

ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: [Alquity Indian SubcontinentFund](#) Legal entity identifier: [5493007MOUB6W5G8T620](#)

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☐ Yes

☐ It made **sustainable investments 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

☐ It made **sustainable investments with a social objective:** ____%

☒ ☐ No

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**

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.

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.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

The fund thoroughly assesses the Environmental, Social and Governance risk profile of companies using its own proprietary methodology and excludes any companies that fail to meet the minimum standards set out in this methodology or are involved in any E or S controversy. Our companies continue to evolve on its E, S and G credentials, and we haven't exited any company as a consequence of an ESG failure.

● **How did the sustainability indicators perform?**

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The GHG intensity of the portfolio was 365.8 (tonnes per million dollars), while the water intensity was 849.7 (tonnes per million dollars).

Our 15 KPIs (represented as a percentage of the Alquity Indian Subcontinent fund portfolio that meet each KPI) performed as follows:

- GMG emissions: 92%
- Water usage: 83%
- Waste data: 89%
- Plan to achieve Net Zero by 2050: 47%
- Biodiversity plan in place: 17%
- Staff turnover: 97%
- Health and Safety policy: 94%
- Training programs: 97%
- Gender diversity at a senior level: 25%
- Lost Time Injury Rates: 83%
- Equal Opportunities: 100%
- Board independence: 69%
- Management remuneration: 100%
- TCFD reporting: 19%
- Whistleblower policy: 100%

All this information is made available to investors in our monthly factsheets and quarterly presentations.

● ***...and compared to previous periods?***

In the previous period, the GHG intensity of the portfolio was 406.2 (tonnes per million dollars), reflecting an intensity reduction year on year of 10%. Meanwhile, the water intensity was 776.4 (tonnes per million dollars), lower than the current reporting period (attributable mainly to improved disclosure).

Most of our 15 KPIs showed an steady improvement in the current reporting period when compared to the previous one. Figures for the previous period can be seen below:

- GMG emissions: 92%
- Water usage: 47%
- Waste data: 44%
- Plan to achieve Net Zero by 2050: 44%

- Biodiversity plan in place: 12%
- Staff turnover: 74%
- Health and Safety policy: 100%
- Training programs: 100%
- Gender diversity at a senior level: 6%
- Lost Time Injury Rates: 41%
- Equal Opportunities: 100%
- Board independence: 65%
- Management remuneration: 100%
- TCFD reporting: 18%
- Whistleblower policy: 100%

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.

- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

Not applicable.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable.

- *How were the indicators for adverse impacts on sustainability factors taken into account?*
- *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



**How
did**

this financial product consider principal adverse impacts on sustainability factors?

The Alquity Indian Subcontinent Fund consider the following PAIs on its investment strategy: GHG emissions scope 1 & 2, carbon footprint scope 1 & 2, GHG intensity of investee companies scope 1 & 2, share of energy consumption from non-renewable sources, energy consumption intensity for high impact sectors, activities negatively affecting biodiversity-sensitive areas, emission to water, hazardous waste ratio, companies involved in the violation of the UN Global Compact Principles, gender at a board diversity level and controversial weapons exclusion.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is:

