

July 2024



IMPACT REPORT 2024



LIFE CHANGING INVESTMENTS



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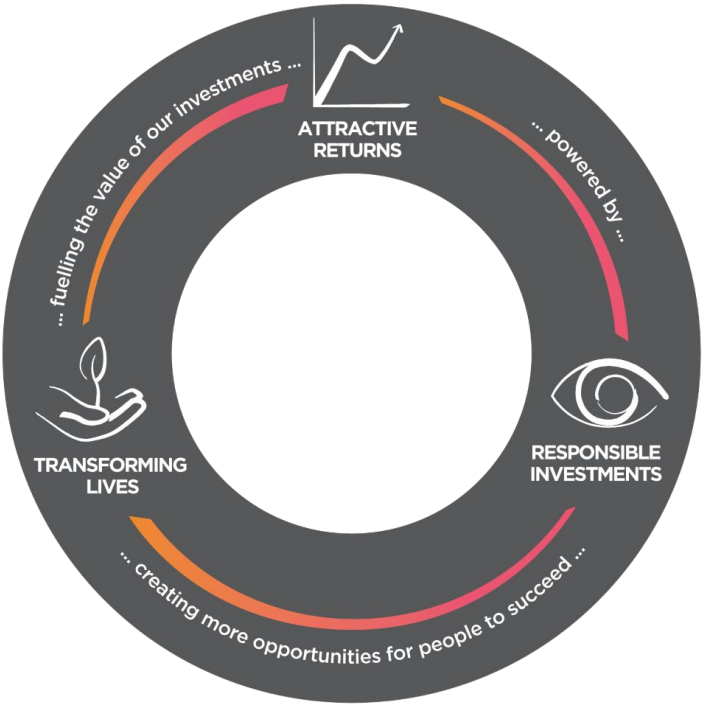
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PART 1 **OUR MISSION**
ALQUITY’S INVESTMENT MODEL

“Alquity exists to transform the world of investment to create a fairer, more sustainable planet.”



Investors’ short-term, profit-oriented mindset has driven businesses to prioritize shareholder returns for too long. Although this has led to remarkable improvements in our quality of life, innovative solutions, employment opportunities, and cross-border trade that have helped reduce poverty over the past century, these achievements came at a cost that was either not entirely comprehended or deliberately disregarded. The pursuit of just a financial metric is the root cause of catastrophic climate change, irreversible loss of biodiversity and striking inequality.

The Alquity model, which you can see embodied in our ‘Virtuous Circle’, is a re-imagining of the investment management business to deliver attractive and sustainable returns built on three core pillars that together form our virtuous circle: attractive returns, responsible investment and transforming lives.

The Alquity’s virtuous circle business model presents an alternative way, which generates not only great financial returns but also environmental and social outcomes to be proud of.

These outcomes are called 3-D returns. By investing in our range of equity funds, our investors align their decisions and values with working towards limiting global warming to 1.5 degrees Celsius and preserving the natural world’s diversity and stunning beauty. Our investors also contribute to ensuring that everyone has equal opportunities in life, regardless of their birthplace, ethnicity, gender, sexual orientation, or physical ability, and that they live healthy, meaningful lives. Further, at the corporate level we reinforce that social progress should drive financial success by donating a proportion of our management fees to development and entrepreneurship projects in the regions in which we invest, with an environmental and/or social impact. In this way, our business aligns the values of our investors, employees, holdings and communities. At Alquity, we firmly believe that how we deploy our capital shapes our societies and that these shared values are key to achieving enduring financial success.

“

We believe that our ESG process helps to both generate alpha and mitigate risk.

PART 2 ATTRACTIVE RETURNS: COMBINING SUSTAINABILITY WITH PERFORMANCE

2023 proved to be another challenging and volatile year for Emerging Markets, which were significantly impacted by geopolitical concerns related to China, inflation, and the electoral cycle. Chinese state-owned companies - which we do not own for ESG reasons - performed strongly versus many well-managed private sector companies. However, the first half of 2024 has seen much stronger performance from our Asia and Future World funds, benefitting from a rally in AI-related companies such as TSMC and SK Hynix. Additionally, our Global Impact Fund has reached its three-year milestone, achieving second quartile performance amongst global equity peers and consistently outperforming its Article 9 peers, securing top quartile performance since its inception.

The Alquity Indian Subcontinent Fund has been a standout performer. Over the last 3 years the fund has delivered a return of 40.9%, while returning over 220.8% since its inception in April 2014 (in USD I terms).

Recognition for the fund performance was received with the fund winning the 2024 Best Country Emerging Market Fund from Fund Selector Asia.



