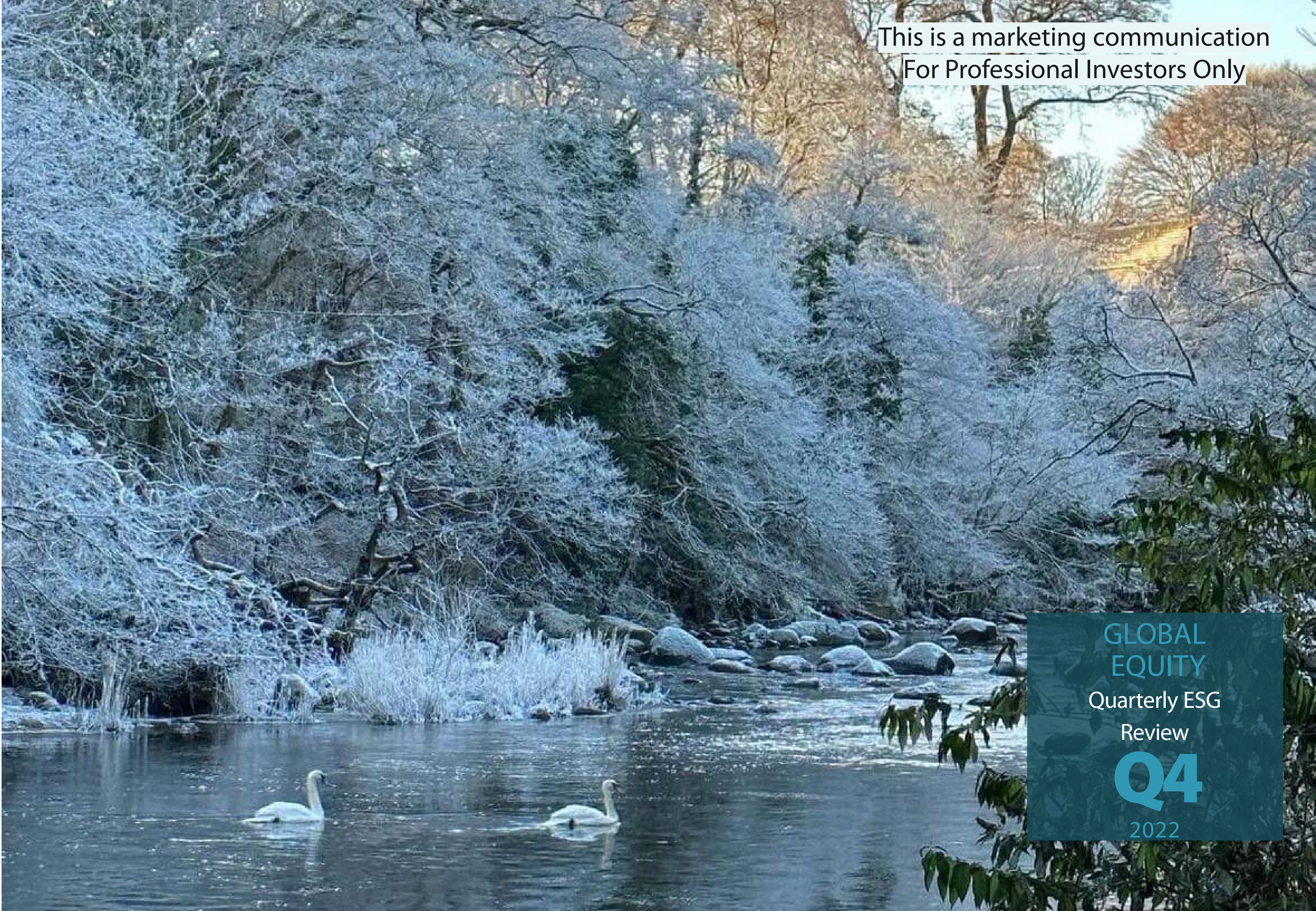

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For Professional Investors Only

GLOBAL EQUITY

Quarterly ESG Review

Q4

2022

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Natalia Rajewska,

Global ESG Specialist

Natalia Rajewska is the firm's Global Sustainable Investment Specialist based in Singapore. She has over 8 years of experience in sustainable investment/finance and ESG consulting. She joined Nikko AM from ING Bank in Singapore where she rose to VP covering APAC clients, having originated and structured some of the market leading and world's first sustainable finance instruments. Prior to joining ING, Natalia worked at Aviva Investors in the UK as an ESG analyst, where she supported the investment team with ESG analysis and engaged with boards on pertinent ESG issues. Natalia has also worked at Corporate Citizenship, a sustainability consultancy and an impact investment foundation in Singapore. She holds a BBA from The Hague University and an MSc in Economic History and International Development from The London School of Economics and Political Science.

Amisha Patel

ESG Specialist

Amisha joined Nikko AM in 2014, having previously held roles at Wellington Asset Management and GAM. She supports the Nikko AM Global Equity and Global Fixed Income investment teams with ESG analysis and engagements on pertinent ESG issues. Amisha holds a BA in Economics from the University of Manchester.

