**SFDR Article 8 (Sub) Fund – Website Disclosure Sections based on Articles 23 to 36 SFDR Delegated Regulation (EU) 2022/1288**

**Canaccord Genuity Thematic ESG Fund** (**the “Fund”**) (a sub-fund of Canaccord Genuity Investment Funds plc (the Company), an open-ended umbrella limited liability investment company, with variable capital and segregated liability between sub-funds, which is incorporated in Ireland and authorised under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended, supplemented or otherwise modified from time to time).

*Legal entity identifier: 635400I9R32PRTEN3666*

* **Sustainability- related disclosures**

The following sustainability-related disclosures relate to the Canaccord Genuity Thematic ESG Fund. The environmental or social characteristics or the sustainable investment objective of this financial product are set forth in these disclosures.

* **Summary**

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investment.

The Fund promotes environmental and social characteristics in accordance with Article 8 of the Sustainable Finance Disclosure Regulation (the “SFDR”) but does not have as its objective sustainable investment.

The Fund is a ‘fund of funds’ that pursues its investment objective by investing primarily in a diversified range of thematic funds that deliver competitive returns, mitigate ESG risks, pursue ESG opportunities and focus on measurable impact solutions.

The characteristics promoted by the Fund consist of investing in underlying funds with which exclude at a minimum the types of company listed below based on the products and services they offer:

• Tobacco; companies deriving more than 10% of their revenues from tobacco;

• Weapons; companies that produce or sell civilian firearms and/or manufacture or sell armaments, nuclear weapons or associated strategic products;

• Gambling; companies deriving more than 10% of their revenues from gambling;

• Adult Entertainment; companies that own an adult-entertainment company or produce adult entertainment;

• Fossil Fuels; companies engaged in the extraction of oil, gas or coal.

In seeking to achieve the Fund's investment objective, the Investment Manager will combine exposure to various ESG themes which the Investment Manager believes will offer a sensible long-term investment strategy while making a positive difference.

The Investment Manager uses a team-oriented, bottom-up approach to identify potential investment themes. The Investment Manager researches global thematic funds which are either growing faster than the MSCI World Index or which it thinks are likely to do so.

All underlying holdings are selected by the Investment Manager because they seek to help achieve a defined sustainability challenge, such as those identified by the UN Sustainable Development Goals as having a positive impact on society.

The investment objective of the Fund is to generate long-term capital growth by investing primarily in a portfolio of regulated collective investment schemes and fixed interest securities that have a clear and unambiguous focus on sustainability.

In seeking to achieve its investment objective and policy the Fund seeks an indirect exposure to international equity markets equal to a maximum of 100% of its net assets by investing in the securities of regulated collective investment schemes. The above percentage is indicative only and (subject as provided below) the Investment Manager may, from time to time, alter or adjust such percentage in order to seek to achieve the investment objective of the Fund, having regard to prevailing market conditions.

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each fund held in the Fund. The Investment Manager seeks to identify and invest in funds that buy companies where at least 50% of that company's revenue is aligned to a theme identified by the UN Sustainable Development Goals as having a positive impact on society. As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a fund’s ESG profile by assessing it against its environmental, social and corporate governance policies. The performance of funds under these policies are measured and recorded by reference to Morningstar sustainalytics. If a fund is deemed not to meet the minimum standards required by the Investment Manager, it may not be held in the Fund.

The Fund is actively managed and is not managed or constrained in any way by a benchmark.

* **No sustainable investment objective**

The Fund promotes environmental or social charcteristics but does not have as its objective sustainable investment.

* **Environmental or social chacteristics of the financial product**

This Fund seeks to promote environmental and social characteristics as described in the Article 8 of the SFDR and invests in economic activities that contribute to an environmental objective. It is therefore required to disclose, as per Article 6 of Regulation (EU) 2020/852 (the EU Taxonomy), information about the environmentally sustainable investments made.