FIGURE 1: PERFORMANCE OF OUR INDIA, ASIA, GLOBAL IMPACT AND FUTURE WORLD FUNDS

USD I class	H1 2024 performance	H1 2024 quartile	2023 performance	2023 quartile	3 year performance	3 year quartile
Alquity India	13.4%	3 rd	19.9%	3 rd	40.9%	2 nd
Alquity Asia	13.1%	1 st	-2.7%	4 th	-21.2%	2 nd
Alquity Global Impact	8.8%	2 nd	20.8%	2 nd	9.9%	2 nd
Alquity Future World	11.0%	1 st	3.3%	4 th	-18.7%	2 nd

Source: Source: Alquity, Bloomberg, Lipper, as of 30th June of 2024. The performance shown is based on our I class charging structure with an OCF of 1%. As USD I class is not live for our India, Future World and Asia funds, we have used the live track record for GBP I class and converted to USD. Past simulated performance is neither an indicator nor a guarantee of future returns. Actual results will vary from the analysis. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, expressed or implied is made regarding future performance. The quartile data presented here are derived from the Lipper India, Lipper Asia ex Japan, Lipper Global and Lipper Global Emerging Markets universes.

opportunity

COMPANY ESG RATINGS

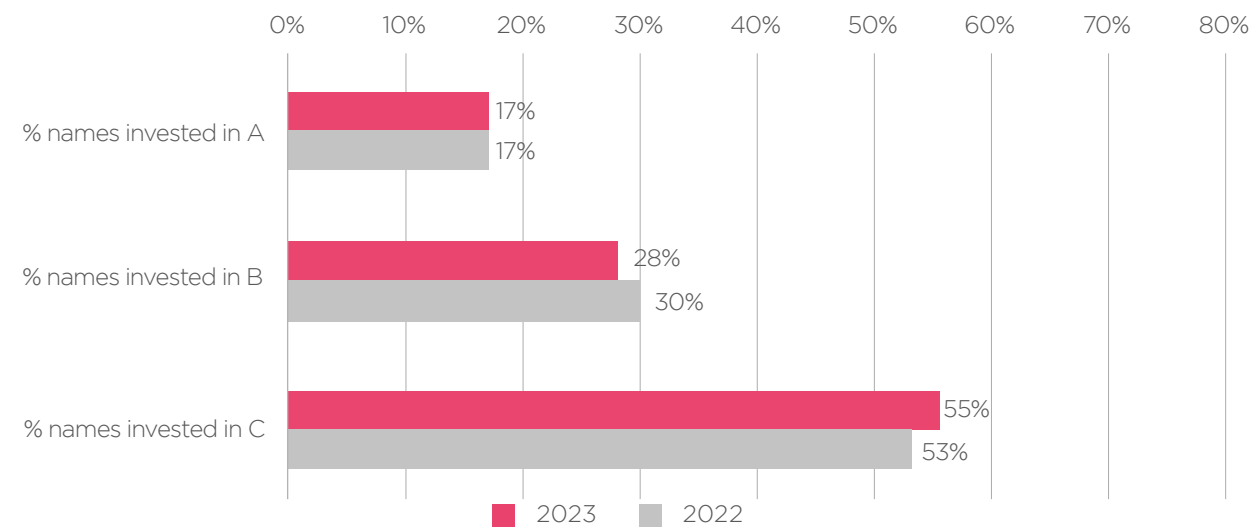
For our Emerging Markets funds, we deploy our own proprietary ESG rating system that assesses behaviours and practices across companies in the context of global or regional best practice after applying our exclusions. We then assign a rating to each institution, which captures the risk, and the quality of management judgement and decision making. These ratings are A-C based on their ability to provide demonstrable evidence.

Our ESG analysis is holistic and exhaustive, with equal importance placed on each aspect. In other words, we will not overlook poor social or governance standards just because a company places a heavy focus on environmental issues alone. Below, you can find the definition for each rating, and we have also detailed the rating split for each of our Emerging Markets funds.