OUR COMMITMENTS

Q4 2022

Purpose Led Future Quality

Purpose led Future Quality Companies:

- A focus on companies creating stakeholder value
- High and sustainable cash-flow returns delivered by management teams we trust
- We believe that those targeting solutions for today's problems are likely to be among the long-term winners

Engagement:

- ESG ratings are imperfect – engagement helps us understand why
- ESG issues are aligned with our long term investment horizon
- We can help companies address their apparent weaknesses

ESG Characteristics Promoted:

- Carbon intensity of the portfolio which is substantially lower relative to benchmark
- Zero violations of the UN Global Compact
- Zero 'very severe' controversies on environment, human rights, customers, labour rights or governance (OECD guidelines)
- Zero controversial weapons
- Zero tobacco

ESG Integration:

- ESG helps us find Future Quality companies
- We undertake ESG research directly and do not delegate ESG decisions to other teams
- ESG factors are analysed is at every stage of our investment

Commitments & Resource:

- We invest for the future low carbon world
- We avoid controversies and UN Global compact violations
- Nikko AM's ESG resource helps us attain best practice
- Where appropriate ensure investment policy meets European Supervisory Authority's Article 8 Sustainable Financial Disclosure Regulations

Important Sources & Links:

- ESG White Paper
- Future Quality White Paper
- Nikko AM Sustainability Report 2022
- Nikko AM Group Submission to the UK Stewardship Code
- Upon request: PRI; Article 8 SFDR; UN Global Compact

Portfolio has a lower carbon footprint and is not exposed to destructive companies

Lower carbon footprint

Fund has lower carbon footprint compared to the benchmark

57.5

Fund's Carbon footprint
(T CO2E/$M Sales)

161.3

Benchmark's Carbon footprint
(T CO2E/$M Sales)

Social safeguard

Fund exposure to companies flagged for certain frequently used social safeguard screens

UN Global Compact violations
0.0%

'Very severe' controversies
0.0%

Tobacco
0.0%

Controversial weapons
0.0%

Source: Source: MSCI ESG Research, December 2022* Carbon Footprint is Weighted Average Carbon Intensity
Fund is a representative account of the Nikko AM Global Equity Strategy. Benchmark is the MSCI AC World Index

ESG ATTRIBUTES

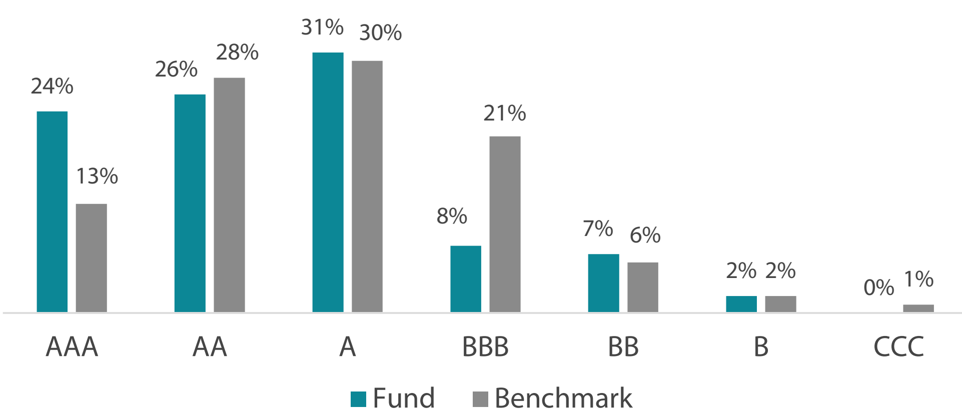
Portfolio Positioning

Highest ESG Rated Stocks

Stock	Sector	Portfolio Weight (%)	ESG Rating
Microsoft Corporation	Information Technology	4.44	AAA
Diageo plc	Consumer Staples	2.80	AAA
Coca-Cola Company	Consumer Staples	2.78	AAA
Worley Limited	Energy	2.73	AAA
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	2.23	AAA

Lowest ESG Rated Stocks

Stock	Sector	Portfolio Weight (%)	ESG Rating
Palomar Holdings, Inc.	Financials	1.60	B
KBR, Inc.	Industrials	2.66	BB
O'Reilly Automotive, Inc.	Consumer Discretionary	2.12	BB
Masimo Corporation	Health Care	1.29	BB
Koninklijke Philips N.V.	Health Care	0.70	BB



- Sometimes ESG ratings only tell part of the story and often a historical one.
- Not every company is perfect and an improving ESG journey can create substantial value.
- We engage with the lowest rated companies to help them on a journey of improvement

Source: MSCI ESG Research, December 2022 ; Data is for a representative account of the Nikko AM Global Equity Strategy
Benchmark is the MSCI All Country World TR Net index
Data supplied as per the MSCI definitions
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RESEARCH FOCUS

Key current themes

Clean, secure and affordable energy

Energy can no longer be taken for granted:

As the shale revolution has unwound and climate change has taken hold how do we find the solution ***for clean, secure and affordable energy***?