Sustainability Risks are fully integrated into the Fund's investment decisions. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or will sell a holding. The Investment Manager's environmental, social and governance (ESG) committee provides oversight of Sustainability Risks. These decisions are made in line with the overall approach to sustainability through the application of quantitative and qualitative assessments and engagement with the underlying investment managers as described below.

The underlying investments of the Fund may partially contribute to the following two environmental objectives set out in Article 9 of the EU Taxonomy: climate change mitigation; and climate change adaptation.

It is expected that certain investments underlying the funds in which the Fund will invest will contribute to climate change mitigation because the underlying companies contribute to the stabilisation of greenhouse gas concentrations in the atmosphere at a level which prevents dangerous anthropogenic interference with the climate system consistent with the long-term temperature goal of the Paris agreement through the avoidance or reduction of greenhouse gas emissions or the increase of greenhouse gas removals, including through process innovations or product innovation. It is expected that certain investments underlying the funds in which the Fund will invest will contribute to climate change adaptation because they (a) either substantially reduce the risk of the adverse impact of the current climate and the expected future climate on that economic activity or substantially reduce that adverse impact, without increasing the risk of an adverse impact on people, nature or assets; or (b) provide adaptation solutions that contribute substantially to preventing or reducing the risk of the adverse impact of the current climate and the expected future climate on people, nature or assets, without increasing the risk of an adverse impact on other people, nature or assets.

For the purpose of the EU Taxonomy, the Investment Manager does not take into account EU criteria for environmentally sustainable economic activities when making its investment decisions, It is accordingly expected that the minimum proportion of the Fund's investments which will qualify as environmentally sustainable as per Article 3 of the EU Taxonomy will be 0% of the Net Asset Value of the Fund.

The Fund has no minumum share of sustainable investments with an environmentnal objective that are aligned with the EU Taxonomy Regulation and thre is no minimum share of investments in transitional and enabling activities.

The economic activities carried out by the funds which the Fund invests in which are in EU Taxonomy-aligned assets do not cause significant harm to the environmental objective of climate change mitigation because those economic activities do not lead to significant greenhouse gas emissions. The economic activities carried out by the funds the Funds invests in which are in EU Taxonomy-aligned assets do not cause significant harm to the environmental objective of climate change and adaptation because those economic activities do not lead to an increased adverse impact on the current climate and the expected future climate, on the activity itself or on people, nature or assets.

Notwithstanding the above, the “do no significant harm” principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Investment Manager seeks to manage Sustainability Risks through engagement with the underlying investment managers of the funds the Fund invests in, speaking to industry competitors or representatives and liaising with other shareholders where relevant. Where the Investment Manager deems it appropriate in order to manage SustainabilityRisks, the Investment Manager may ultimately choose to divest the investment.

* **Investment strategy for financial products that promote environmental or social characteristics**

In seeking to achieve the Fund's investment objective, the Investment Manager will combine exposure to various ESG themes which the Investment Manager believes will offer a sensible long-term investment strategy while making a positive difference.

The Investment Manager uses a team-oriented, bottom-up approach to identify potential investment themes. The Investment Manager researches global thematic funds which are either growing faster than the MSCI World Index or which it thinks are likely to do so.

The Investment Manager aims to accelerate the transition to a positive future and create wealth for investors by actively investing in themes that have what it views as a transformational positive impact. The Investment Manager believes the best long-term growth opportunities will be innovative companies which are addressing the most significant sustainability challenges, because innovation creates the most value, where frictions are most acute. This means investing at the intersection of disruptive innovation and the unsustainable status quo. The Investment Manager believes that to do this in the most risk controlled manner picking funds is a better option for most clients than picking stocks. Furthermore, it believes underlying investment managers undertaking impact analysis, as an integral part of their fundamental analysis, will provide a source of investment insight that enables them (and the Investment Manager) to identify and invest in disruptive change early.