FIGURE 2: ALQUITY ESG RATINGS METHODOLOGY

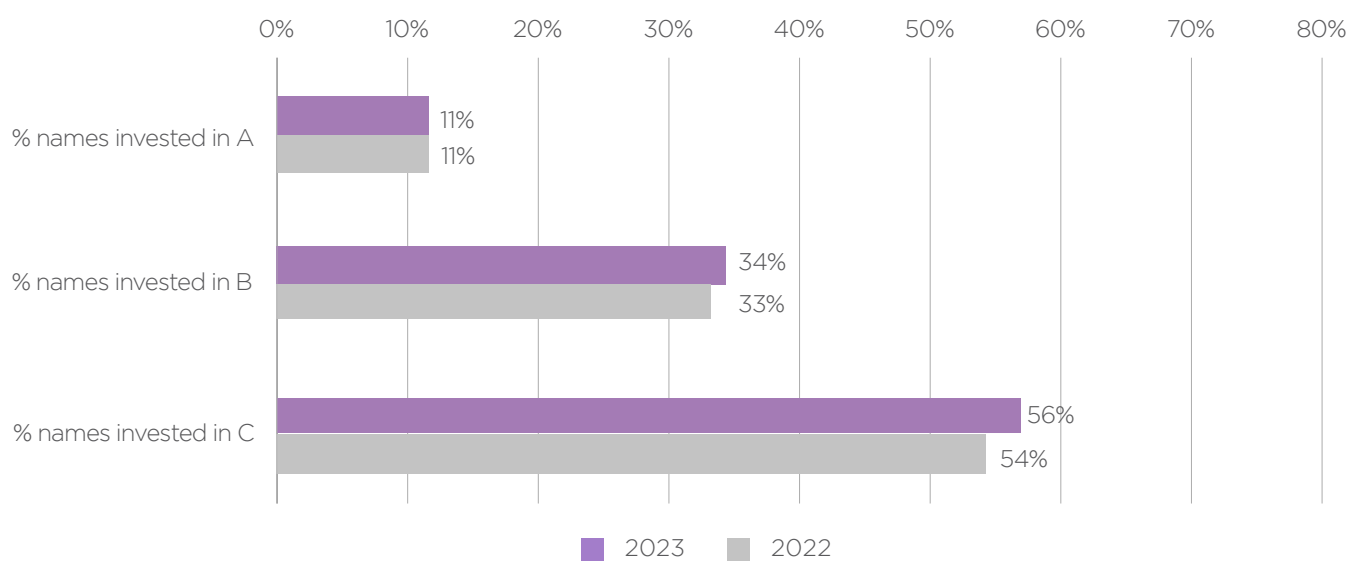
ALQUITY ESG RATING	DESCRIPTION OF COMPANY ACHIEVING THIS RATING
A	High risk industry demonstrable global best practice performance in ESG** Lower risk industry demonstrable regional best practice in ESG.
B	High risk industry demonstrating regional best practice in ESG. Lower risk industry with satisfactory ESG performance better than regional peers; or in-line with regional peers but with a demonstrable intention to improve on material ESG factors.
C	High risk industry with satisfactory ESG performance in-line with regional peers, but demonstrating a meaningful commitment to improve on material ESG factors. Lower risk industry with satisfactory ESG performance in-line with or better than regional peers, but with no demonstrable intention to improve on material ESG factors.
**HIGH RISK INDUSTRY: those with extractive operations (Mining and Energy) heavy industry (Cement, Building materials, Steel, Chemicals), Livestock farming, Aviation and Shipping. LOWER RISK INDUSTRY: all other industries within the Alquity investable universe.	
FAIL	High or low risk industry with unsatisfactory ESG performance

FIGURE 3: ASIA FUND - COMPANY ESG RATINGS



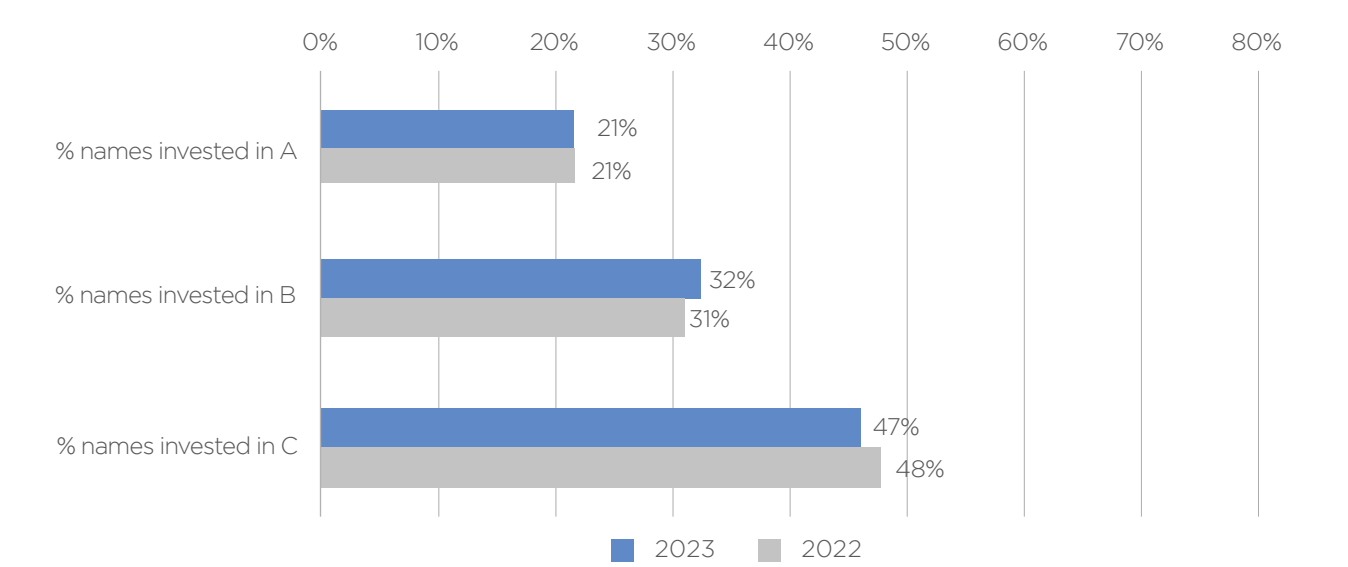
Source: Alquity, as of 31st December 2023.

FIGURE 4: INDIA FUND - COMPANY ESG RATINGS



Source: Alquity, as of 31st December 2023.

FIGURE 5: FUTURE WORLD FUND - COMPANY ESG RATINGS



Source: Alquity, as of 31st December 2023.



Our portfolios are not a random collection of stocks - we have a real impact.