- We have an environmental need for clean energy
- Post the Ukraine war the need for energy security is strengthening
- The economic case for cost-competitive and affordable clean technologies is strengthening

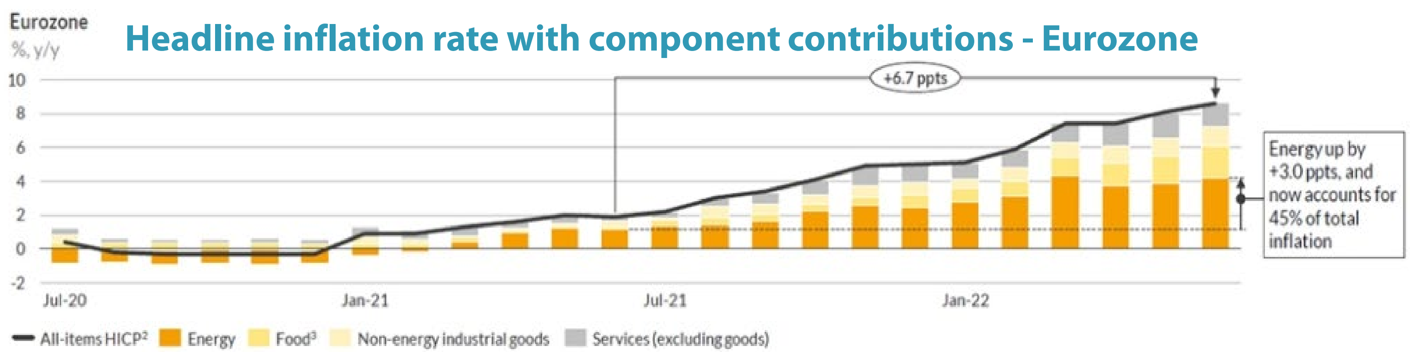
Society's challenge is to solve for all 3.

Our choices today - long term vs short term

- We need an acceleration of long-term spending on clean energy technologies.
  - Today, for every US dollar (USD) spent globally on fossil fuels, USD 1.5 is spent on clean energy technologies.
  - By 2030, under the net-zero emissions by 2050 scenario, every dollar spent on fossil fuels will be outmatched by USD 5 on clean energy supply and another USD 4 on efficiency and end-uses.

    IEA: 'World Energy Outlook 2022'.
- While we accelerate clean energy investment for the long-term, we will exacerbate our energy shortages in the short-term.
- We need greater supply of fossil fuelled energy, greater efficiencies in how we use energy while continuing to accelerate investments in clean energy. It's all hands on deck.

About 75% of inflation is driven by energy costs



Headline inflation rate with component contributions - Eurozone

Source: Aurora Energy Research, GOV.UK, Eurostat, U.S. Bureau of Labor Statistics, MarketWatch

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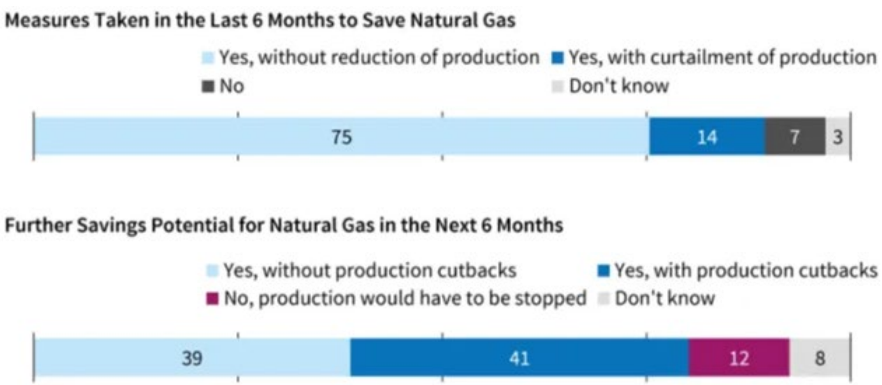
Short-term affordability vs long term energy transition

Energy savings – demand efficiency offers progress

A recent German IFO survey suggested that most companies have found ways to reduce gas usage in the last six months while still meeting production targets. In this case 75% of those that use gas as a primary energy source in their production were able to reduce consumption.

Reduction of natural gas consumption in the production process (%)



Source: IFO Business survey, October 2022

Look to energy efficiency for solutions

- The most suitable near-term solutions include projects with short lead times that bring oil and gas to market quickly.
- This also includes areas such as capturing some of the 260 billion cubic metres of gas that is wasted each year through flaring and methane leaks to the atmosphere—this is a key driver of our investment in **Emerson**.
- While energy costs soar, CEOs will need to look to reduce their energy burden. We see this providing tailwinds for long-term holding companies such as **Schneider.**
- There are opportunities within the energy services companies, where cash flow returns should accelerate to double-digit levels. This is a significant part of the reason for our more investments in **Worley** and **Schlumberger**.