30/06/2023

30/06/2024

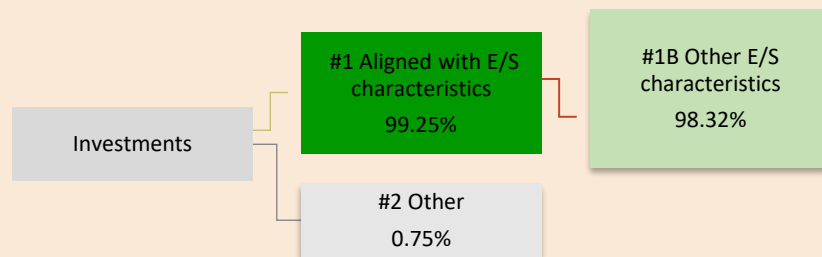
Largest investments	Sector	% Assets	Country
HDFC Bank	Banks	6.5%	India
ICICI Bank	Banks	5.9%	India
Mahindra & Mahindra	Consumer Discretionary	4.8%	India
Infosys	Software & Services	4.7%	India
Lemon Tree Hotels	Hotels	4.3%	India
Tata Consultancy Services	Software & Services	3.8%	India
Oberoi Realty	Real Estate	3.3%	India
UltraTech Cement	Materials	3.1%	India
Axis Bank	Banks	3.0%	India
Macrotech Developers	Real Estate	2.7%	India
Prince Pipes & Fittings	Industrials	2.7%	India
MakeMyTrip	Consumer Discretionary	2.5%	India
Polycab	Materials	2.5%	India
Dixon Technologies	Tech Hardware	2.4%	India
IndusInd Bank	Banks	2.3%	India

What was the proportion of sustainability-related investments?

We do not currently commit to a minimum proportion of sustainable investments. Accordingly, the percentage of investments of the Alquity Indian Subcontinent Fund is 0% of the net assets of the Fund.



What was the asset allocation?



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

For the Alquity Indian Subcontinent Fund, the investments were made in the following economic sectors:

- Consumer discretionary: 31.2%
- Financials: 24.9%
- Industrials: 11.8%
- Information technology: 10.7%
- Real Estate: 8.3%
- Materials: 6.6%
- Consumer Staples: 3.6%
- Health Care: 2.1%

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 levels corresponding to the best performance.

No investments were made in any of the sub-sectors listed under Article 54.



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

We do not currently commit to a minimum proportion of investments of the Fund that are Taxonomy aligned. Accordingly, the percentage of investments of the Alquity Indian Subcontinent Fund aligned with the EU Taxonomy is 0% of the net assets of the Fund.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?



Yes:



In fossil gas

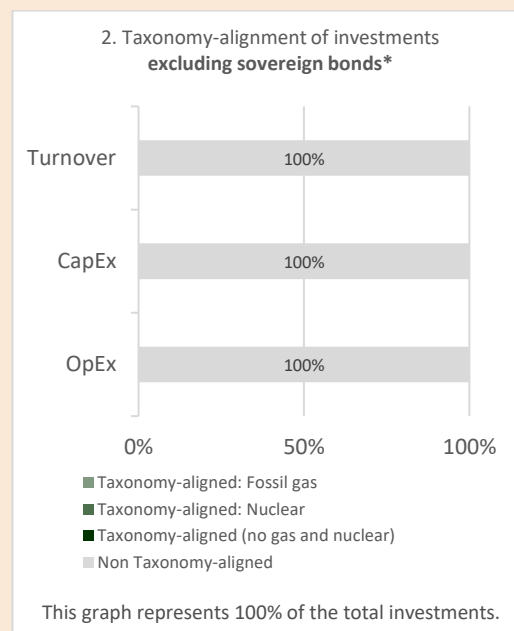
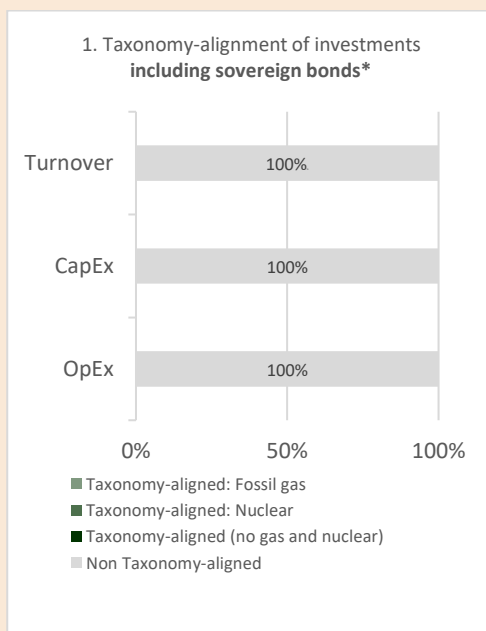


In nuclear energy



No

The graphs below show in green the percentage of investments that were 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.*




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

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.