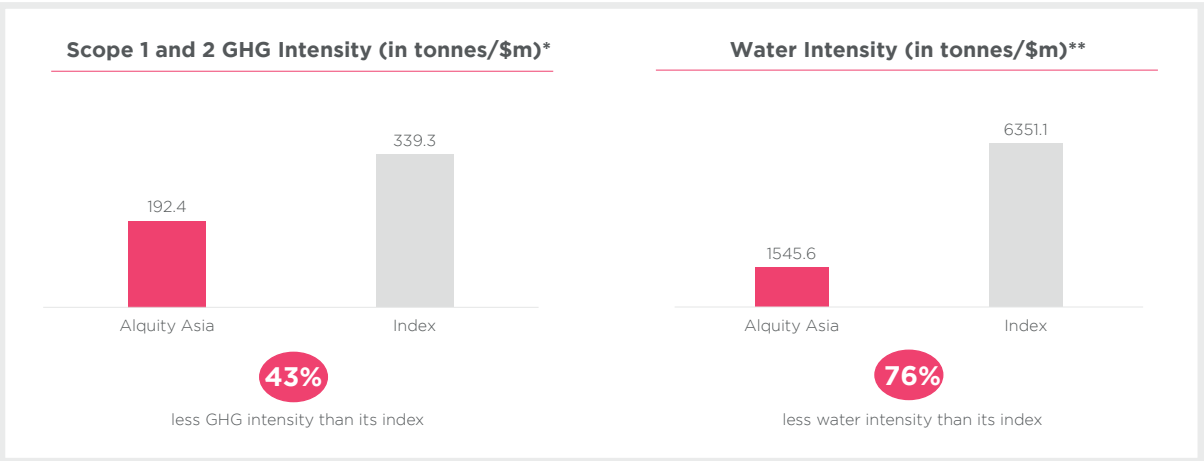
PART 3 RESPONSIBLE INVESTMENTS IMPACT

Since 2022, all our Emerging Markets strategies established two impact indicator targets that will beat their relevant index at all times. This is incorporated into portfolio construction guidelines and monitored as a part of the fund control process to ensure this is maintained at all times. The targets selected are as follows:

- 1. Greenhouse Gas (GHG) Intensity (tonnes/\$mn)
- 2. Water Intensity (tonnes/\$mn)

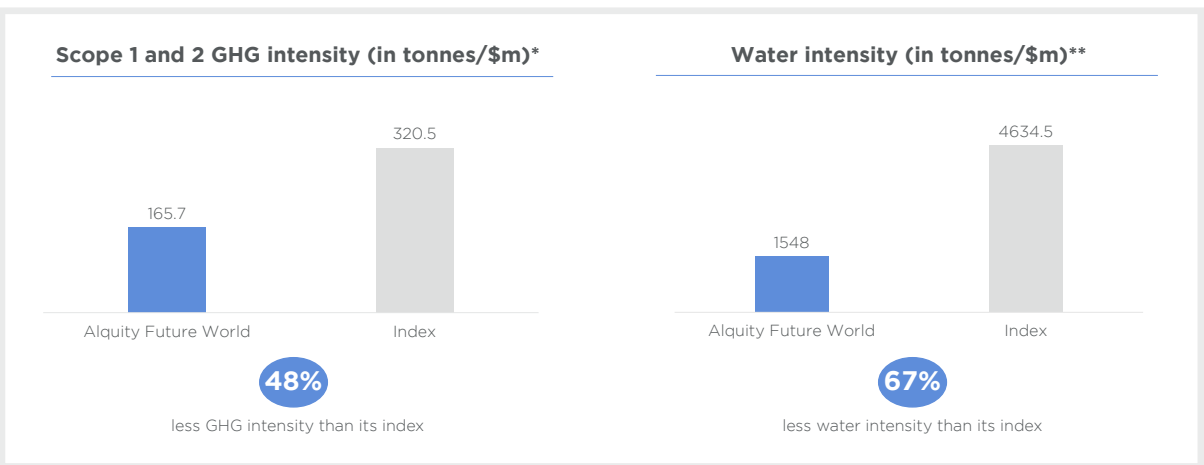
These have been selected to ensure alignment with our climate declaration and also our commitments as members of the Net Zero Asset Manager’s Initiative. All the data is collected by the Alquity team through a combination of direct company disclosure, desk research and considered estimation. Our analysis has shown that this provides a much greater level of data reliability than that provided by 3rd party data providers. Below we have detailed the intensity for each of our portfolios against its index.