COMPANY ENGAGEMENTS

Social Case Study – Masimo

Issue:

- Masimo surprised equity markets with the USD1bn acquisition of Sound United in February 2022.
- Although the strategic rationale for a potential investment had been flagged by management, the scale of the deal and the timing (entering a cost of living crisis) were both unexpected.
- The transaction and the subsequent, violent share price reaction seemed to have not been expected by management but were fairly predictable in our view.
- This led to questions over checks and balances within Masimo's Board (where the CEO is also the founder of the business).

Engagement:

- We spoke to the CFO & Head of Business Development in February 2022. We outlined our concerns about management effectiveness if the CEO has total control over the strategic path of the company and its culture.
- We have spoken to the company again, in May, November and December 2022 (after the company gave more details on the strategic rationale at a Capital Markets Day earlier that month).

Other Actions Taken:

- We reached out to a former employee of Masimo in June 2022 (via an independent research provider), to better understand the culture of the company.
- We have also scrutinised other sources of employee feedback, such as Glassdoor.
- These meetings have confirmed that the CEO has curated a very results-focused culture, with relatively aggressive targets. These targets tend to be viewed as realistic, however, and there remains a high level of employee support for the strategic direction of the company.

Result and conclusions:

- Since our engagement the company has provided far more detail on why Sound United was the right transaction for the long-term future of Masimo. They have also been very clear that they will not sacrifice the core business's margins or ROIC to deliver success.
- Whilst we are reassured on the merits of the deal, we continue to engage with the company on areas related to corporate culture and the balance of power at Board level, between the CEO and other Directors.

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Abbott Labs	03/03/2022	Investor Relations	Following Abbott's decision in February 2022 to recall power infant formula with an expiration of 1st April 2022 or later from its Michigan production facility, we decided to engage with the company to understand why this incident had happened and how Abbott was initially responding. In a conversation with IR, we learned that harmful bacteria (Cronobactor sakazakii) entered non-production areas of the facility when manufacturing improvements were being made to the site and workers did not adhere to safety standards. IR informed us that the company issued the product recall as a precautionary measure and that there was no evidence of contamination in production areas of the facility. Abbott was also able to prove that routine quality testing had ensured that no contaminated products were ever distributed or sold to consumers.
	23/03/2022	Investor Relations	A few weeks after our engagement with ABT, the FDA published its report on the infant formula product recall. The FDA findings indicated that there was in fact bacterial contamination in production areas of the Michigan facility, and ABT violated standard safety procedures. In light of this, we have reached out to ABT IR again to understand the company's thoughts on the FDA findings, and decipher whether or not the report may be somewhat inflammatory in nature. We are currently awaiting a response from IR.
	01/04/2022	Investor Relations	We organised a follow-up engagement with Abbott after the FDA published its findings from an investigation of the Michigan production facility. The purpose of this engagement was to reconcile fundamental differences in the public statement made by Abbott and the FDA report. Abbott had stated that harmful bacteria was only detected in non-productive areas of the facility, whilst the FDA concluded that manufacturing and distribution areas were subject to bacterial contamination. Through our engagement, it became clear that Cronobacter sakazakii was only found on external parts of the manufacturing equipment in the production facility and therefore made no direct contact with the powder infant formula. Clarifying this point helped us to establish the materiality of the ESG controversy. Indeed, whilst any harmful bacteria in the Michigan facility is entirely out of order, there was no contamination of powder infant formula. This illustrates that safety standards were largely upheld to prevent direct product contamination and proves that Abbott was not culpable for the reported infant infections.

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Abbott Labs	26/07/2022	Investor Relations	We engaged with Abbott for a third time shortly after the company announced it had restarted production at its Michigan facility. The purpose of this engagement was to evaluate the progress Abbott had made, since entering a consent decree with the FDA, to maintain new product safety standards and restart production effectively. We were encouraged to hear that production successfully restarted in early July and product would reach consumers within approximately six weeks. The company has been consulting with industry experts to implement the latest technological advancements in the food manufacturing process, increasing finished product testing, implementing auto-sampling technology, increasing sampling of non-production areas from two to three times, and enhancing electronic records to provide real-time data on each batch. This led us to believe that Abbott had taken the product recall seriously and was taking steps to prevent a similar issue from reoccurring in the future. We believe it is important to continue engaging with Abbott on the infant formula product recall. Whilst we have established that the product recall is not a material risk to our investment thesis, we need to monitor Abbott's ability to maintain the new product safety and quality standards. If an event like this were to happen again, it could damage the company's reputation and challenge our conviction in the stock. For this reason, ongoing engagement is in the best interests of our clients.
	15/11/2022	Investor Relations	A routine call with IR following Q3 results. Abbott believes that the infant formula issue is largely behind them now. The company stated that safety standards had improved product quality but stressed that these were enhancements, not new policies. Production of infant formula for metabolic deficiencies recommended in July and hit shelves in September. Production of the core infant formula brand, Similac, recommenced production in Q3 and hit shelves in Q4 2022. Abbott has fully recovered its market share in the supplemental nutrition program for women, infants and children (WIC) and has regained 50% of the share it lost in non-WIC. Now, the focus is on regaining the remaining share losses in non-WIC, which IR believes is achievable in 2023.

