment cases (which as a long-term investor is no contradiction to maximizing long-run profits).

However, we also believe exclusions-based investing alone will likely disappoint both profit and sustainability objectives. Exclusions can make sense for activities that are without positive trade-off, as we do with e.g. casino and tobacco business subject to a de minimis threshold. We have further adopted our own proprietary “Responsible Investing Framework” (“SLAM RIF”), integrating multiple Environment, Social and Governance (ESG) factors deeply into investment research process. These ESG Principles have been shaped by years of managing responsible portfolios for ESG-sensitive clients. This allows us to effectively utilise material ESG factors that can directly or indirectly affect long-term performance.

We constructively emphasize strategic alignment with future states of the world, for example as exemplified by the United Nations’ Sustainable Development Goals (“SDGs”). In addition to prioritising strong performers, we further include in our approach credible ESG transition investment cases, while ensuring ESG risks are managed through reference to indicators and globally accepted standards such as the UN Global Compact (UNGC). Where possible this analysis takes into account an assessment of company strategy and of indicators that can measure contributions to (or detractions from) the SDGs, such as those prepared by the Global Reporting Initiative (“GRI”), the UN Global Compact and the World Business Council for Sustainable Development under the SDG Compass initiative.

Website section ‘No sustainable investment objective’

1. The section referred to in point (b) of Article 32 shall contain the following statement: “This financial product promotes environmental or social characteristics, but does not have as its objective a sustainable investment.”

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

2. Where the financial product commits to making one or more sustainable investments, the section shall also contain an explanation of how the sustainable investment does not significantly harm any of the sustainable investment objectives, including:
(a) how the indicators for adverse impacts in Table 1 of Annex I, and any relevant indicators in Tables 2 and 3 of Annex I, are taken into account; and

The indicators for adverse impacts are taken into account both prior to acquiring an investment and on an ongoing basis. The Investment Manager produces the principal adverse sustainability impact (PAI) template mandated in SFDR and utilises these indicators to not only track historical progress towards sustainability goals but to analyse relative performance to portfolio and peers.

The Investment Manager also uses these indicators to identify material ESG issues specific to the portfolio company and industry, guiding further research and potential points of management engagement. These steps are crucial in helping to ascertain the level impact which can lead to engagement for improvement or ultimately reclassification to ‘not sustainable’ and hence potential disinvestment.

(b) whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Fund’s sustainable investments are also aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. Under the principle of “Do No Significant Harm”, the Investment Manager considers the impact of a portfolio selection against these minimum safeguards, operating a pass/ fail principle. A company failing the test of alignment with these standards is considered a sustainability risk and faces potential disinvestment if there are no mitigating factors.

Website section ‘Environmental or social characteristics of the financial product’

Transparency of the promotion of environmental or social characteristics and of sustainable investments on websites
1. Financial market participants shall publish and maintain on their websites the following information for each financial product referred to in Article 8(1) and Article 9(1), (2) and (3):

(a) a description of the environmental or social characteristics or the sustainable investment objective;

The Fund’s investment policy seeks to promote environmental and/or social characteristics by fully integrating consideration of sustainability risks and opportunities within the Investment Manager’s investment philosophy and research process.

The Fund has the following sustainable characteristics: (i) invests in companies that align, through contribution or negative mitigation, with the United Nations Sustainable Development Goals (“SDGs”), (ii) negative screening against violations against UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, (iii) positive screening for companies with strategies that include climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems, or strategies that further social progress such as financial inclusion (iv) engagement and active ownership with companies according to ESG factors and their Principal Adverse Impact (“PAI”, as detailed by the SFDR) incl. proxy voting.

At the point of investment and on an ongoing basis, the Investment Manager considers an investment’s adverse impacts as measured by the PAI indicators. The analysis includes both a stand-alone assessment as well as relative to the portfolio. All of integration, screening and thematic analysis considers PAIs throughout the investment process – from idea origination phase to ongoing portfolio monitoring.

