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

Product name: iMGP Sustainable Europe

Legal entity identifier: 549300XUHN5CD5XSKQ73

Sustainable investment objective

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.

Does this financial product have a sustainable investment objective?

☒ **Yes**	☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective:** 45%	☐ 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:** 35%	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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

What is the sustainable investment objective of this financial product?

The investment objective of the Fund is to achieve capital growth over 5 years, investing in the shares of European companies that provide solutions to sustainability challenges and falling within certain sustainable investment themes. The primary focus of the investment objective is sustainable investment (although capital growth is measured alongside). No benchmark has been selected to measure attainment of this objective, due to lack of availability of a suitably aligned benchmark for this strategy.

By following a thorough investment process as described below, the Fund contributes to tackle one or more of the sustainability challenges set by the Sub-Manager, which currently are: (1) cleaner energy, (2) environmental services, (3) resource efficiency, (4) sustainable transport, (5) water management, (6) education, (7) health, (8) safety and (9) well-being.

More specifically, the Sub-Manager seeks to achieve the sustainable investment objective of the Fund by building up a portfolio against the following four main factors: avoiding social harm; avoiding environmental harm; achieving social good; delivering environmental good.

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

The Sub-Manager measures a set of core indicators that relate directly to the sustainable investment objective of the strategy. These core indicators include: carbon avoided (tonnes), renewable energy generated (MWh) waste recovered or recycled (tonnes), water treated / use avoided (litres), people receiving healthcare treatment (no. of patients). In addition, the Sub-Manager on occasion utilises additional non-core indicators to cover portfolio companies invested in as at the reporting date.

- ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

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.

The investment process analyses and assesses potential negative impacts at the product level (significant social and environmental impact). The Sub-Manager also integrates analysis of material ESG issues into its assessment of a company's operations using a SASB-derived framework and utilises third party screening to ensure portfolio holdings are in compliance with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The thematic structure means that the Sub-Manager is largely absent from heavy footprint sectors which have a material environmental or social impact. The Sub-Manager does not invest in companies that would offend DNSH material criteria for the business as a whole.

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

  Each potential investment in the portfolio is subject to analysis of adverse impact indicators. The investment process analyses adverse impact indicators both at the product level as well as from a company operations' perspective in order to assess each company against the DNSH criteria The strategy of the Sub-Manager focuses on companies that sell products and services that provide solutions to sustainability challenges which means that the Sub-Manager considers adverse impacts from products as part of its overall assessment of the positive impact intensity of the products and services being supplied. For operational impacts, the Sub-Manager considers the range of environmental and social issues that are considered to be material to that particular business.

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

The Sub-Manager utilises third party screening to ensure portfolio holdings are in compliance with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

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

☒ Yes, in line with Article 7 of the Sustainable Finance Disclosure Regulation, this Fund considers the Principal Adverse Impacts (PAI) of its investment decisions.
The thematic structure means that the Sub-Manager is largely absent from sectors with major social and environmental impacts. Nonetheless, the Sub-Manager systematically integrates analysis of material environmental, social and governance (ESG) issues into the fundamental stock level analysis.
While the ability to currently meaningfully assess these impacts may be limited by an absence or limited availability and quality of information, the Sub-Manager will continue to further develop these processes to gather, when available, information and data on PAI of their investments.
The Fund considers all the 14 PAI listed in the first table of the Annex I of the Commission delegated regulation supplementing Sustainable Finance Disclosure Regulation.

More information on how the Fund considers its principal adverse impacts may be found in the periodic reporting of the Fund.

☐ No

What investment strategy does this financial product follow?

The Sub-Manager strategy is solely invested in listed equities.

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

It selects shares in companies that provide solutions to sustainability challenges falling within certain sustainable investment themes ("Sustainable Investment Themes") which are at present: (1) cleaner energy, (2) environmental services, (3) resource efficiency, (4) sustainable transport, (5) water management, (6) education, (7) health, (8) safety and (9) well-being. In order to qualify for investment, at least half of the company's revenues must be derived from products and services with a positive social and/or environmental impact (as set out below) related to the Fund's Sustainable Investment Themes. This leads to a pool of qualifying companies which is typically less than 1,000 stocks with less than 25% of the MSCI World Index (the "Index") components qualifying (measured by market capitalisation).
The Sub-Manager has developed a structured and disciplined investment process which seeks to add value by identifying critical social and environmental challenges that are facing the global population over the next few decades.