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Nestle	07/03/2022	Investor Relations	We are pleased to see that the company has made significant progress here with the launch of the Income Accelerator program, which aims to go beyond typical due diligence of the cocoa supply chain, and instead, tackle the root causes of child labour. Nestle is in the very early stages of this program, and we can expect teething issues along the way as it is implemented. However, we take this as an encouraging step in a long journey to tackling child labour. We will continue to engage with the company on the progress they are making here and feedback they are receiving from farmers.
Koninklijke Philips	25/08/2021	Investor Relations	We meet with management of our investee companies on a regular basis, this was a routine meeting with IR. During the meeting it was discussed that there is little new information to add on the product recall. Philips have replied to all the FDA's queries and will submit the final piece of testing data by end of 2022. We will continue to engage once there is an update from the FDA.
Carlisle	28/06/2022	Head of Sustainability	We are pleased to see that Carlisle has progressed in terms of ESG; science-based targets are to be adopted, 2030 scope 1 and 2 emission targets are to be introduced (70% reduction) along with 2050 targets (including scope 3). New developments are needed to reach net zero and Carlisle are partnering with universities and technology leaders to develop what's required. Bio based product development, likely though carbon sequestration, is also a possibility while end of life circularity is also being discussed.

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Masimo	17/02/2022	CFO, Head of Corporate Strategy and Financial Controller	Engagement with management to gain a better understanding of the strategic rationale behind the planned acquisition of Sound United. The CFO gave 3 strategic reasons for the deal; - Immediate access to retail shelf space for new Masimo products, piggybacking on Denon etc. - Recruiting a proven commercial management team to oversee this. - Access to the HEOS operating system, which they plan to use as the software backbone for various healthcare wearables – as part of their telehealth capability and (ultimately) enabling the hospital at home. Post this conversation with the CFO and Head of Corporate Strategy, We still think that this deal contains a relatively high element of risk and is clearly driven by the CEO's personal vision of Healthcare IT / Consumer convergence. His track record does demand some respect though and our confidence in core Masimo product offering (and the potential tripling of TAM) remains high. The stock now offers the guaranteed earnings upgrades Sound United is consolidated after the expected deal closing in the Summer. Credible financial targets for the merged business (expected at the same time) would also start to rebuild management credibility and the stock's valuation multiple. We will continue close engagement with the company concentrating on how the 'sounding out' process works within Masimo management and what the checks and balances are in place when they have a Founder / Chair and CEO. Also, looking at how the management compensation ensures that key Sound United personnel are retained and management's interests are fully aligned with shareholders as the new Masimo emerges.
	11/05/2022	Investor Relations	A regular IR meeting, Masimo are continuing to build the case for the Sound United acquisition whilst increasingly underlining the stability / growth of core Masimo.

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Source: Nikko AM/Factset

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ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Masimo	10/11/2022	Investor Relations	A regular IR meeting where we were pleased to see the CEO taking on board recent activist concerns. Masimo will guide on the investment level of the Freedom Watch at the capital markets day in December.
	23/12/2023	Investor Relations	This was a positive meeting, IR provided numerous, reasonable proxies to judge the success or failure of the upcoming new product launches and confirmed that guidance was couched in very conservative terms. Success in new areas such as health watches, baby monitors and hearing, where they have strong branding and good route to market, should be enough to see their Healthcare business grow strongly in the foreseeable.
Palomar	16/02/2022	Update	Since the ESG perception study and post our meetings with management the company have made several steps to improve their ESG reporting and several steps to improve their ESG credentials but are also aware that this is still a work in progress and collating and providing certain data will take more time. Just prior to the perception study they signed the principles for responsible investment. They have since provided statements on cybersecurity, data privacy, environment, human rights, occupational health and safety and responsible investment. more recently they updated their sustainability and citizenship report. the new report provided far more quantitative data on material metric. While several of the reports accept that more work is required to provide more comprehensive information for investors it is a strong start in a short space of time.
Hexagon	11/05/2022	Investor Relations, Head of Sustainability	In 2021 we reached out to Hexagon's Head of Sustainability to discuss their sourcing of controversial materials. We have more recently reached out again with a number of questions to gauge the company's progress in this area. We are awaiting a reply from Hexagon.
AdaptHealth	16/06/2022	Investor Relations	We engaged with Adapt Health on two issues where ISS are recommending withholding support. Whilst the company's strategic vision remains very strong, Adapt still has some work to do in terms of Governance and we will keep engaging with them on these matters. On this subject, they are planning an Investor Day for September and have engaged an agency to discuss the key objectives of existing shareholders ahead of this, we will engage with this. The financial controls issue is a function of the rapid change at the business and is broadly in hand. We'd like a definitive commitment to ending the classified Board arrangement, however and will reflect this in our proxy voting / future meetings with the company.