FIGURE 6: ALQUITY ASIA GHG AND WATER INTENSITY



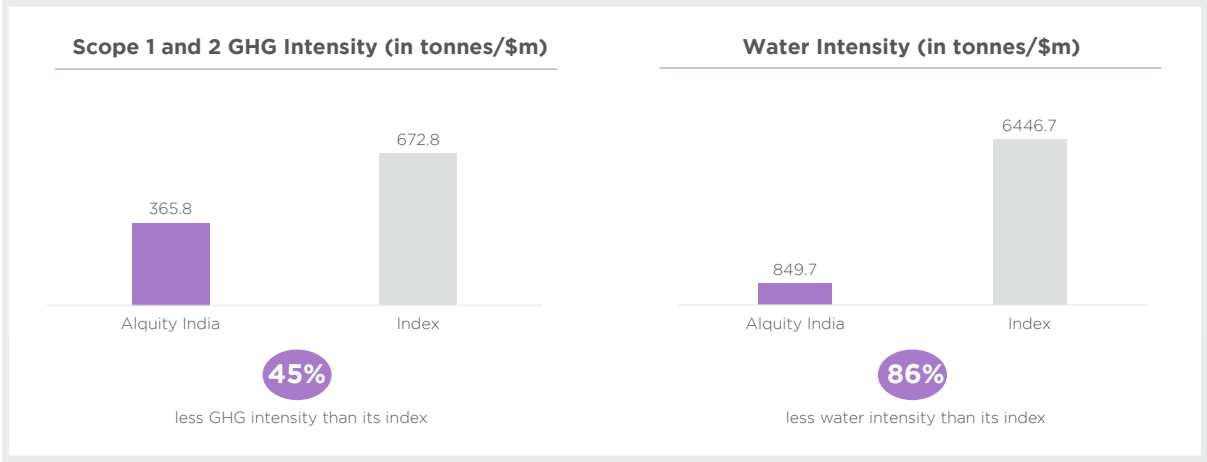
Source: Alquity, as of 13th June 2024. *100% coverage, including 86% reported data and 14% estimated. **100% coverage, including 81% reported data and 19% estimated. The Index used is the iShares Asia ex Japan ETF.

FIGURE 7: ALQUITY FUTURE WORLD GHG AND WATER INTENSITY




Source: Alquity, as of 13th June 2024. *100% coverage, including 81% reported data and 19% estimated. **100% coverage, including 77% reported data and 23% estimated.

FIGURE 8: ALQUITY INDIA GHG AND WATER INTENSITY



Source: Alquity, as of 13th June 2024. *100% coverage, including 95% reported data and 5% estimated. **100% coverage, including 82% reported data and 18% estimated.

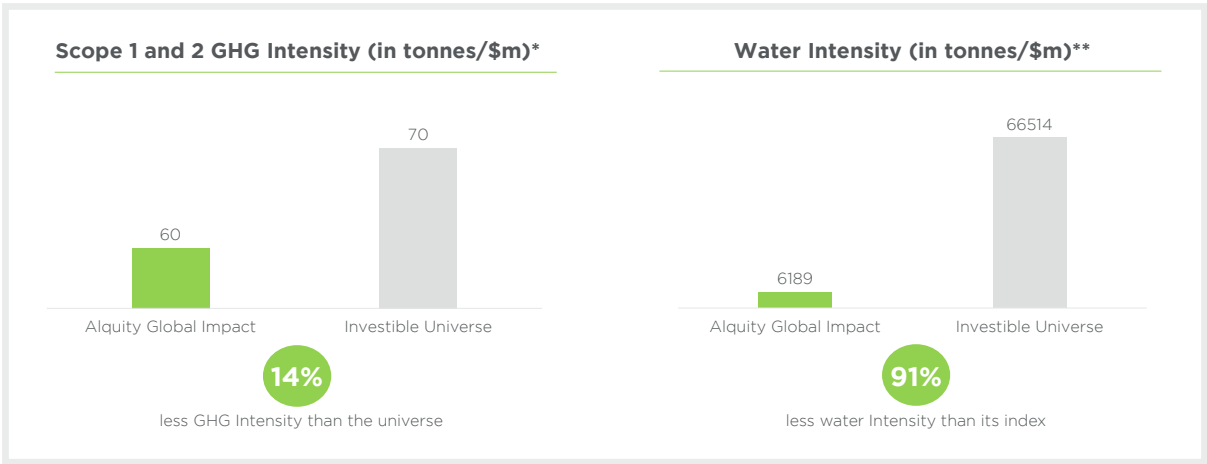
Our Funds are intended to deliver a significantly smaller environmental footprint than the EM index, with significantly lower water usage and GHG emissions.



For our Global Impact Fund, the environmental footprint is also integrated into portfolio construction.

The Fund will have an equal or smaller environmental footprint compared to its investable universe as displayed in Figure 9.

FIGURE 9: GLOBAL IMPACT FUND GHG AND WATER INTENSITY



Source: Alquity, as of 30th June 2024..

ACCREDITATION

At the beginning of 2024, we received our PRI framework reporting assessment. Under the new four pillars, we once again achieved solid ratings and scored in the top quartile. Both our fundamental investment process, applied to our Emerging Markets funds, and our quantitatively-managed Global Impact Fund scored in the top decile.

When it comes to SFDR and EU taxonomy, our Global Impact Fund is designated as SFDR Article 9. Our India, Asia, and Future World funds are designated as SFDR Article 8. You can review the latest SFDR product templates within our prospectus. To see the details, please visit our website or click the following link:

SFDR DISCLOSURES



Principles for Responsible Investment

Policy, Governance and Strategy	★★★★★	88/100
Process - Active Fundamental	★★★★★	94/100
Process - Active Quantitative	★★★★★	91/100
Confidence Building Measures	★★★★★	85/100



Article 8





Article 9



“

People managing Article 8 and 9 funds under the SFDR do own these very large-cap names, whose management clearly has serious, well-publicized issues.

