

## Global Multi-Asset Income Fund

### Approach to sustainability

The environmental and social characteristics promoted by the Fund will be set out in its investment policy and in a new section of the Prospectus of the GSF to be called 'Sustainability Disclosures' in Section 20 of Appendix 1: The Specifics of the Sub-Funds of the Fund. For further details, please see the section called 'Revised investment policy and sustainability disclosure' below.

### Other changes

#### i. Permitted asset classes

We continuously monitor the investment policies of the GSF range of funds to ensure they remain appropriate for the funds' underlying investment strategies.

The Fund's current investment policy provides that it will invest at least two thirds of its assets in a primary group of asset classes comprising debt securities, equities and related derivatives. The Fund may also invest up to one third of its assets in ancillary investments, comprising of other transferable securities, money market instruments (types of debt assets which typically have a maturity of less than one year), cash, deposits and units of other funds. In order to align with other multi-asset sub-funds in the GSF range, we are removing the distinction between the primary and ancillary investments the Fund may invest in by combining these into a single broad group of permitted asset classes within the investment policy. This will allow the Investment Manager to invest across each of these asset classes to respond to market conditions and investment opportunities for the benefit of investors. The Fund's maximum equity exposure limit will remain unchanged.

#### ii. Volatility target

We are also amending the Fund's investment policy to make it clear that the Fund seeks to limit volatility (the pace or amount of change in its value) to lower than 50% of that of global equities. This wording highlights the fact that risk management is an important component of the Investment team's approach. Volatility is measured with reference to movements in the MSCI All Country World Index (Total Return Net). However, this level of volatility is not guaranteed and there may be times when it is exceeded.

#### iii. Other changes

Finally, we are making amendments to the investment policy of the Fund to update the current wording to be more in line with current expectations for investment policies. For example, we are enhancing the wording to describe how the fund may invest in commodities, property and infrastructure, as well as the types of derivatives the Fund may use. We believe that these changes make the Fund's aims, and the type of investments it may invest in, clearer.

### Revised investment policy and sustainability disclosure

The amendments to the investment policy of the Fund are set out in the table below. For ease of reference, we have put the current and new wording side-by-side, crossed through the deletions and underlined the paragraphs that have changed so that it is easier for you to compare.

## Global Multi-Asset Income Fund

Current investment policy	New investment policy
<p>The Sub-Fund aims to provide income with the opportunity for long-term capital growth.</p>	<p>The Sub-Fund aims to provide income with the opportunity <del>for long-term</del> capital growth (i.e., to grow the value of your investment) over the long-term.</p>
<p>The Sub-Fund will invest primarily in a diversified portfolio of fixed interest instruments, equities and derivatives, the underlying assets of which are fixed interest instruments and equities. Normally, the Sub-Fund's maximum equity exposure will be limited to 40% of its assets.</p>	<p><del>The Sub-Fund will invest primarily in a diversified portfolio of fixed interest instruments, equities and derivatives, the underlying assets of which are fixed interest instruments and equities.</del></p> <p><u>The Sub-Fund seeks to limit volatility (the pace or amount of change in its value) to be lower than 50% of the volatility of global equities. While the Sub-Fund aims to limit its volatility to be lower than 50% of global equities there is no guarantee that this will be achieved over the long-term, or over any period of time.</u></p> <p><u>The Sub-Fund is actively managed and invests in a broad range of assets around the world. These assets may include equities (e.g. shares of companies), debt securities (e.g. bonds), money market instruments, cash or near cash, deposits, alternative assets (such as commodities, property and infrastructure), other transferable securities (e.g. shares of closed-ended investment companies, exchange traded products and equity related securities such as depositary receipts, preference shares, warrants and equity linked notes), derivatives (financial contracts whose value is linked to the price of an underlying asset), and units or shares in other funds.</u></p> <p><u>Investments may be held directly in the asset itself, other than in commodities, property or infrastructure, or indirectly (e.g., using derivatives). Normally, the Sub-Fund's maximum equity exposure will be limited to 40% of its assets.</u></p> <p><u>The Sub-Fund focuses on investing in securities that offer a reliable level of income and opportunities for capital growth in many market conditions. Investment opportunities are identified using in-depth analysis and research on individual companies and borrowers.</u></p> <p><u>The Sub-Fund promotes environmental and social characteristics in line with Article 8 of the SFDR as described in the Sub-Fund's Sustainability Disclosures.</u></p> <p><u>The Sub-Fund will not invest in certain sectors or investments. Details of these excluded areas can be found on the website <a href="http://www.ninetyone.com">www.ninetyone.com</a> in the section entitled "Sustainability-related Disclosures" pursuant to the Article 10 of the SFDR. Over time, the Investment Manager may, in its discretion and in accordance with the Sub-Fund's investment objective and policy, elect to apply additional exclusions to be disclosed on the website, as they are implemented.</u></p>

Fixed interest instruments held may be (i) issued by companies, institutions, governments, government agencies or supranational bodies around the world, including emerging and frontier type markets, (ii) of any duration and (iii) of Investment Grade and/or Non-Investment Grade. The Sub-Fund's maximum exposure to issuers of emerging and frontier markets fixed interest instruments will be limited to 25% of its assets.