All of the Investment Manager's underlying themes are underpinned by megatrends of sustainability, demographic development, economic growth, globalisation and technological innovation. In addition, a number of its individual themes have a unique investment case and offer a route for investors into actively managed funds that invest globally in companies along very specialist value chains.

The Investment Manager does not use market cap weighted global indexes as a starting point for portfolio construction. Its process is purely bottom-up and does not contain any benchmark consideration, concentrating only on high convictions. Market cap weighted indices are backward looking by construction and thus emphasize past winners. The Investment Manager's process aims to be forward looking. Many of the underlying investment managers will invest in under-owned and under-researched companies. As a result the Investment Manager's portfolios have high active share and limited overlaps with global equity indices which contributes to diversification when combined with standard global equity portfolios.

The Fund will be unconstrained with regards to sectors, sizes, regions or styles. Exposure to such factors is purely the result of stock picking as the underlying portfolios of the underlying investment managers only contain conviction holdings. As a result, the Fund may have small and mid cap exposures and might also display sector and regional deviations compared to global indexes.

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each fund held in the Fund. The Investment Manager seeks to identify and invest in funds that buy companies where at least 50% of that company's revenue is aligned to a theme identified by the UN Sustainable Development Goals as having a positive impact on society. As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a fund’s ESG profile by assessing it against its environmental, social and corporate governance policies. The performance of funds under these policies are measured and recorded by reference to Morningstar sustainalytics. If a fund is deemed not to meet the minimum standards required by the Investment Manager, it may not be held in the Fund.

* **Proportion of investments**

The investment objective of the Fund is to generate long-term capital growth by investing primarily in a portfolio of regulated collective investment schemes and fixed interest securities that have a clear and unambiguous focus on sustainability.

All underlying fund holdings are selected by the Investment Manager because they seek to help achieve a defined sustainability challenge.

In seeking to achieve its investment objective and policy, the Fund expects to invest up to/a maximum of 90% of its net assets in investments aligned with the E/S characteristics and will invest 10% of its net assets in 'Other' investments. The above percentage is indicative only and (subject as provided in the Supplement), the Investment Manager may, from time to time, alter or adjust such percentage in order to seek to achieve the investment objective of the Fund, having regard to prevailing market conditions.

* **Monitoring of environmental or social characteristics**

The Investment Manager reviews disclosure documents of the underlying funds to ensure that underlying funds are classified as subject to either Article 8 or Article 9 of SFDR.

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each fund held in the Fund. The Investment Manager seeks to identify and invest in funds that buy companies where at least 50% of that company's revenue is aligned to a theme identified by the UN Sustainable Development Goals as having a positive impact on society (the UN SDG Theme). As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a fund’s ESG profile by assessing it against its environmental, social and corporate governance policies. The performance of funds under these policies are measured and recorded by reference to Morningstar sustainalytics. If a fund is deemed not to meet the minimum standards required by the Investment Manager, it may not be held in the Fund.

The Investment Manager believes that climate change and diversity are highly relevant for every company and expect underlying investment managers to have a particular focus on one or both of these issues.

Understanding Product Impact in particular is critical to the Investment Manager's investment process. It does this via a framework that considers intentionality, additionality and materiality, which are widely recognised impact investing principles. In the context of its process this means:

* **Intentionality** – Are the companies within the UN SDG Theme in terms of vision and mission consciously aligned with positive impact?
* **Materiality** – Does or will the companies within the UN SDG Theme have significant positive impact on the world if they successfully executes on their strategy?
* **Additionality** – Are the companies within the UN SDG Theme attempting to disrupt an unsustainable incumbent system?

Strategic positioning is critical for success, but the Investment Manager also needs to assess operational quality. This includes internal controls, audit, board oversight and disclosures. An entrepreneurial spirit is to be encouraged and typically aligns with the pace of innovation, but only within the right risk framework.