So, once again, the labels can be misleading. Investors need to really delve into the portfolio to see what's really there.

Mike Sell, Head of Emerging Markets

WHY ESG ANALYSIS IS A CRUCIAL RISK MITIGATION TOOL?

AN INDIAN EXAMPLE - THE CASE OF PAYTM

Paytm (One 97 Communications Limited) went public in November of 2021. We analysed the company, and in early 2022, we failed the company for ESG reasons given their history of disputes with the Reserve Bank of India (RBI).

Paytm had been asked to stop onboarding new customers in June 2018 and was fined in October 2021. Our Portfolio Manager, Kieron Kader, met with the company in May 2022, but remained concerned about the sustainability of the business model and their regulatory relations, with Paytm being asked again to stop onboarding new clients by the RBI in March 2022).

The company remained an ESG fail for us, and we have never owned it. On January 31st, the RBI instructed the internal Paytm Payments Bank (which houses all 330 million+ wallet accounts) to stop new credit and deposit operations, fund transfers, etc., with customers only able to withdraw their balances. External auditors (appointed after the earlier issues) have reported 'persistent non-compliance and material supervisory concerns,' and hence the RBI felt further action was required. Since its IPO in November 2021, the company has fallen over 70% at the time of this writing.

paytm

A CHINESE EXAMPLE - THE CASE OF ALIBABA

Another example of an ESG fail for us is Alibaba in China. We had rated the company a fail, in comparison with other tech companies in our portfolio such as Tencent (rated B in our ESG methodology). In our view, the company has a uniquely poor governance structure, and there are several question marks on their allocation of capital and related party conflicts.

We have concerns on the company from a minority shareholder point of view, as demonstrated by the Alipay restructuring issue in 2011. According to Alibaba, this restructuring was necessary to comply with Chinese regulations on foreign ownership. Alibaba claims its board, including Yahoo, was informed about the transfer to Chinese ownership, but Yahoo disputes this, stating it was notified much later and without the board's approval. The transfer diminished the perceived value of Yahoo's stake, indicating they were unaware of the full details and did not prioritise minority shareholder rights.

The VIE is an ownership structure widely used by Chinese companies, as foreign ownership is restricted in certain areas such as value-added telecom. It is vital to understand the ownership structure of any particular VIE as there are 'good' VIEs and 'bad' VIEs. In our experience, the key to this analysis is whether the individuals involved are aligned with minority shareholders or not and how simple and transparent are these arrangements are. We have concerns on Baba's VIE structure.

In addition, related party transactions and acquisitions in areas unrelated to its e-commerce and cloud businesses, such as buying a 50% stake in a football team (the Guangzhou Evergrande FC) and various media acquisitions, have been a common practice for Alibaba. These actions have boosted equity investments and goodwill which has been detrimental to margins.

Finally, when it comes to disclosure on environmental topics, we find that Alibaba has weaker disclosures and reporting, in contrast with some other large Chinese peers such as Tencent.

As of this writing, the company's stock price is below its IPO price from its 2014 listing on the NYSE.


Alibaba.com

THE PATH TO NET ZERO

We believe that the increase in GHG emissions generated by the extraction and burning of fossil fuels and deforestation, among other activities, has directly led to record warming of the Earth's climate. If these activities are not dramatically reduced as soon as possible, the world faces a rise in global temperatures that will lead to catastrophic consequences for the planet's natural ecosystem and its ability to sustain the growing human population. In fact, analyses show that the record warming in 2023 had a strong negative impact on the capacity of terrestrial ecosystems to mitigate climate change, with the CO2 absorption from terrestrial ecosystems being almost zero. Forests and other land ecosystems emitted almost as much carbon dioxide as they removed from the atmosphere in 2023. We are now at a tipping point. Figures 10 and 11 on the right show the growth of CO2 in the atmosphere, and the evolution of fossil fuel emissions and carbon sinks.

Through our investment process and how we allocate our capital, we support the transition to a Net Zero economy in a pragmatic way. In addition, we constantly compare our companies to their peers, and we engage, if necessary, with those holdings that we believe have room for improvement in their operations and commitments on their Net Zero path.

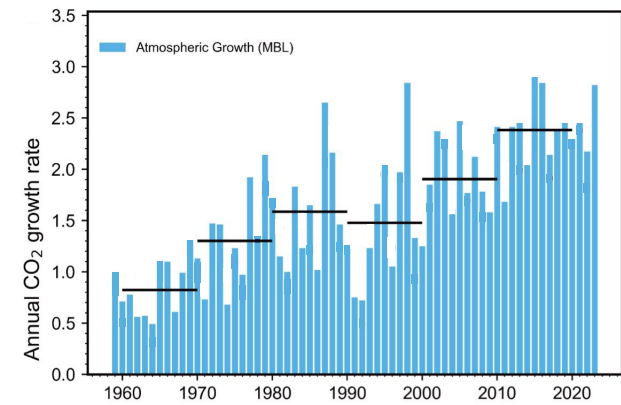
Finally, although due to the nature and size of our business we do not generate many emissions, we believe that you have to walk the talk. Hence, we offset on a quarterly basis those operational emissions that we can't avoid to be carbon neutral.