Website section ‘Investment strategy’

The section referred to in point (d) of Article 32 shall contain:
36(a) a description of the investment strategy referred to in Article 15;

Article 15:
15 (a) a description of the type of investment strategy used to attain the environmental or social characteristics promoted by the financial product,

Description of Investment Strategy

The Fund follows an investment strategy under which the Investment Manager will actively select shares in global companies which achieve the Fund's dual objectives of delivering an annual income of approximately 6% of the average weekly net asset value of a particular share class in the relevant calendar year (the “Target Yield”) while also enjoying capital growth. The fund does promote, environmental and/or social characteristics. in its selection of securities in pursuit of the investment strategy.

The Fund’s interpretation of responsible investing has been shaped by years of managing responsible portfolios for ESG-sensitive clients and is one that works in the Asian context. The Investment Manager tries to identify where companies are actively improving ESG practices in a way that will improve performance. The Investment Manager focuses on the absolute improvement of these parameters, rather than selecting companies which are necessarily already leaders in them. In this sense, the Fund is focused on positive change. The Investment Manager considers that companies that are on a positive trajectory are likely to improve their profile and enjoy larger flows of passive and active funds. This may, in certain circumstances, result in the Investment Manager investing in an issuer which has a lower conventional ESG rating where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

The binding elements of that strategy to select the investments to attain each of those characteristics and how the strategy is implemented in the investment process on a continuous basis;

Binding Elements of Strategy (also mapped in the EET)

The binding elements related directly to the environmental or social characteristics are the exclusion of stocks that are considered to be in direct conflict with the sustainability characteristics promoted by the Fund and companies known to be engaged in these activities will be excluded. The Fund does not intend to invest in companies whose business activity (i.e. one that accounts for more than 10% of the relevant company’s revenue, unless otherwise specified) involves manufacture or sale of the following products and services:

1. Controversial Weapons (completely excluded)
2. Verified UN Global Compact failure (completely excluded)
3. Tobacco and tobacco products manufacturing and distribution (5% revenue treshold)
4. Conventional Weapons (10% revenue treshold)
5. Gambling (10% revenue threshold)
6. Palm Oil (20% revenue treshold)
7. Thermal coal power generation (30% revenue treshold)

The Fund may also not invest in a company which is listed as a Verified UN Global Compact Failure or known to be engaged in modern slavery.

In addition, the Investment Manager's proprietary ESG framework may identify an investment case as being compromised by weak sustainability characteristics and therefore excluded from portfolios (or disinvested if downgraded while owned in the portfolio).

Website section ‘Proportion of investments’

The section referred to in point (e) of Article 32 shall contain the information referred to in Article 16 and shall distinguish between direct exposures in investee entities and all other types of exposures to those entities.

Article 16

(a) the minimum proportion of the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where it commits to making sustainable investments; and

The Fund aims to have a minimum percentage of 50% of all investments fufil aligned with E/S characteristics where investments are used to attain the environmental or social characteristics promoted by the financial product.

The key characteristics promoted by the fund include the Investment Manager i) considering the impact of a portfolio selection against minimum safeguards (e.g. OECD Guidelines on Multinational Enterprises and UN Guiding Principles on Business and Human Rights, ILO Core Labour Conventions); ii) the Investment Manager maps each investment’s alignment to at least one goal or target of the United Nations Department of Economic and Social Affairs’ Sustainable Development Goals (“SDGs”).

Of which, the fund aims to ensure a minimum of percentage of 10% will be Sustainable where i) the Investment Manager will map each investment’s alignment to at least one goal or target of the SDG ii) and where an indicator towards that SDG is available or reported, such as those prepared by the Global Reporting Initiative (“GRI”), the UN Global Compact and the World Business Council for Sustainable Development under the SDG Compass initiative.

PAIs are considered for the entirety of the portfolio. At the point of investment and on an ongoing basis, the Investment Manager considers an investment’s Principal Adverse Impact (“PAI”, as detailed by the SFDR) as measured by the PAI indicators. The analysis includes both a stand-alone assessment as well as relative to the portfolio

The exclusions, while also part of environmental or social characteristics promoted by the fund, apply to 100% of the fund.

(b) the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards.

The remaining proportion of investments will balance both financial objectives of the funds and sustainability factors, ensuring significant harm is minimised through PAI screening and no minimum safeguads are breached.

Remaining portion of investments may include transitory assets such as cash, receivables and derivatives for hedging purposes.