The Investment Manager therefore expects underlying investment managers to regularly speak to companies on a range of material impact issues to enable them to update their investment thesis. This engagement allows them to identify and monitor strategic and operational change before it occurs and ensures a progressive management philosophy

The Investment Manager expects underlying investment managers to identify and track material company-specific key performance indicators (KPIs) for each business that they invest in and the Investment Manager seeks to monitor the underlying funds' adherence to those KPIs through the analysis of the underlying funds' impact reports. The Investment Manager believes that climate change and diversity are highly relevant for every company and expect underlying investment managers to have a particular focus on one or both of these issues.

Climate Change – the Investment Manager expects underlying investment managers to seek disclosure of emissions using well-established methodologies and that companies set meaningful targets to reduce their emissions (where this is not already undertaken). The Investment Manager expects all underlying investment managers to ask all companies how they are investing to move towards net zero and over what timescales.

The Investment Manager meets with underlying investment managers biannually and these subjects are discussed and each underlying investment manager produces their records on ESG issues such as voting and engagement records for the preceding six months.

**Monitor and Review of Underlying Funds and Underlying Investment Managers**

Underlying funds will be scrutinised on risk and return metrics. Total return, active share, upside and downside capture will be assessed over a variety of time periods (3, 5 & 10 years where applicable) and funds which consistently generate higher numbers will be shortlisted for review. Calculations of active share, tracking error and risk-adjusted returns relative to a properly comparable benchmark or set of peers will be used to monitor the performance of underlying investment managers.

If changes have occurred with regards to the team, process or operations of an underlying investment manager, a review process will be undertaken and if the conclusion of the review process is unsatisfactory, the underlying fund will be sold.

All underlying funds will undergo a formal annual review and their performance will be measured against an appropriate peer group, an appropriate benchmark or any other benchmark deemed appropriate. Core underlying funds will be scrutinised closely with a particular emphasis on risk-adjusted returns, relative returns and quartile rank (with a target of 2nd quartile).

* **Methodologies for environmental or social characteristics**

Sustainability Risks are integrated into the Fund's investment decisions. Where the level of risk is deemed to be unacceptable, the Investment Manager will either not invest or will sell a holding. The Investment Manager's environmental, social and governance committee (the ESG Committee) provides oversight of Sustainability Risks. These decisions are made in line with the overall approach to sustainability through the application of quantitative and qualitative assessments and engagement with the underlying investment managers.

At least 90% of the net assets of the investee companies held by each underlying fund are expected to meet the requirements set out in the Investment Manager's ESG checklist on an ongoing basis. These companies must score at least 4 out of 10 on the Investment Manager's checklist. This score is derived by aggregating the scores out of 10, obtained across the three sections of the Investment Manager checklist below:

• Carbon Intensity Scope 1;

• Carbon Intensity Scope 2;

• Carbon Intensity Scope 3;

• Carbon Intensity Scope 1 + 2 + 3;

• Water Intensity;

• Waste Intensity;

• Low Carbon Transition Management Score;

• Low Carbon Transition Score;

• Any additional areas of concern such as climate change targets and supply chain.

As described above, the Investment Manager will invest in funds that exclude at a minimum the types of company listed above based on the products and services they offer.

* **Data sources and processing**

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each fund held in the Fund. The Investment Manager seeks to identify and invest in funds that buy companies where at least 50% of that company's revenue is aligned to a theme identified by the UN Sustainable Development Goals as having a positive impact on society. As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a fund’s ESG profile by assessing it against its environmental, social and corporate governance policies. The performance of funds under these policies are measured and recorded by reference to Morningstar sustainalytics. If a fund is deemed not to meet the minimum standards required by the Investment Manager, it may not be held in the Fund.