We monitor the Net Zero and Carbon Neutrality commitments of all the holdings in our Emerging Markets funds. On the right, you can see the percentage of the portfolio that will achieve Net Zero (for Scope 1 and 2 emissions) or Carbon Neutrality in its operations.

13 CLIMATE ACTION

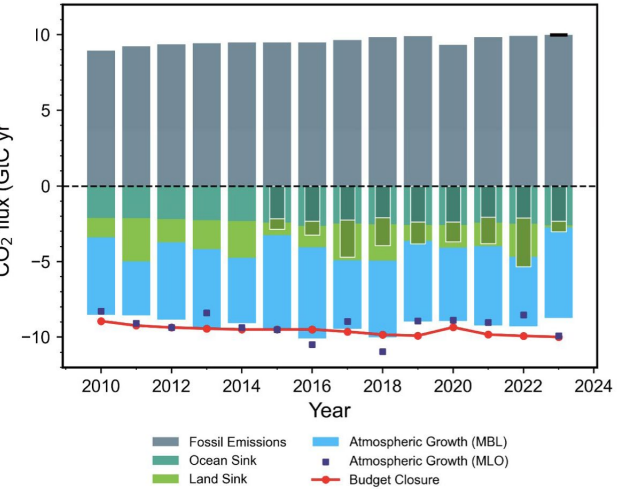


FIGURE 10: CO2 EMISSIONS GROWTH IN THE IN THE ATMOSPHERE



Black lines show the average CO2 concentration over the decade

FIGURE 11: FOSSIL FUEL EMISSIONS AND CARBON BUDGET - CO2 ABSORPTION FROM TERRESTRIAL ECOSYSTEMS HAS DROPPED TO ALMOST ZERO IN 2023



Source: GlobalCarbonProject, as of 17th July 2024.

FIGURE 12: % OF EACH EMERGING FUND WITH CARBON NEUTRALITY COMMITMENTS BY 2030

FUND	CARBON NEUTRAL BY 2030 (% OF THE PORTFOLIO)
Asia Fund	16.0%
Future World Fund	13.4%
India Fund	12.5%

Source: Alquity, as of 31st March 2024.

EXAMPLES OF COMPANIES IN OUR EMERGING MARKET FUNDS WHERE WE HAVE ENGAGED ON NET ZERO AND EMISSIONS REDUCTION



Source: Alquity, as of 31st March 2024.



TWO EXAMPLES OF COMPANIES IN OUR EMERGING MARKET FUNDS BECOMING CARBON NEUTRAL

Brasil Bolsa Balcao is one of the largest stock exchanges in the world in terms of market value, the second largest in the Americas, and the leading exchange in Latin America. The company is carbon neutral since 2011, offsetting the operational emissions that can't be reduced, totalling 2,069 tonnes of CO2 last year.

ASML, based in the Netherlands, is the leading manufacturer of chip-making equipment, specializing in the development and manufacturing of photolithography machines (such as EUV) used to produce computer chips. The company aims to achieve carbon neutrality by reducing its GHG footprint and using offsets only if there is no credible renewable energy available on the grid (as is the case in its South Korean operations).

Source: Alquity, company data, as of 31st March 2024.



ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FIGURE 13: EXAMPLES OF COMPANIES IN OUR EMERGING MARKET PORTFOLIOS ALIGNED WITH THE SDGs

COMPANY	SECTOR	IMPACT THEME	SDGs
	Personal Care	Amrutanjan's primary product lines are natural pain balm and menstrual hygiene products for Indian women.	  
	Mining	Antofagasta plays a key role in electrification and switch to renewables as a major copper producer. In addition, it's one of largest employers in Chile.	     
	Building Products	Astral, a leading manufacturer and distributor of PVC pipes, has released campaigns actively challenging gender inequalities, as in many parts of India women do not have the most basic rights, such as access to a toilet.	  
	Bank	IndusInd offer bank services to over 560,000 customers from underbanked areas (mainly women) and the company's social agenda is focused on financial inclusion (e.g. opening branches in unbanked areas, legal literacy, scholarships, rural development).	  
	Industrial Machinery	Wuxi Lead is China's number 1 lithium-ion battery equipment supplier, benefitting from the transition to Electric Vehicles.	   
	Industrial Machinery	ION Exchange is one of the leading water and environment management solution companies in India, providing wastewater and water treatment solutions.	   
	Bank	Saudi British Bank is an outlier in a difficult environment when it comes to gender diversity, with both the Chair and the CFO being female. The bank supports gender diversity more broadly, as well as financial literacy programs.	  
	Retail	Vmart is a 'value' focused retailer operating in smaller towns and cities. The company has set up training academies for disadvantaged young people to provide the skills required for a career in retail.	  

Source: Alquity, as of 30th June 2024.

