ANNEX III

Template 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

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 not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: LF - SUSTAINABLE ASIA IMPACT FUND, a sub-fund of CIM INVESTMENT FUND ICAV
Legal entity identifier: 213800LPVS87REXEWN49

Sustainable investment objective

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective: 50** %	☐ 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: 20%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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

What is the sustainable investment objective of this financial product?

The Fund has the following sustainable objectives: (i) invest in companies that not only align themselves with United Nations Sustainable Development Goals ("UN SDGs") but also measure their impact targets for material contribution as an enabler or a transitional issuer (e.g. some technology firms may act as enablers that engage in activities positively enabling the progress towards a UN SDG; e.g. some cement producers substituting coal are transitional issuers that operate in activities typically faced with significant environmental or social challenges but are engaging in significant positive mitigation or abatement). (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, (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.

To systematize ESG issues and the portfolio's contributions, 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"). Subject to data availability, the Investment Manager's analysis considers 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. At least 100% percent of the Fund's portfolio will report such measurable indicators with the exception of certain derivatives (including but not limited to those used for hedging and efficient portfolio management purposes), cash and cash equivalents.

The effectiveness of attaining this primary objective is then handicapped using an internal rating system and – where available the indicators of impact or outcomes of SDGs reported by companies or research services (see section on environmental & social objectives).

The internal rating system seeks to prioritise contributions that are substantial and material and issuers observed to have positive actions but lack scale and materiality of these contributions and are thus subject to an additional layer of handicap to their prioritisation. While this internal rating is subjective, it is informed by independent data from sources such as Bloomberg ESG.

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

  The primary sustainability indicators used to measure the attainment of the environmental or social objectives of the Fund are quantifiable reported statistics which function as impact metrics measuring the underlying contribution of these individual issuers towards the mapped United Nation's Sustainable Development Goals ("UN SDG") or sub-goal. Examples of metrics used, among other indicators under the SDG Compass Initiative by the UN Global Compact ("UN GC"), Global Reporting Initiative ("GRI") and World Business Council for Sustainable Development ("WBCSD"), include: (Subgoal 7.2) By 2030, increase substantially the share of renewable energy in the global energy mix – In joules, watt-hours or multiples, the total electricity sold; (Subgoal 1.4) By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services – Monetary value of products and services designed to deliver a specific social benefit; (Subgoal 9.4) By 2030, upgrade infrastructure and retrofit industries to make them sustainable – Extent of development of significant infrastructure investments and services supported, and current or expected impacts on communities and local economies.

  Where possible the metrics are evaluated against tangible trackable quantitative targets and improvement paths that represent material positive impact of an issuer through substantial contribution to a UN SDG or sub-goal. These targets are articulated by issuers themselves and allow the Investment Manager to measure the issuer's progress. These goals and targets are mapped in consideration of the company's ability to directly contribute as an enabler or indirectly as a transitioning entity based on the industry and operational ESG materiality of the issuer. At least 25% of the fund will be invested in companies with a verifiable trackable target, and there is an investment implication if a company misses a target that supports the sustainable investment case.

Specifically, on identification of a miss against a trackable target by a portfolio company, the company will immediately be classed as not attaining their sustainable objective by the next reporting date. The Investment Manager will seek to engage with the management of the company to understand the underlying reasons. If there continue to be other trackable targets identifying progress towards mapped SDGs, the investment can continue to be considered to be pursuing a sustainable objective within the fund. Else, the position will be promptly liquidated within 6 months of identification of the deficiency, taking into account earnings calendars of issuers.

More generally, the firm's overall investing approach built on both qualitative and quantitative measures, is guided by years of managing responsible portfolios for ESG-sensitive clients in Asia. A key part is to engage directly with companies, and the Investment Manager records the number of company meetings held every year.

The quantitative component integrates SDG indicators, PAI Indicators, EU Taxonomy calculations where possible and the Investment Manager augments data collected from common sources by factoring in additional information collected from documented company meetings. For example, a management team may reveal the carbon intensity of a business process for which there is no independent reporting.

This approach allows the Fund to analyse investees from a relative and historical standpoint while providing tangibles metrics that can be measured against trackable targets and roadmaps promised by investees. Qualitative assessments are also conducted as they are critical for forward-looking analysis – including material ESG factor analysis and controversy screening. This component augments our analysis as it captures the more nuanced and crucial details of investees' performance that are otherwise often underappreciated by the market – understanding how a sustainability leader will continue to drive innovation and how a laggard might transition its business for improvement.