Certain principal adverse impacts on sustainability factors are considered as part of the overall assessment of target investments. In relation to investment in underlying funds, each underlying investment manager has been contacted to provide data on its principle adverse impacts. This assessment will continue and should develop as more meaningful data becomes available

The Fund uses Morningstar sustainalytics to assess potential investments' ESG profile and their eligibility to be added to the Fund's portfolio. The Fund relies on Morningstar sustainalytics data, and no estimation is made.

* **Limitations to methodologies and data**

All methodologies and data sources are subject to inherent limitations and potential risks associated with quality, completeness, and accuracy. Such limitations may have a specified impact on how the environmental or social characteristics promoted by the Fund are measured by the Investment Manager.

The Investment Manager relies on both historic data from underlying fund managers and 3rd party providers as well as internal analysis and due diligence to assess forward looking data and assessments. The Investment Manager notes the following challenges with data availability:

• The coverage of 3rd party data sets is not complete and often contains high level estimates which have not been verified.

• Company reported data is not yet consistent and, in many cases, not audited against a consistent set of standards, so underlying fund managers often have gaps.

• Many of the key sustainability and ESG factors are based on forward looking assessments for which there is no consistent reporting available or envisaged.

While these limitations directly do not impact the environmental or social characteristics promoted by the Fund, they do make it difficult for the fund manager to ensure the underlying fund managers portfolios are providing high quality data.

The Investment Manager therefore takes the following steps:

• Where possible we expect underlying fund managers to use multiple data sources are used to help improve coverage and identify discrepancies.

• Where possible we request underlying fund managers verify and assess both 3rd party data and company provided data and produce impact reports detailing this analysis.

• Where necessary, we ideally expect underlying fund managers to develop internal tools and techniques to estimate forward looking data that is not available from external sources rather than rely on third party data.

* **Due diligence**

The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each fund held in the Fund. The Investment Manager seeks to identify and invest in funds that buy companies where at least 50% of that company's revenue is aligned to a theme identified by the UN Sustainable Development Goals as having a positive impact on society. As part of the quantitative and qualitative assessments, the Investment Manager seeks to score a fund’s ESG profile by assessing it against its environmental, social and corporate governance policies. The performance of funds under these policies are measured and recorded by reference to Morningstar sustainalytics. If a fund is deemed not to meet the minimum standards required by the Investment Manager, it may not be held in the Fund.

The Investment Manager considers alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as part of its due diligence process in selecting underlying funds for investment.

The Investment Manager uses a five-stage rules-based process to select investments for the Fund as follows:

1. **Stage 1: Product exclusions**

The Investment Manager will invest in funds that exclude at a minimum the types of company listed below based on the products and services they offer:

(i) Tobacco; companies deriving more than 10% of their revenues from tobacco;

(ii) Weapons; companies that produce or sell civilian firearms and/or manufacture or sell armaments, nuclear weapons or associated strategic products;

(iii) Gambling; companies deriving more than 10% of their revenues from gambling;

(iv) Adult Entertainment; companies that own an adult-entertainment company or produce adult entertainment;

(v) Fossil Fuels; companies engaged in the extraction of oil, gas or coal.

2. **Stage 2: Positive growth theme filter**

The Investment Manager identifies themes where the underlying companies are growing their revenues at above market rates. This aims to generate a smaller more dynamic selection of themes that are potential candidates and warrant further research. The Investment Manager also uses a filter to ensure that underlying funds are classified as subject to either Article 8 or Article 9 of SFDR.

3. **Stage 3: Positive impact theme filter**

The Investment Manager seeks to identify innovative themes which create disruptive positive change at the intersection of the most critical sustainability challenges. The Investment Manager focuses on key societal frictions and tracks emerging technologies that intersect with them. This creates a depth of knowledge in key areas which helps to identify sources of market inefficiency. The Investment Manager explains this by giving the example of electric cars. Electric cars help passenger transport decarbonise. For electric cars to become more popular, batteries need to become cheaper and more powerful.