As minimum safeguard, all investments except transitory assets will be subject to the committed exclusions, unless forced upon the portfolio through a corporate action, following which the Investment Manager would seek to adjust the portfolio again to comply.

(b) where the financial product uses derivatives within the meaning of Article 2(1)(29) of Regulation (EU) No 600/2014 of the European Parliament and of the Council (9) to attain the environmental or social characteristics promoted by the financial product, a description of how the use of those derivatives attains those characteristics.

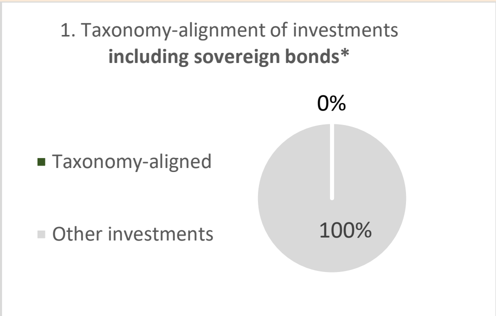
Derivatives are only used for efficient portfolio management purposes and are therefore not used to attain the environmental or social characteristics promoted by the Fund.

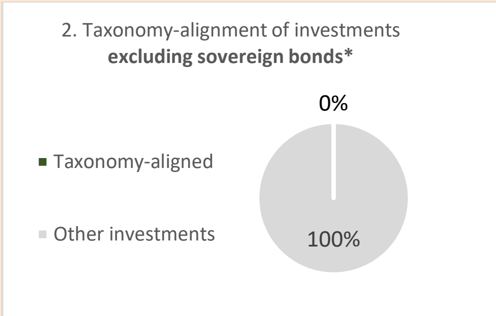
1. For financial products referred to in Article 6 of Regulation (EU) 2020/852, the section referred to in point (d) of Article 13(3) shall also contain the following information: (a) a graphical representation in the form of a pie chart of:

(i) the minimum taxonomy alignment of aggregated investments calculated in accordance with paragraphs 1 to 4 of Article 16b;

(ii) the minimum taxonomy alignment of aggregated investments excluding sovereign exposures, calculated in accordance with paragraph 5 of Article 16b. When aggregating the taxonomy alignment of the investments in non-financial undertakings, the same key performance indicator shall be used. When aggregating the taxonomy alignment of the investments in financial undertakings, the same key performance indicator shall be used for the same type of financial undertaking. For insurance and reinsurance undertakings that carry out non-life underwriting activities, the key performance indicator may combine the investment and the underwriting key performance indicators in accordance with Article 8 of Regulation (EU) 2020/852;

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

(b) a description of the investments underlying the financial product that are in Taxonomy aligned economic activities, including whether the compliance of those investments with the requirements laid down in Article 3 of Regulation (EU) 2020/852 will be subject to an assurance provided by one or more auditors or a review by one or more third parties and, if so, the name or the names of the auditor or third party;

-- (a) in respect of investee companies that are non-financial undertakings, whether the taxonomy alignment of investments is measured by turnover, or whether a more representative calculation of the taxonomy alignment is given when measured by capital expenditure or operating expenditure due to the features of the financial product, the reason for that decision, including how it is appropriate for investors in the financial product;

Taxonomy alignment of investments will be primarily measured by turnover as given the limited data availability in an Asian context, this will allow for a more comprehensive representation of contribution to sustainable objectives at a portfolio level.

-- (b) where information relating to the taxonomy alignment of investments is not readily available from public disclosures by investee companies, details of how equivalent information was obtained directly from investee companies or from third party providers; and

Where information relating to taxonomy alignment of investments is not readily available, the Investment Manager supplements the analysis with third-party independent data sources.

-- (c) a breakdown of the minimum proportions of investments in the enabling activities referred to in Article 16 of Regulation (EU) 2020/852 and transitional activities referred to in Article 10(2) of that Regulation, in each case expressed as a percentage of all investments of the financial product.

While the Fund promotes environmental characteristics and invests in sustainable investments which contribute to economic objectives i.e. economically sustainable activities, reliable data is not available to accurately determine the percentage of the fund’s taxonomy alignment. On that basis, the proportion of the Fund’s investments that are taxonomy-aligned would be 0%.