~~Fixed interest instruments~~ Debt securities held may be (i) issued by any borrower (e.g., companies and institutions, governments), government agencies or supranational bodies around the world, including emerging and frontier type markets, (ii) of any duration and (iii) of Investment Grade and/or Non-Investment Grade. The Sub-Fund's maximum exposure to issuers of emerging and frontier markets debt securities ~~fixed interest instruments~~ will be limited to 25% of its assets.

The Sub-Fund may invest in debt instruments issued inside Mainland China on any eligible market, including CIBM, and traded through, without limitation, RQFII, CIBM Direct Access and Bond Connect. The Sub-Fund may invest in shares issued by Mainland China companies, without limitation, including B shares, H shares and China A Shares (which may include, but is not limited to, those China A Shares traded via Stock Connect and RQFII). The Sub-Fund's exposure to investments in Mainland China will be limited to 20% of its net assets.

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The Sub-Fund may take exposure to alternative assets, such as property and infrastructure through investment in transferable securities, units or shares in other funds and derivatives whose underlying instruments are transferable securities, financial indices or units or shares in other funds. Property transferable securities may comprise of those issued by companies active in the real estate sector and closed-ended real estate investment trusts (REITS) of any legal form qualifying as eligible transferable securities. Infrastructure transferable securities may comprise of those issued by companies active in the relevant sector and listed closed-ended investment companies qualifying as eligible transferable securities.

The Sub-Fund may take exposure of up to 10% of its assets to commodities in accordance with the Grand Ducal Regulation of 8 February 2008. For this purpose, the Sub-Fund may purchase derivatives whose underlying instruments are commodities and sub-indices, transferable securities that do not embed a derivative, or 1:1 certificates (including Exchange Traded Commodities (ETCs)) the underlying of which are commodities and that qualify as an eligible transferable security. The Sub-Fund will not acquire physical commodities directly, nor will it invest directly in any derivative that has physical commodities as an underlying asset.

The Sub-Fund may hold other transferable securities, money market instruments, cash or near cash, derivatives, deposits and units in collective investment schemes.

The Sub-Fund may use derivatives for efficient portfolio management, hedging and/or investment purposes.

~~The Sub-Fund may hold other transferable securities, money market instruments, cash or near cash, derivatives, deposits and units in collective investment schemes.~~

The Sub-Fund may use derivatives for, hedging, Efficient Portfolio Management and/or Investment Purposes. Derivatives which may be used include, without being exhaustive, exchange traded and over-the-counter futures, options, swaps and forwards, or combination(s) of these. The underlying of a transaction in a derivative may consist of any one or more of transferable securities, money market instruments, indices, interest rates, foreign exchange rates and currencies.

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These changes will not affect the way the Fund is managed or its risk or return profile. The Fund's sustainability disclosures can be found below.

### **Sustainability disclosures**

The Sub-Fund promotes environmental/social characteristics (within the meaning of Article 8 SFDR) but will not make any sustainable investments within the meaning of Article 2(17) SFDR.

### **Sustainability characteristics**

The Sub-Fund seeks to promote environmental and social characteristics by making direct investments in companies and countries that meet the standards of the Investment Manager's proprietary sustainability framework and by excluding direct investments in certain business groups and activities.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

### **How these characteristics are attained**

#### **Investment strategy**

#### **Sustainability framework**

As part of its investment strategy to promote the environmental and social characteristics of the Sub-Fund, the Investment Manager makes direct investments in companies and countries that meet the standards of its sustainability framework.

This sustainability framework focuses on assessing the material positive and negative externalities created by a potential investment that impacts its stakeholders. Positive and negative externalities are the beneficial or harmful effects that the Investment Manager believes a company or country may have on society and the environment as a result of its policies, operations, business models, products and/or services.

The Investment Manager will seek to quantify the externalities where possible and assess the business models and targets that companies have in place to manage negative externalities that affect society and the environment. The Investment Manager will favour direct allocations in investments which have policies in place to manage harmful effects (i.e., negative externalities) on stakeholders, and in some cases have products and services with identifiable benefits (i.e., positive externalities) to society or the environment.

## Appendix

Using its sustainability framework, for company investments, the Investment Manager undertakes sustainability reviews of industry business groups which serve two purposes:

- to help identify potential business groups that should be excluded from the Sub-Fund
- to provide context for the subsequent fundamental research that is carried out on individual companies when considering them for inclusion in the Sub-Fund.