The Investment Manager then looks for shifts in the basis of competition which are linked to these changes. Incumbents tend to be optimised around the key drivers of economic value in their industries. These are what determine the basis of competition and, while they persist, incumbents are unlikely to be dislodged. However, a shift in the basis of competition creates opportunities for entrepreneurs to build businesses around new sources of value. Strong empirical evidence suggests that incumbents, who are optimised to old economic value drivers, find it challenging to reorganise their cultures, processes and bureaucracies around such change.

This focus on disruption and positive impact further reduces the Investment Manager's list of potential fund inclusions.

4. **Stage 4: Analysis**

In order to meet the Investment Manager's threshold for investment, it designed a number of key questions, which define a successful, transformative, positive impact investment for the Investment Manager.

Each question must be answered positively before the Investment Manager will invest in a thematic fund:

(a) Does it have positive impact?

(b) Can the Fund earn an attractive return?

(a) Positive impact is embedded in the Investment Manager's investment philosophy and process. The Investment Manager thoroughly assesses a theme's first and its less obvious second and third-order impacts and the Investment Manager believes that incorporating impact analysis into its fundamental analysis generates unappreciated investment insights. The Investment Manager thinks of impact analysis in three dimensions:

• Product Impact – A theme’s products and services have the biggest impact on the world. Analysing the direct and indirect impacts of these are paramount to understanding the thematic impact.

• Practices Impact –The Investment Manager wants underlying investment managers to consider leadership, culture and operational quality as those factors will determine long-term outcomes. The impact it has on the world will be significantly influenced by these. Practices impact is directly aligned with operational quality.

• Future Impact – The world is dynamic and in a continual state of flux. Businesses must set ambitious goals and seek to continuously improve or risk being left behind. The Investment Manager wants underlying investment managers to assess the positive impact vision and track record of management as that helps identify strategic and operational change before it occurs. Future impact is directly aligned with the pace of innovation.

Understanding Product Impact in particular is critical to the Investment Manager's investment process. It does this via a framework that considers intentionality, additionality and materiality, which are widely recognised impact investing principles. In the context of its process this means:

• Intentionality – Are the companies within the theme in terms of vision and mission consciously aligned with positive impact?

• Materiality – Does or will the companies within the theme have significant positive impact on the world if they successfully executes on their strategy?

• Additionality – Are the companies within the theme attempting to disrupt an unsustainable incumbent system?

Strategic positioning is critical for success, but the Investment Manager also needs to assess operational quality. This includes internal controls, audit, board oversight and disclosures. An entrepreneurial spirit is to be encouraged and typically aligns with the pace of innovation, but only within the right risk framework.

The Investment Manager therefore expects underlying investment managers to regularly speak to companies on a range of material impact issues to enable them to update their investment thesis. This engagement allows them to identify and monitor strategic and operational change before it occurs and ensures a progressive management philosophy.

The Investment Manager expects underlying investment managers to identify and track material company-specific key performance indicators (KPIs) for each business that they invest in. The Investment Manager believes that climate change and diversity are highly relevant for every company and expect underlying investment managers to have a particular focus on one or both of these issues:

Climate Change – the Investment Manager expects underlying investment managers to seek disclosure of emissions using well-established methodologies and that companies set meaningful targets to reduce their emissions (where this is not already undertaken). The Investment Manager expects all underlying investment managers to ask all companies how they are investing to move towards net zero and over what timescales.

Diversity – The Investment Manager expects underlying investment managers to encourage portfolio companies to achieve strategic improvement in levels of boardroom diversity as well as seeking evidence of practices to ensure diversity throughout the workforce.

(b) The investment must be able to earn an attractive return. The Investment Manager seeks to invest in themes where emerging companies are growing revenues at above-market rates, with cashflow generating power that is underappreciated or just emerging.