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.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

We do not commit to a minimum proportion of investments in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

0%. Not applicable.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

0%. The Alquity Indian Subcontinent Fund does not commit to a minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



What was the share of socially sustainable investments?

0%. The Alquity Indian Subcontinent Fund does not commit to a minimum share of socially sustainable investments.



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Cash is included in this category. Although the Fund aims to be fully invested, some cash is held for liquidity and opportunistic reasons.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The E/S characteristics are implemented on a continuous basis as part of the investment process and include:

1. Exclusionary criteria and “Green Flags” (positive screening). ESG analysis is a critical component of Alquity’s investment process. As mentioned above, there are certain practices we believe are inconsistent with long-term financial returns and an overall positive societal impact. Furthermore, we will invest in those firms that are making significant contributions to sustainable practices, social progress, and ethical governance.

2. Proprietary ESG ratings methodology. Our ESG analysis is holistic and exhaustive with equal importance placed on each aspect. In other words, we will not over-ride poor social or governance standards, just because a company places a heavy focus on environmental issues alone. Ultimately, we are concerned with material ESG issues and the analysis must provide us with sufficient comfort on all of these before an A-C rating is achieved.

We review behaviours and practices across the firm in the context of global or regional best practice. As a discipline, and for comparability, we then assign a rating to each institution, which captures risk and the quality of management judgement and decision making. Only those companies rated C or better can be included in the portfolio. To be clear, this means that we will only invest in firms where there is satisfactory quality and alignment of management. Moreover, we are interested not only in the absolute standard of “ESG quality”, but also the ability of a firm to improve its judgement, communication and efficiency over time. Investors should not, therefore, expect our portfolios to have any bias between A, B and C rated companies.

We take the economic, social, political and regulatory environment of India into account in our ratings by focusing our ratings on relative ESG performance to peers. For high-risk industries, we believe that to get an A rating, the company must display global best practice whereas for low-risk industries we seek regional best practice. This ensures we manage the ESG risks appropriately whilst remaining pragmatic about the circumstances for each company. ESG analysis is undertaken through a combination of desk- based research, meetings with management, site visits, and industry research. The definitions for each of our ratings are as follows:

A Rating

- High risk industry demonstrating global best practice performance in ESG.
- Lower risk industry demonstrating regional best practice in ESG.

B Rating

- High risk industry demonstrating regional best practice in ESG.
- Lower risk industry with satisfactory ESG performance better than regional peers; or in-line with regional peers but with a demonstrable intention to improve on material KPIs.

C Rating

- High risk industry with satisfactory ESG performance, in line with regional peers, but demonstrating a meaningful commitment to improve on material KPIs.
- Lower risk industry with satisfactory ESG performance in-line with or better than regional peers, but with no demonstrable intention to improve on material KPIs.

3. Portfolio construction is targeted to produce a lower GHG and water intensity than the index and for GHG emissions to reduce in line with IPCC 1.5 degree scenario.

4. Active engagement with investee companies in accordance with our Key Progress Indicators which are based upon specific environmental and social characteristics, as well as on a variety of topics, such as the ones mentioned above.

5. Voting policy based upon Alquity Principles of Governance which are aligned with our Key Progress Indicators.



How did this financial product perform compared to the reference benchmark?

The reference index is a general market index, representing the investment universe, and is not consistent with the E/S characteristics promoted by the fund.

- **How does the reference benchmark differ from a broad market index?**

Not applicable.

- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable.

- **How did this financial product perform compared with the reference benchmark?**

Not applicable.

- **How did this financial product perform compared with the broad market index?**

Not applicable.

Reference benchmarks
are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.