Beyond the SDGs most investments will consider environmental characteristics via the carbon intensity profile of its investee companies (defined as tonnes of GHG CO2 emissions equivalent per US dollar of revenue) as well as the companies which are facilitating the reduction of greenhouse gas emissions in line with the Paris Agreement and IPCC reports, or other similar bodies and agreements which may supersede them, with in the intention of mitigating the impact of climate change.

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?

The Fund's investments are not classed as sustainable if there is evidence of significant harm to any of the environmental or social objectives.

In addition, the adverse impacts (as set out in Table 1, Annex 1 of the regulatory technical standards) under SFDR of the investee companies are monitored on at least an annual basis and where the impacts are judged to be significantly harmful either because over time they are moving in a less sustainable direction, or because they are not becoming sustainable sufficiently quickly especially with regard to carbon intensity metrics, or because the absolute level of the metric is considered to be significantly harmful, the company is not classed as sustainable.

On a pass or fail basis any investee company which is not aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights is not considered sustainable.

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

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.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and 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. The Investment Manager will conduct on an ongoing basis checks for potential violations through scanning regional news, proprietary intelligence providers such as REDD, or commercial ESG data providers such as RepRisk. 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. The Investment Manager will review each case independently. A possible mitigating factor can be management action to remedy. For example, investing in safeguards. If violations are found to be severe or if management is not cooperative in executing the necessary reform, the position will be promptly liquidated.

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

✖ Yes, upon investment and over the life of the Fund, the Investment Manager assesses and monitor indicators that are deemed to indicate the presence of a principal adverse impact. 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. For example, the biodiversity-related indicator, is unavailable for most Asian issuers. The Investment Manager also addresses adverse impacts by active stewardship – notably voting and engagement with investee companies.

Standalone assessment data refers to indicators such as "Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises" which function as an indicator of material ESG risk itself. This is in contrast to other adverse impact indicators such as GHG Emissions and Energy Intensity where a relative comparison to the portfolio and industry average is often required for meaningful insight and consideration.

No

What investment strategy does this financial product follow?

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

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

The Fund follows an investment strategy under which the Investment Manager will actively select shares in Asian companies which achieve the Fund's dual objectives of generating long-term capital appreciation through a combination of share price performance and dividends, and making a contribution towards sustainable objectives.

The Fund's dual objective implies that 100% of the Fund will always be invested in sustainable investments with the exception of certain derivatives (including but not limited to those used for hedging and efficient portfolio management purposes), cash and cash equivalents. The Fund will invest in those companies that the manager believes are making a meaningful contribution to the SDGs and are therefore likely to in their business model and stock market valuation be rewarded.

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, and thus also equity valuations. The Investment Manager focuses on the absolute improvement of these parameters, not only selecting companies which are necessarily already leaders in them. In this sense, the Fund is also focused on positive change.

In this case, the Investment Manager considers that companies that are on a positive trajectory are likely to raise their rankings 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.

Such investments, however, are still held to the highest standards. The Investment Manager closely monitors the target and intermediate data points. Should a datapoint suggest underperformance, the company is flagged, and the Investment Manager will take the subsequent necessary actions. The first port of call includes active engagement with the management to understand and provide support in pushing the company back on track. Should the management be unreceptive, or if their performance continues to disappoint, the position will be promptly liquidated within six months of identification of the deficiency.

The Fund see this pre-emptive approach not only as a means to mitigate the financial downside risks, but also as a form of active stewardship in holding companies accountable to their set sustainability targets.

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

  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 threshold)

4. Conventional Weapons (10% revenue threshold)

5. Gambling (10% revenue threshold)

6. Palm Oil (20% revenue threshold)

7. Thermal coal power generation (30% revenue threshold)

The Fund shall 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).

The commitment to divestment on detecting negative change is a further binding element. In addition to static exclusions, the portfolio will pro-actively divest from companies where the sustainable investment thesis is no longer supported by evidence, within six months of identification, taking into account earnings calendars of issuers.

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

The Investment Manager is a signatory to the UN Principles for Responsible Investment (the UNPRI). As a signatory, the good governance practices of investee companies are assessed prior to making an investment and annually thereafter. This requires investee companies to adhere to minimum standards in various areas including sound management structures, employee relations, remuneration of staff and tax compliance.