Website section ‘Monitoring of environmental or social characteristics’

The section referred to in point (f) of Article 32 shall contain a description of how the environmental or social characteristics and the sustainability indicators referred to in Article 14 are monitored throughout the lifecycle of the financial product and the related internal or external control mechanisms.

Prior to acquiring investments, the impact of environmental and social characteristics on the portfolio is analysed and considered as part of the investment case. This continues upon investment and over the life of the Fund, the Investment Manager assesses and monitor environmental and social characteristics on an ongoing basis, analysing direction of sustainability and if follow-up actions are required. Depending on the reporting cycle of a portfolio company, typically at least annually or semi-annually.

Website section ‘Methodologies for environmental or social characteristics’

The section referred to in point (g) of Article 32 shall contain a description of the methodologies to measure the attainment of the social or environmental characteristics promoted by the financial product using the sustainability indicators referred to in Articles 14.

Attainment of social or environmental characteristics promoted are measured through a review of Sustainability indicators at both in absolute terms for a single issuer, as well as relative for the single issuer to the portfolio or a given watchlist. Analysing ESG data published by the issuer (where relevant) or selected data providers determines whether the level of social or environmental characteristics has changed since the initial assessment has been conducted. This includes an ongoing review of Screening, Integration and Thematic measures which help guide the Investment Manager in the identification and prioritization of sustainability risks as discussed below.

Screening

Screening acts as the compass to align investments with values. SLAM uses a set of pre-determined filters to companies and activities which are suitable or unsuitable for each portfolio. We employ both negative and positive screening methods to mitigate downside risk while maximising our potential returns from transitional cases.

Under the principle of “Do No Significant Harm”, the Investment Manager considers the impact of a portfolio selection against these minimum safeguards, operating a pass/ fail principle. Any company failing the test of alignment with these standards is not considered sustainable and faces potential disinvestment if there are no mitigating factors.

SLAM also conduct negative screenings based on material ESG issues. Prior to acquiring investments on behalf of the fund, SLAM assesses environmental, social and governance (ESG) characteristics. Data we take into account are company disclosures, our own fundamental company and sector research, including impressions gathered from a company’s competitors, customers and suppliers. We routinely screen for controversies in specialist/subscription news services. Through negative screening, certain potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk.

In addition, SLAM utilises screening as a means to identify companies that possess positive ESG traits. This includes positive screening for companies with strategies that include climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, the protection and restoration of biodiversity and ecosystems.

Integration

With ESG Factors having a direct impact on fundamental risks and returns, SLAM explicitly and systematically includes these factors into our investment analysis to better manage fundamental risks and returns. Integrated into our investment process are Principle Adverse Impact indicators, EU Taxonomy and Material ESG Factors. This approach is guided by the philosophy of responsible investing having a profound impact on fundamental changes.

Principal Adverse Impact (PAIs) indicators is a reporting framework by the EU for funds to report on negative, material, or potentially material effects on sustainability factors that result from, worsen, or are directly related to investment choices or advice. The indicators for adverse impacts are taken into account both prior to acquiring an investment and on an ongoing basis. The Investment Manager produces the principal adverse sustainability impact

(PAI) template mandated in SFDR and utilises these indicators to not only track historical progress towards sustainability goals but to analyse relative performance to portfolio and peers.

Aside from providing an understanding of potential risk at a fund level, PAI indicators also acts as a guide to understand significantly negative performers at a security level. The Investment Manager also uses these indicators to identify material ESG issues specific to the portfolio company and industry, guiding further research and potential points of management engagement. These steps are crucial in helping to ascertain the level impact which can lead to engagement for improvement or ultimately reclassification to 'not sustainable' and hence potential disinvestment. This will allow us to improve our responsible investment standing which will serve to both reduce risk the overall risk of the portfolio and individual securities. It is a perfect example of how we leverage structured reporting standards as a tool to effectively evaluate positive and negative impacts of our investments.

