

### **Global Fundamental team: Integration of Sustainability Risk**

The extent to which Sustainability Risks represent potential or actual material risks to the Funds is considered by the Investment Team in its investment decision making and risk monitoring. Along with any other material risk, the Investment Team will consider Sustainability Risks in order to seek to maximize long-term risk-adjusted returns for the Fund.

The Investment Team undertakes materiality assessments as part of its fundamental investment approach whereby the Investment Team assess the degree to which each company is managing its key material issues.

This enables the Investment Team to understand:

- 1) what a company's principal, material risks and opportunities are; and
- 2) to engage on these issues to ensure that they understand the extent to which these issues are being managed by the company, as well as how they are being managed.

The Investment Team attributes a proprietary resiliency score to each holding reflecting its evaluation of this assessment. A conviction score is also attributed to each of the holdings which reflects the Investment Team's fundamental analysis of each holding, including information received from the materiality assessment and engagement with a company.

The Investment Team's conviction score may indicate the trading in terms of whether a particular investment is no longer suitable and to sell it or decide not make an investment in it, or whether it is suitable and should be held. This may also reflect the weighting of the holdings in the Funds. In this way, the Sustainability Risks and opportunities are integrated into investment decisions.

An assessment is undertaken of the likely impacts of the Sustainability Risks listed in this Prospectus on each Fund's return.

The impacts following the occurrence of a Sustainability Risk may be numerous and may vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

A Sustainability Risk can either represent a risk on its own or have an impact on other risks and contribute significantly to other risks, such as market risks, operational risks, liquidity risks or counterparty risks.

While no guarantee can be made, the impact of Sustainability Risks on the returns of each Fund as a whole is considered to be low to medium due to the level of diversification of investments in each Fund.