Returns on capital at maturity, estimates of total addressable markets, rates of growth and future optionality must be considered when deciding whether an investment's intrinsic value has been misjudged, thus allowing the Investment Manager to earn an above-market return for its clients. The Investment Manager believes this type of insight is very difficult for quantitative, passive and short-term investors to price in.

The Investment Manager seeks a number of key sources of unappreciated value which includes growing total addressable markets (TAM), TAM can expand or adjacent markets can be attacked and new markets can be created.

5. **Stage 5: Invest with impact**

The Investment Manager seeks for each investment decision to have positive impact, conviction and influence. The Investment Manager values infrequent but significant returns over frequent insignificant returns. In order to capture this, it must invest with a sufficient level of conviction. For the Investment Manager, conviction represents typical position sizes within the Fund of between 5% at the lower end and 8% at the higher end (minimum 1% and maximum 10%). The Fund's portfolio will typically contain 15-20 funds. The Investment Manager believes this range is optimal in order to maximise stock specific impact without excessive dilution, concentration or unintended factor risks. The outcome of this bottom-up process is a concentrated portfolio of positive impact thematic funds that are transformative. Each investment considered by the Investment Manager is defined as "stable growth" or cyclical growth". Approximately 60-80% of the portfolio is typically invested in the stable growth category. These themes have secular drivers and are less linked to the economic cycle. The rest of the portfolio (20-40%) is typically invested in more cyclical growth businesses. These tend to carry higher fixed costs and capital intensity and be clearly linked to product cycles and/or economic cycles. However, as a rule, the Fund's investments must still exhibit long-term structural growth.

**Monitor and Review of Underlying Funds and Underlying Investment Managers**

Underlying funds will be scrutinised on risk and return metrics. Total return, active share, upside and downside capture will be assessed over a variety of time periods (3, 5 & 10 years where applicable) and funds which consistently generate higher numbers will be shortlisted for review. Calculations of active share, tracking error and risk-adjusted returns relative to a properly comparable benchmark or set of peers will be used to monitor the performance of underlying investment managers.

If changes have occurred with regards to the team, process or operations of an underlying investment manager, a review process will be undertaken and if the conclusion of the review process is unsatisfactory, the underlying fund will be sold.

All underlying funds will undergo a formal annual review and their performance will be measured against an appropriate peer group, an appropriate benchmark or any other benchmark deemed appropriate. Core underlying funds will be scrutinised closely with a particular emphasis on risk-adjusted returns, relative returns and quartile rank (with a target of 2nd quartile).

* **Engagement policies**

The Investment Manager's ESG Committee provides oversight of Sustainability Risks and expects underlying funds to follow the prinicples of the UK Corporate Governance Code and consider the following areas: Remuneration, capital allocation record, board independence, board diversity and voting.

The ESG Committee expect underlying investment managers to assess these areas both pre investment and on an ongoing basis and expect that underlying investment manager votes on behalf of the fund at every annual general meeting of its investee companies (unless this is not possible).

As responsible shareholders, the ESG Committee believes that it is also a duty of the underlying funds to engage with investee companies. In the Investment Manager's experience, active engagement can help foster positive long-term change in the way businesses are run and a greater understanding of a business.

The Investment Manager seeks to manage Sustainability Risks through engagement with the underlying investment managers of the funds the Fund invests in, speaking to industry competitors or representatives and liaising with other shareholders where relevant. Where the Investment Manager deems it appropriate in order to manage Sustainability Risks, the Investment Manager may ultimately choose to divest the investment.

The Investment Manager expects underlying investment managers to encourage portfolio companies to achieve strategic improvement in levels of boardroom diversity as well as seeking evidence of practices to ensure diversity throughout the workforce.

If changes have occurred with regards to the team, process or operations of an underlying investment manager, a review process will be undertaken and if the conclusion of the review process is unsatisfactory, the underlying fund will be sold.

* **Designated reference benchmark**

A specific index has not been designated as a reference benchmark for the purposes of determining the environmental and/or social characteristics promoted by the Fund.