1. A range of investment themes is derived from this analysis (set out above) which together are used to create an overall investment universe of companies that are deemed by the Sub-Manager to provide solutions to these challenges.
2. From this universe the Sub-Manager uses a proprietary methodology to assess the impact 'intensity' of a company's products and services. The Sub-Manager selects stocks it perceives as promising i.e. those companies chosen as part of the universe that provide solutions to sustainability challenges falling within the aforementioned Sustainable Investment Themes, and analyses the fundamentals of individual companies (such as financial information and management commentary, as reported in quarterly or annual statements, press releases or other public venues) to determine the dimensions of their positive social and/or environmental product impact.
3. Additionally, the Sub-Manager reviews the ESG quality of the company's policies and practices as part of its investment process to identify business and management quality. The Sub-Manager's research considers the robustness of core risk management systems, governance processes, the extent of any involvement in controversial issues or activities and overall company alignment with sustainability issues and themes.
4. Based on the totality of this fundamental analysis, the Sub-Manager assesses the company's quality and suitability for the Fund ensuring an investment in the company does not significantly harm the environmental or social investment objectives of the Fund. For example, if the company is, in the Sub-Manager's view, exposed to excessive reputational risk, or has significant activity in areas that are not consistent with the investment philosophy of the Fund, then it will not be selected for investment. Companies with persistently poor practices regarding equal employment opportunities, human rights and environmental management will not be selected for investment. If a company is considered particularly weak on any single metric in the Sub-Manager's fundamental analysis profile, scoring a zero, it will not be qualified for investment.
Every company in the portfolio goes through the aforementioned analytical process.

The Sub-Manager will regularly monitor the companies in which the Fund invests against the above sustainable investment criteria. If it is the Sub-Manager's opinion that an investee company no longer meets the sustainable investment criteria, the Sub-Manager will not make any further investments in the company and will seek to realise its investment in such a company in an orderly fashion.
The Sub-Manager Manager's approach can be summarised as follows:

- to integrate ESG issues into all investment analysis and decision making processes;

- be active owners and engage with companies and wider stakeholders to encourage a more progressive approach to key ESG issues;

- to encourage appropriate disclosure on ESG issues by the entities in which it invests.

The Sub-Manager aims to be innovative and transparent in the execution of its responsible investment policy with extensive public reporting and regular and frequent review of its approach and performance.

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

Asset allocation describes the share of investments in specific assets.

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

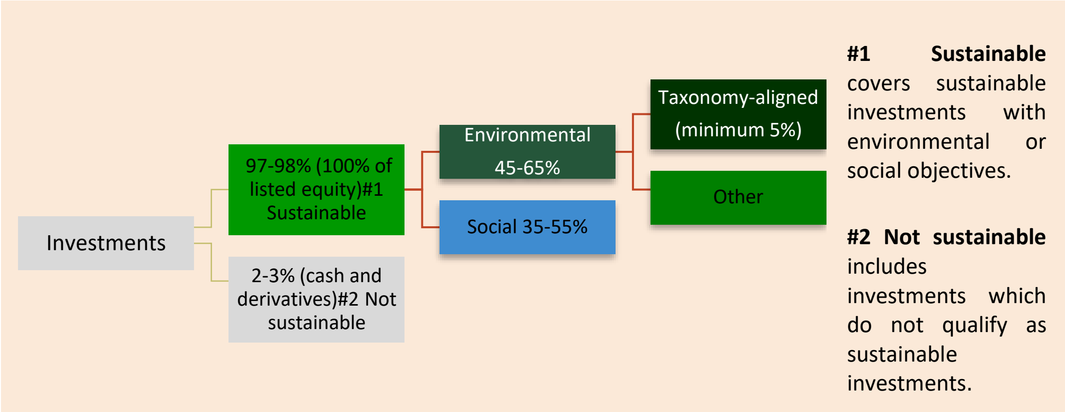
The investment strategy requires that more than 50% revenues are derived from one of the Sustainable Investment Themes; currently this score excludes circa 80% of the initial investment universe but this percentage is likely to evolve in the future. Negative screens include: alcoholic beverages, cosmetics where animal testing has been involved, gambling products or services, fossil-fuel exploration or production, intensive farming practices, nuclear power generation, pornographic materials, tobacco products, unsustainable timber products or weapons production to have a significant negative impact. Companies that have significant activities (>5%) in these areas are not considered to have an overall positive impact and would therefore be ineligible for investment. In addition, the Sub-Manager assesses the intensity of positive impact using its proprietary impact engine methodology. The Sub-Manager integrates ESG data into its fundamental quality assessment. Anything with a negative score would be excluded. Where a company scores 1 or below in any of the quality categories, this company would be excluded from investment. Typically impact engine scores below 60% are unlikely to be invested in.