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Tenet Healthcare	14/09/2022	Investor Relations	We engaged with Tenet Investor Relations following the discovery of a severe labour controversy flagged by MSCI. The controversy related specifically to a nurse union strike at Tenet's St Vincent hospital in MA. Whilst we recognised that the strike had been resolved in January 2022, and therefore was not deemed to be ongoing, we wanted to establish whether this strike was a one-off or if it was symptomatic of a broader cultural and governance issue at Tenet. We set up an engagement with Head of Investor Relations, William McDowell, to get some initial thoughts on the strike in question. However, given McDowell had only been with Tenet since 31st March 2022, we felt it would be useful to follow up with the company's Chief Financial Officer, Daniel Cancelmi, who had been with Tenet for 28 years. Given the CFO's long tenure, we felt he would be able to speak to his direct experience in the strike negotiations as well as the evolution of Tenet's culture over time.
	28/09/2022	CFO	We engaged with Tenet's CFO to discuss the St Vincent strike and labour relations at the company more broadly. The CFO informed us that 2 years prior to the strike, the nursing unions issued a state-wide ballot in MA, calling for higher staff-to-patient ratios. This motion was defeated by a majority because MA residents believed that the economic impact would be too onerous. The unions were unsatisfied with this result and targeted Tenet two years later, on the same topic. Tenet took a hard-line stance on the issue because the company believed that there was no scientific evidence to suggest that changing the staff-to-patient ratio in-line with union demands would improve patient outcomes. It sounds to us like the union took the issue too far and Tenet had reasonable grounds for objecting to it. Note that Tenet has successfully negotiated 50 labour contracts since the St Vincent case, indicating that this incident was somewhat of an anomaly for the company. Furthermore, strike action is not a Tenet-specific issue; structural nurse staffing shortages across the US healthcare system are resulting in nursing strikes for many of Tenet's peers as well. Despite this, we want to continue to monitor union relations and negotiations at Tenet closely to ensure that the high-profile, long-duration St Vincent incident was indeed an anomaly.

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Tenet Healthcare	30/11/2022	CFO	A follow-up call with IR to understand why labour trends at Tenet differed from peers during Q3 and to assess Tenet's approach to managing labour over the long term. The CFO provided visibility on why Tenet saw an uptick in contract labour in Q3 whilst peers saw the opposite. Tenet started from a lower base of contract labour relative to peers and Covid resulted in 10% of staff being in quarantine at one stage in Q3, forcing Tenet to increase contract labour to meet patient demand. It became clear to us on the call that Tenet management is committed to running the business for the long term, and is not just trying to hit short-term targets. The CFO told us that running a tight labour base, and managing Covid spikes when they arise rather than being overstaffed for 12 months of the year, is key to protecting margins. We agree that prioritising margins over short-term volumes is the right thing to do for the long-term health of the business. Additionally, the CFO told us that Tenet is investing in high quality facilities and equipment, which we understand are key to attracting and retaining the top tier of physicians and nurses over the long term.
Worley Limited	10/10/2022	Chairman, NED, IR	We reached out to Worley to discuss remuneration ahead of their AGM. The base salary for the CEO has been increased by 14% to AUD 1.9m and will be linked to USD, where he now spends most of his time. This fixed component compares favourably against similarly sized Australian and US peers - just above median for the latter group - but in total comp, remains low as the variable component and equity portion are low in comparison. Discussed the framework for the total remuneration package, the ESG weighting has increased to 20% with each target needing to be met if the total comp was to be achieved. Financial targets within the STI have been tightened and the DEP/LTI appear to have sensible targets such as 14% gross margin improvement in the sustainability work. This meeting gave us the conviction to vote in favour of items relating to compensation at the AGM

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Source: Nikko AM/Factset

ESG Engagements Rolling 12 Months

Company	Date of engagement	Level of engagement (Senior Management / Chair or Board / Investor Relations / Roadshow)	Issue and Outcome
Chart Industries	13/12/2022	Investor Relations	We meet with Chart Industries following the announcement they are to buy Howden Group. The shares have come off for 3 reasons: 1. There was no indication a deal was forthcoming; 2. The preferred stock element has uncertainty surrounding it and may end up in a capital raise; 3. The price paid, though reasonable post sizeable synergies, is historically high for a capital goods company. This was a rather unsatisfactory meeting mainly due to change over of IR at the point of this deal. Further details about financing options, synergies were forthcoming, some of which are to be followed up again by email. We got some comfort that the synergies appear to be in hand and the stock is probably over sold. Our next steps are to have an industry expert call to support the commercial sense of the deal and possible cost synergies. We also have a follow up meeting arranged with Chart Industries' CEO in January.