In addition, SLAM has also integrated the EU taxonomy in the investment process. The EU Taxonomy is a classification system established to categorise which investments are environmentally sustainable in the context of the European Green Deal. This framework grants us insight into activities that are likely to be given support not just in the EU but the world given that the framework is seen as the forefront for sustainability classifications. Furthermore, the EU Taxonomy also has other minimum safeguards. Embedded in the EU Taxonomy is also synergy with PAI

Given that ESG are material drivers of value, a preliminary and crucial step of integrating ESG into our investment research is the identification of material ESG factors. Material ESG factors within each industry allows SLAM to understand drivers of value and limit the downside risk. We integrate these factors using a combination of analyst input and Sustainability Accounting Standards Board (SASB) framework.

Thematic

The thematic aspect of our ESG implementation represents an ideal destination, for both the firm and industry. They are goals that SLAM's responsible investments strive to contribute towards that also enables positive regulatory and market tailwinds. We have selected the United Nation's Sustainable Development Goals (UN SDG) and their relevant indicators to codify target investments' positive and mitigating contributions to environmental and social outcomes. We believe the SDGs are easily understandable by both investors and companies alike, making them simple but powerful reference points, in particular supporting engagement with companies.

Website section ‘Data sources and processing’

The section referred to in point (h) of Article 32 shall contain a description of:
(a) the data sources used to attain each of the environmental or social characteristics promoted by the financial product; (b) the measures taken to ensure data quality; (c) how data is processed; and (d) the proportion of data that is estimated.

Key to our ESG research is the strength of our in-house investment research team which includes ESG specialists.

To ensure data quality, we supplement our analysis with the data sources supporting our analysis of environmental, social or governance characteristics of investments. We regularly review the universe of data providers.

As a firm we also heavily utilize specialist Bloomberg ESG/SDG/SFDR datasets as a key input , and have requested special permissions for API and query language access. We augment our data with third-party data providers that are subject to ongoing reviews to ensure data utilised are of quality and reliability.

We further incorporate local ESG ratings of local brokers who, in our opinion, tend to be much closer to local companies and therefore more accurate in their assessment than high profile global ranking systems. For example, we review scoring systems from specialists in Taiwan and Thailand. We routinely beta test new offerings to assure ourselves of the quality and depth of our information set.

Currently, a significant proportion of data must be estimated given the limited disclosure by portfolio companies. All data is processed within SLAM by SLAM staff and our disclosures will generally highlight what portion of data is original source data, third party data, or an in-house estimate.

Website section 'Limitations to methodologies and data'

The section referred to in point (i) of Article 32 shall contain a description of: (a) any limitations to the methodologies referred to in point (g), and the data sources referred to in point (h), of Article 32; (b) how such limitations do not affect the attainment of the environmental or social characteristics promoted by the financial product; and (c) the actions taken to address such limitations.

Due to the current quality of data available to assess the extent to which the Fund is invested in taxonomy aligned investments under the EU Taxonomy framework, it is currently not possible to accurately calculate to what extent its underlying investments qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. However, we are supplementing our analysis with alternative data points such as those supporting the PAI and SDG frameworks in evaluating and attaining environmental and social characteristics. These additional metrics have been useful in guiding the Investment Manager in evaluating existing and potential investments' contribution towards sustainable objectives.

Nonetheless, as data becomes more available it is expected that the calculation of environmental and social characteristics and the alignment of the Fund with the Taxonomy Regulation will become more accurate and will be made available to investors in the coming years. Such data will therefore be integrated into a future version of this Supplement along with information relating to the proportion of enabling and transitional activities.

We also expect the availability of reported indicators in support of the SDGs to increase over time, and to raise the portion of the portfolio that is tracked using these indicators.

carne

Website section 'Due diligence'

The section referred to in point (j) of Article 32 shall contain a description of the due diligence carried out on the underlying assets of the financial product, including the internal and external controls on that due diligence.

The management of sustainability risk forms an important part of the due diligence process implemented by the Investment Manager. When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition ("ESG Event").

Using both quantitative and qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

(a) Prior to acquiring investments on behalf of the Fund, the Investment Manager assesses environmental, social and governance (ESG) characteristics. This process incorporates applying both firm-wide exclusion policies (e.g. tobacco and casinos) and Fund level exclusion policies (e.g. no serious violations of UN Global Compact except where there is a process/commitment in place to immediately rectify such violation). Through negative screening, certain potential investments are removed from the investment universe on the basis that they pose too great a sustainability risk to the Fund

(b) The Investment Manager conducts fundamental analysis and systematically integrates ESG issues in fundamental research that considers the potential rewards and risks.

