

ESG Equity Analysis

Our comprehensive process, conducted by the investment team with support from our ESG Equity Analysts, culminates in a qualitative assessment of risk and opportunities in our due diligence process. Amongst the key features of our approach are sector-tailored assessments of a company's board structure, employee reviews, supply chain management, ability to navigate evolving climate change demands, environmental impact and capital management. This is cross checked with external information providers, while the engagement from our investment team takes place through management conversations and active proxy voting.

Our approach — fully embedded, investment led and horizon matched:

- Investment team leads on ESG assessment and engagement, with support from the ESG Equity Analysts
- Qualitative and sector-differentiated assessment of opportunities and risk, with ESG entrenched in the investment process
- Engagement from investment team through corporate contact and active proxy voting

Our assessment — holistic identification of material risks and opportunities:

- Company's board structure
- Employee reviews
- Supply chain management
- Environmental impact
- Capital management
- Climate change opportunities and risks

The result — construction of portfolios that reflect a responsible stewardship of capital at their core:

- Above average ESG score across our funds, with notably lower carbon footprints
- Improved risk-reward profile from corporates through board renewal, removal of poison pills, better capital allocation, improved disclosure
- Engagement ahead of market and external information providers potentially leads to higher total shareholder return and lower stock volatility

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Investment Manager, Asian Equities

IMPORTANT INFORMATION

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International investing entails special risk considerations, including currency fluctuations, lower liquidity, economic and political risks, and differences in accounting methods; these risks are generally heightened for emerging market investments. Concentrating investments in the Japan region subjects the Fund to more volatility and greater risk of loss than geographically diverse funds.

Equity stocks of small and mid-cap companies carry greater risk, and more volatility than equity stocks of larger, more established companies.

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