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Source: Nikko AM/Factset

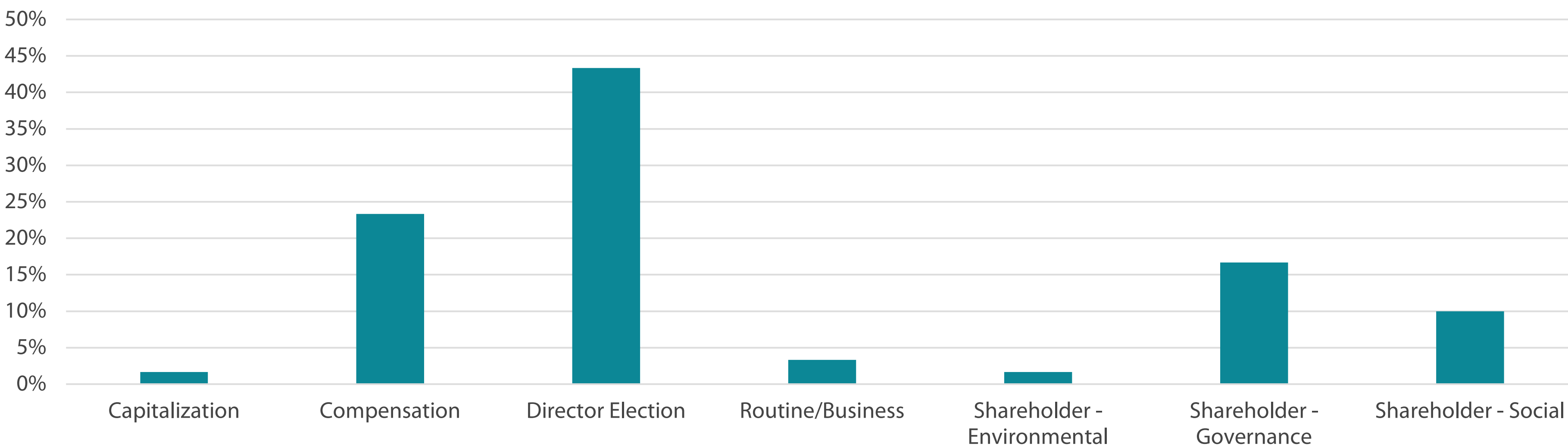
PROXY VOTING AND MEETINGS

As part of our fiduciary duty as an asset manager and a responsible investor we regularly engage with companies, developing and enhancing our understanding of corporate value by analysing corporate governance issues on a case-by-case basis and exercising our voting rights in order to maximise shareholder value.

Global Equity Strategy - Breakdown of Voting

Period	Number of Meetings	Number of Items Voted	Votes Against Management Recommendations		Votes For Management Recommendations	
			Number	Percentage	Number	Percentage
Q1 2022	9	132	2	1.5%	130	98.5%
Q2 2022	56	829	54	6.5%	775	93.5%
Q3 2022	5	45	3	6.7%	42	93.3%
Q4 2022	4	45	1	2.2%	44	97.8%
Rolling 12 Months	74	1051	60	5.7%	991	94.3%