When investing in countries (i.e., sovereign investments), the Investment Manager reviews the extent to which authorities are balancing long-term environmental and social sustainability with short-term growth and consumption goals. It is an important understanding that for many countries, there is a delicate balance between negative environmental and social externalities and the pursuit of economic growth, particularly in lower income nations.

### Exclusions

As referred to above, for the Sub-Fund, the Investment Manager also seeks to exclude direct investments in certain business groups and activities (in some cases subject to specific revenue thresholds). The Investment Manager's approach to exclusions for the Sub-Fund is based on a combination of the conclusions of its proprietary business group sustainability reviews and the responsible investing preferences of investors.

As a result, the Sub-Fund will not invest in companies that derive more than 5% of their revenue from the following business activities:

- the manufacture and sale of tobacco products;
- coal extraction or power generation;
- the exploration, production and refining of oil and gas;
- the management or ownership of gambling centres or through online gambling portals; or
- the management or ownership of adult entertainment production or distribution.

In addition, the Fund will not invest in companies that:

- are directly involved in the manufacture and production of controversial weapons including: biological and chemical weapons, cluster munitions, landmines and nuclear weapons; or
- the Investment Manager deems to be in violation of the United Nations Global Compact principles.

More information on the Investment Manager's current sustainability criteria, including the rationale behind not investing in certain business groups and activities, can be found in the Literature Library on the Investment Manager's website, [www.ninetyone.com](http://www.ninetyone.com). Over time, the Investment Manager may, in its discretion and in accordance with the Sub-Fund's investment objective and policy, elect to apply additional sustainability criteria to be disclosed on the website, as they are implemented.

### Investment process

The sustainability framework is integrated throughout the investment process. The Investment Manager's fundamental analysis is supported by a variety of information including publicly available sources (e.g., company sustainability reports), third-party data (e.g., CDP carbon disclosure reports), proprietary models as well as the experience, discretion and judgement of the Investment Manager.

The Investment Manager applies its sustainability framework consistently and on an ongoing basis to assess the environmental and social characteristics of all of the Sub-Fund's direct investments in both companies and countries. In accordance with the investment policy, the Sub-Fund may invest in cash, near cash, deposits, money market instruments, derivatives and/or collective investment schemes and exchange traded funds. These investments are used within the Fund to support the pursuit of its investment objective rather than to further the promotion of environmental and social characteristics.

The Sub-Fund's holdings will be monitored on an ongoing basis by the Investment Manager. A holding may be sold for a range of reasons but in particular, if it is determined that the investment case for the holding has been weakened or it no longer satisfies the investment objective and policy of the Sub-Fund. Such sales will take place over a time period to be determined by the Investment Manager, taking into account the best interests of the Shareholders of the Sub-Fund.

### **Good governance**

The Investment Manager follows an internal framework to analyse governance issues related to investee companies. This is rooted in widely accepted governance principles which are outlined in the Investment Manager's Ownership policy on its website, [www.ninetyone.com](http://www.ninetyone.com). Third party data complements the governance assessment.

For the Sub-Fund, assessing the good governance practices of companies and countries (i.e., sovereign investments) is part of the fundamental analysis that the Investment Manager performs on its investments. As part of the Investment Manager's assessment of company governance, areas such as management structures, employee relations, remuneration of staff and tax compliance are taken into account.

Where a governance issue is identified, the Investment Manager may engage directly with company management on this issue and/or exercise proxy voting rights in an effort to catalyse change.

### **Sustainability indicators**

A combination of sustainability indicators and qualitative commentary are used to demonstrate the attainment of the environmental and social characteristics promoted by the Sub-Fund.

Qualitative commentary will include information on the material externalities within the Sub-Fund, as well as highlight areas where investee companies have policies and targets in place to manage these and detail the Investment Manager's engagement and voting activity.

On at least an annual basis, alongside qualitative commentary, the Investment Manager will report on the following sustainability indicators:

For company investments:

- Scope 1, 2 and 3 company carbon footprint (in tonnes of CO<sub>2</sub>e per US\$m invested)
- Weighted average company carbon intensity (in tonnes of CO<sub>2</sub>e per US\$m of revenue)
- Proportion of disclosure (% of companies in the portfolio which disclose carbon emissions figures)
- Proportion of direct equity holdings with carbon emissions reduction targets in place
- Reporting against at least the mandatory Principle Adverse Impact indicators.

For country investments:

- Country carbon emissions on a per capita and/or per GDP basis
- Reporting against at least the mandatory the Principle Adverse Impact indicators.

Over time, the Investment Manager expects to include additional relevant sustainability indicators as data becomes more readily available.'