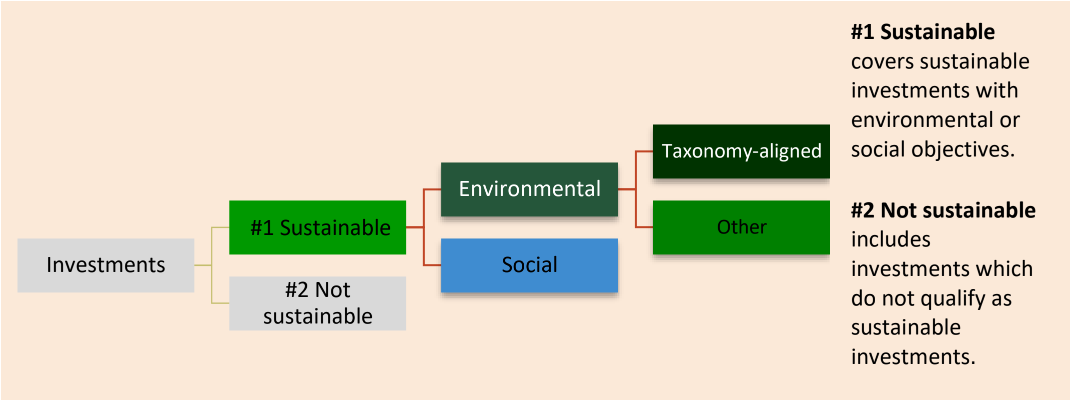
The Investment Manager is committed to the principle ctivee stewardship – monitoring and influencing the companies in which it invests, through voting and engagement, and challenging companies that fall short of the Investment Manager's standards for managing ESG-related risks. The Fund and Investment Manager drives and support positive change by engaging with the directors and executives of investee companies.

The Investment Manager believes that complying with the minimum standards set out in SFDR is a necessary but not sufficient condition for it to conclude that a company has good governance. In addition, the Investment Manager expects its investee company boards and management teams to exhibit a focus on the long term and a regard for all stakeholders. Management teams should be incentivised to manage companies to create value for all stakeholders and be rewarded accordingly. Consequently, the Investment Manager assesses and seeks to promote the integration of sustainability-linked non-financial metrics within variable compensation frameworks.

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

Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



To meet the sustainable investment objective, the Fund invests a minimum of 100% of its NAV in sustainable investments with the exception of certain derivatives (including but not limited to those used for hedging and efficient portfolio management purposes), cash and cash equivalents.

The Fund commits to having a minimum 50% sustainable investments with an environmental objective (that are not aligned with the EU Taxonomy) and a minimum of 20% sustainable investments with a social objective.

- ***How does the use of derivatives attain the sustainable investment objective?***

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

EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available ad among others have greenhouse gas emission levels corresponding to the best performance.

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

0%. - the Fund does typically expect to contain such investments, but cannot commit to a minimum. These figures are estimated as at the date of this supplement and may change over time.

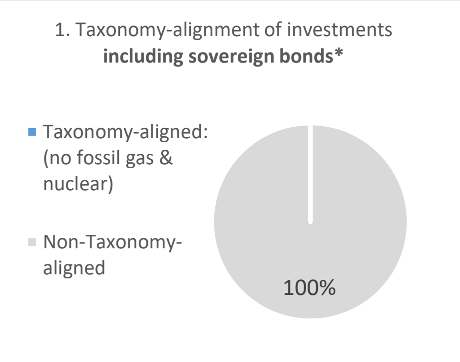
- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

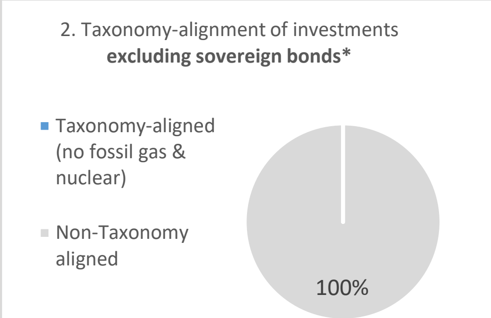
☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

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.





This graph represents 100% of the total invesments.

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

- ***What is the minimum share of investments in transitional and enabling activities?***

0%. - the Fund does typically expect to contain such investments. These figures are estimated as at the date of this supplement and may change over time.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

50%. - the Fund does typically expect to contain such investments. These figures are estimated as at the date of this supplement and may change over time.

What is the minimum share of sustainable investments with a social objective?

20%. - in the meaning of sustainable investments with a social objective.

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

The investments included under "#2 Other" may include all investments that do not qualify as companies under #1 or other investments such as cash, receivables and derivatives for hedging purposes.

As minimum safeguard, all investments 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.

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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

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

Where can I find more product specific information online?

More product-specific information can be found on the website:
https://slam.com.sg/disclosures/