Breakdown of Votes Against Management

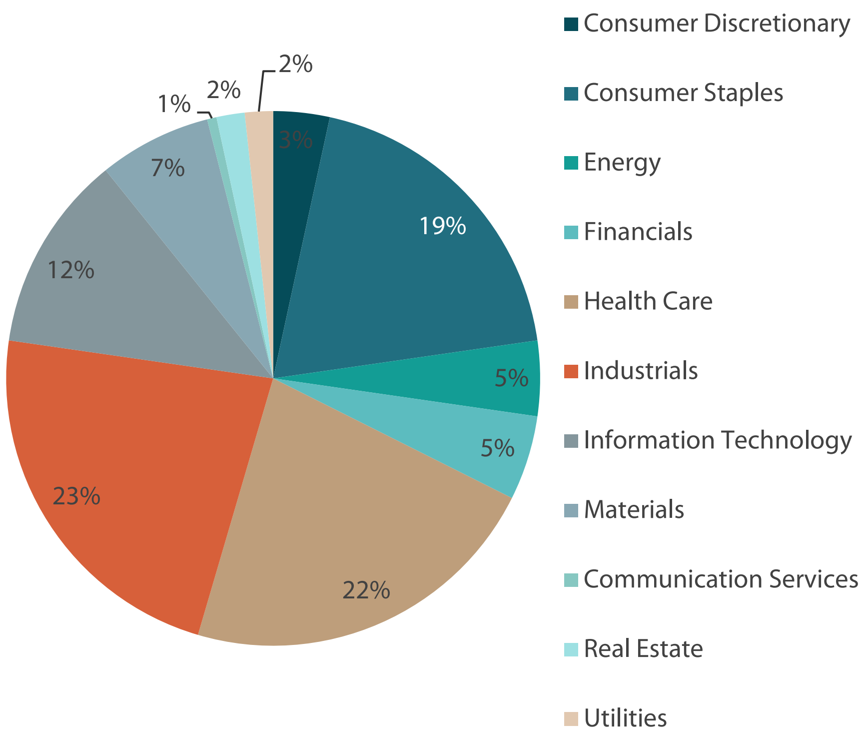


Source: ISS

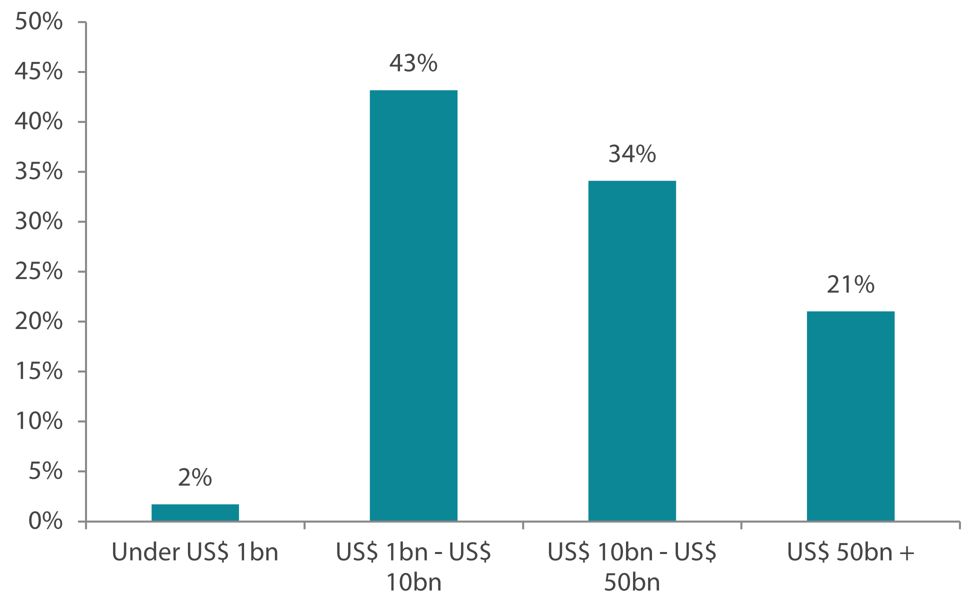
Company Meetings

Company engagement and voting activity go hand in hand with long term investing. In conducting our engagements, we understand that there are various factors that play into the corporate governance framework of a country and the macroeconomic conditions and political climate of which that company resides in. To help mitigate risk, the team collaborates with other Nikko AM investment teams for better insights and more informed views.

Meetings by Sector



Meetings by Market Cap



Data based on Global Equity Team's company engagement over the last 12 months

NIKKO AM RESOURCE & COMMITMENTS

Asia's Leading Asset Manager

ESG Steering Committee

Global Head of Investment

Global ESG Champion

Head of Fund Management*

Equity/ Fixed Income Strategies

Global Equity
Asian Equity
Japanese Equity
New Zealand Equity
Global Fixed Income
Asian Fixed Income
Japanese Fixed Income
New Zealand Fixed Income

COOI-International

Head of Investment Support & Planning **

Commitments

Video supporting UN SDGs

UK Japan

Stewardship Code Signatories

PRI

PRI A+ rated - one of Asia's top Signatory since 2007

carbon footprint standard
Carbon Neutral Organisation

Initiatives & Resources

- -ESG steering committee
- -ESG specialist resource [AOG Team]
- -Climate Action 100+ member, TCFD Investor Agenda - 1st Asia-based asset manager that supports all four areas
- -Full voting disclosure
- -Regular Sustainability Report issuance
- - Nikko AM Sustainability Programme - Adopted 6 SDG's firm wide as a result

Source: Principles of Responsible Investment, UN Sustainable Development goals, *Equity and Fixed Income, **No voting rights, all other members hold voting rights, Investor Agenda please refer to URL: https://theinvestoragenda.org/, Nikko AM UN SDG video: https://www.17sustainabledevelopmentgoals.org/sustainability-as-a-calling/

Emerging markets risk – the risk arising from political and institutional factors which make investments in emerging markets less liquid and subject to potential difficulties in dealing, settlement, accounting and custody.

Currency risk – this exists when the strategy invests in assets denominated in a different currency. A devaluation of the asset's currency relative to the currency of the Sub-Fund will lead to a reduction in the value of the strategy.

Operational risk – due to issues such as natural disasters, technical problems and fraud.

Liquidity risk – investments that could have a lower level of liquidity due to (extreme) market conditions or issuer-specific factors and or large redemptions of shareholders. Liquidity risk is the risk that a position in the portfolio cannot be sold, liquidated or closed at limited cost in an adequately short time frame as required to meet liabilities of the Strategy.

Sustainability risk – The risk arising from any environmental, social or governance events or conditions that, were they to occur, could cause material negative impact on the value of the investment.
Specific sustainability risk can vary for each product and asset class, and include but are not limited to: Transition Risk, Physical Risk, Social Risk and Governance Risk.

If you intend to invest in the UCITS Fund, please refer to the Fund Prospectus in order to identify whether the Sub-Fund will manage sustainability factors within the meaning of the SFD Regulation (EU) 2019/2088: an article 6 (limited to analysing sustainability risk as part of its risk management process), an article 8 (which also promotes certain environmental and social characteristics) or article 9 (which has sustainable investment as its primary objective).

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