The Investment Manager maps each investment's alignment to at least one goal or target of the United Nations' Sustainable Development Goals ("SDGs", as per the United Nations Department of Economic and Social Affairs). Where possible this analysis takes into account an assessment of company strategy and of indicators that can measure contributions to (or detractions from) the SDGs, such as those prepared by the GRI, the UN Global Compact and the World Business Council for Sustainable Development under the SDG Compass initiative.

Under the principle of "Do No Significant Harm", the Investment Manager considers the impact of a portfolio selection against minimum safeguards. These include the OECD Guidelines on Multinational Enterprises and UN Guiding Principles on Business and Human Rights (ILO Core Labour Conventions. OECD guidelines and the UN Guiding Principles.

At the point of investment and on an ongoing basis, the Investment Manager considers an investment's Principal Adverse Impact ("PAI", as detailed by the SFDR) as measured by the PAI indicators. The analysis includes both a stand-alone assessment as well as relative to the portfolio. Due to the current quality of data available, many indicators are not available consistently across the portfolio and investment universe.

(c) During the life of the investment, sustainability risk is monitored through a review of ESG data published by the issuer (where relevant) or selected data providers to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. At a minimum, a review includes in scope the Investment Manager's mandatory and voluntary Principal Adverse Impact ("PAI") indicators to flag counter-indications to a contemplated net benefit to the SDGs as researched by the Investment Manager. Further, PAI indicators are used to prioritize the screening for controversies. The Investment Manager's approach includes selectively divesting from deteriorating indicators.

(d) The Investment Manager also tries to identify where companies are actively improving ESG practices in a way that will improve performance. The Investment Manager considers that companies that are on a positive trajectory that improve their profile are likely to enjoy larger flows of passive and active funds. This may, in certain circumstances, result in the Investment Manager investing in an issuer which has a lower conventional ESG rating where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.

The Investment Manager will also focus on companies that have plans to improve in targeted ESG areas and that update their own targets once initial targets are achieved. The Investment Manager prefers companies that are on a path of continuous improvement rather than companies that are the most highly rated as such companies are believed to provide the best opportunity for value accretion as their ESG profile improves.

(e) Under its stewardship policy, the Investment Manager is prioritizing engagement with companies according to ESG factors and their PAI profile. Proxy voting decisions will generally seek to mitigate PAIs and to maximize returns across the portfolios over time rather than a single case.

(f) The Investment Manager reviews on an ongoing basis the internal and external data sources supporting its analysis of environmental, social or governance aspects.

Website section ‘Engagement policies’

The section referred to in point (k) of Article 32 shall contain a description of the engagement policies implemented where engagement is part of the environmental or social investment strategy, including any management procedures applicable to sustainability-related controversies in investee companies.

Engagement with companies is core to SLAM’s investment approach. This covers a range of matters, including financials, strategy and ESG risks & opportunities. . Through active ownership we seek to have an impact on portfolio companies, meaning their valuations and their business practices.

For many years, we have been working closely with companies on their governance and relationship with the capital markets. These dialogues are increasingly broadening from the G to the E and S as more and more leading Asian companies seek to become sustainability leaders and recognize the link to their corporate strategy and market multiple. We have found that management teams and boards that are aware of ESG risk factors, and ideally their mitigants, are more likely to deliver shareholder returns, independent of the individual ESG issue.

In the case of some issuers, we have been able to positively inform their own decision-making.
Engagement typically is 1-on-1 with senior management of the issuer, but we also use letters and surveys.

Website section ‘Designated reference benchmark’

1. The section referred to in point (l) of Article 32 shall contain a description of how the index designated as a reference benchmark is aligned with the environmental or social characteristics promoted by the financial product, including the input data, the methodologies used to select that data, the rebalancing methodologies and how the index is calculated. 2. Where part or all of the information referred to in paragraph 1 is published on the website of the administrator of the reference benchmark, a hyperlink shall be provided to that information

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.