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

The Sub-Manager's Stewardship & Engagement Policy sets out, based on the Financial Reporting Council's Stewardship Code, 12 principles covering Purpose and Governance of the Policy, how good practice is integrated into its Investment Approach, how the Sub-Manager engages with investee businesses and how the Sub-Manager exercises its rights and responsibilities. Assessment of governance practices at investee companies is a core element of its fundamental quality analysis, representing 20% of the fundamental quality score.

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

The asset allocation is 97%-98% in sustainable listed equities, with the remainder in cash and derivatives. Investments in the Sustainable Investment Themes would be considered as enabling with reference to the EU Taxonomy, representing between 45-65% of the strategy. A minimum of 5% of the portfolio is considered to be aligned with the EU Taxonomy. The remaining investments representing between 35%-55% are invested in companies with a positive social impact.
At all times the portfolio of listed equities will represent 100% of sustainable investments. This means that investments in both categories (having an environmental or social objective) are complimentary to each other and will move upwards or downwards within the ranges specified in the below table.



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.

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

The Fund may also invest in derivative financial instruments in order to manage its portfolio efficiently and to protect its assets and liabilities but also by way of principal investment. The performance of the Fund does not take into account the derivatives to measure the attainment of the sustainable investment objectives.

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

The percentage of Taxonomy-aligned investments which contribute to the environmental objectives set out above would initially be at least 5%, calculated using company turnover, CapEx and OpEx. This figure will be kept under review and the Sub-Manager would expect it to increase significantly as more data becomes available. This figure is calculated through a combination of internal research and verifiable third party sources. The areas that the Sub-Manager invests in that it considers to be in environmentally sustainable economic activities include: Cleaner Energy such as wind and solar power, Environmental Services such as circular economy activities and the manufacture of sustainable materials, Resource Efficiency as such as energy efficient products, efficient buildings and efficient manufacturing technologies, Sustainable Transport including battery electric vehicles (BEVs) and infrastructure for BEVs, and Water Management such as wastewater treatment products and services.

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

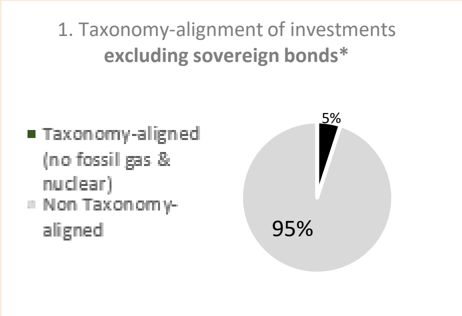
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas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

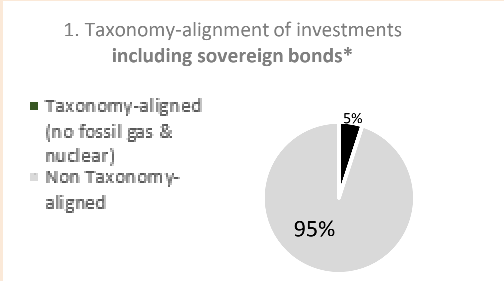
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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 and among others have greenhouse gas emission leels corresponding to the best performance.

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 investments**

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

***As the Fund does not invest in sovereign bonds, the proportion of sustainable investments aligned with the EU Taxonomy is the same in both graphs.*

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

  100% of Taxonomy-aligned investments are considered enabling. This is currently set at a minimum of 5% of the Fund's portfolio.

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

The minimum share of sustainable investments that will not be Taxonomy aligned is set at zero. The proportion of taxonomy aligned investments is expected to increase over time as more data becomes available. The Fund currently invests in sustainable investments as determined by the exposure of the company's revenues to one or more of our environmental or social themes. The Taxonomy however, is currently only focused on two of six environmental objectives. The investments, for example, in circular economy businesses, and businesses that sell products and services that treat wastewater and protect the aquatic environment are not covered by the current Taxonomy which is focused on climate change mitigation and adaptation. For these companies, while clearly delivering a positive environmental impact, there is no taxonomy that is available to align with. In addition, the strategy of the Fund is invested in businesses that operate outside of the European Union. These businesses do not typically comply with detailed product standards that are specific to the European Union and referenced in the taxonomy. The Sub-Manager does not generally consider these companies to be taxonomy aligned even where the products and services clearly deliver a positive environmental impact. Finally, very few companies even in the European Union have yet published detailed accounts of their taxonomy alignment. The Sub-Manager would expect its overall alignment to increase over time once more data is available.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

The proportion of sustainable investments with a social objective is expected to be at least 35% of asset allocation.

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

"Other" includes the remaining investments of the financial product which are not qualified as sustainable investments. These include cash, money market instruments or similar instruments as well as derivatives. These investments do not follow minimum environmental and social safeguards.

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

No, the comparator benchmark is Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index.

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

Where can I find more product specific information online?

More product-specific information can be found on the website: https://www.imgp.com/en/sustainability