FIGURE 14: EXAMPLES OF COMPANIES IN OUR GLOBAL IMPACT FUND PORTFOLIO AND THEIR KEY IMPACT THEMES

COMPANY	SECTOR	ESG PERCENTILE	% OF SDG REVENUE	IMPACT THEME
 Edwards	Health Care Equipment and Supplies	11	100	Health and Wellbeing
 WestRock	Containers and Packaging	45	95	Sustainable Agriculture and Forestry
 tsmc	Semiconductors	3	92	Energy Efficiency
 novo nordisk®	Pharmaceuticals	9	88	Health and Wellbeing
 Klabin	Containers and Packaging	13	82	Sustainable Agriculture and Forestry
 Lilly	Pharmaceuticals	10	79	Health and Wellbeing
 MERCK	Pharmaceuticals	7	78	Health and Wellbeing
 NVIDIA®	Semiconductors	1	58	Energy Efficiency
 General Mills	Food Products	5	41	Health and Wellbeing

Source: Alquity, Sustainalytics, as of 30th June 2024.

NOVO NORDISK: BATTLING DIABETES

Founded over a century ago in Denmark, Novo Nordisk’s mission is to defeat diabetes and other serious chronic diseases (such as obesity and cardiovascular conditions). In the US, Novo Nordisk aids over 1.7 million diabetic patients by making medications more affordable through initiatives like reduced-price unbranded products, the my\$99insulin program and free diabetes medication programs.

Also, the company is involved in several programmes to prevent obesity.



The obesity epidemic is one of the greatest threats to global health, impacting over 800 million adults worldwide and responsible for 5 million deaths each year.

UNICEF

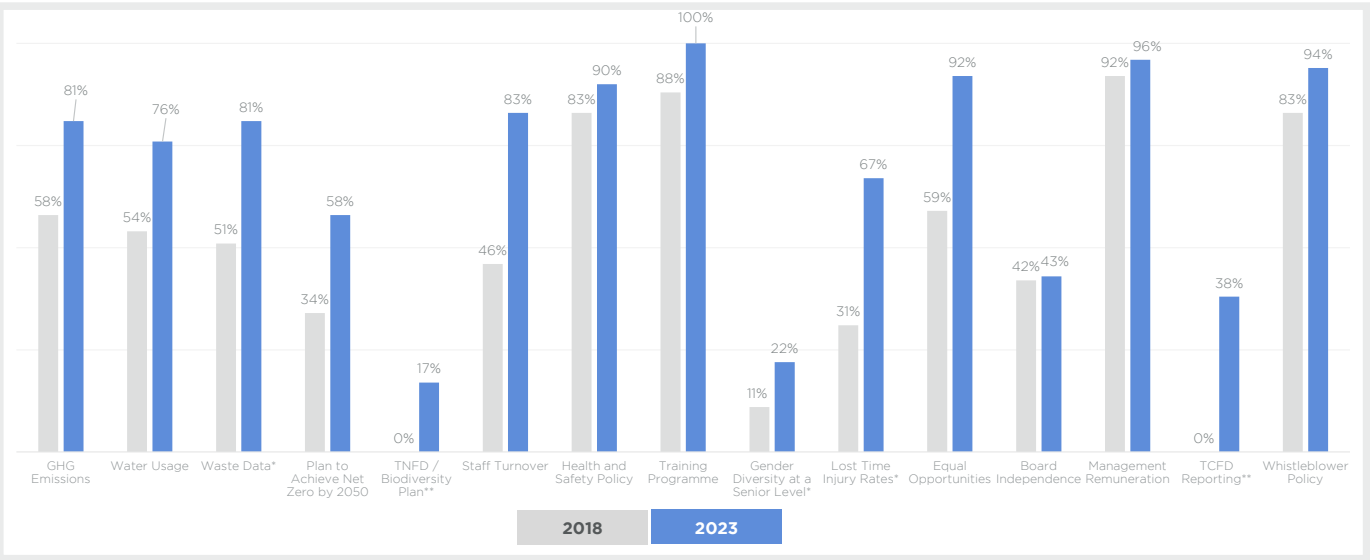
PART 4 **ENGAGEMENT AND STEWARDSHIP**
OUR KEY PROGRESS INDICATORS

As of 2023, there were 15 KPIs, which had evolved from the original 12 we first developed in 2018. In Q1 2024, we decided to add three more (which we will start reporting from 2025): cybersecurity policy in place, ESG considered in management compensation and Scope 3 emissions disclosure. You can find all our KPIs in Figure 18.

Cybercrime has skyrocketed as the internet becomes increasingly integrated into our daily and corporate lives. To put this into perspective, the estimated annual cost of cybercrime in 2022 was \$8.4 trillion, according to the World Economic Forum. Hence, we deem it necessary for our holdings to have a robust cybersecurity policy in place and disclose it accordingly. We have always considered this in relation to our internet-related companies (such as Naver in South Korea and Tencent in China), but we believe that it is necessary to extend to all our positions.

In addition, we believe that achieving Net Zero requires more than just achieving carbon neutrality in Scope 1 and Scope 2 emissions; the entire supply chain must mitigate its emissions as much as possible. This additional disclosure enables us to ensure that we can track and monitor our holdings more fully, allowing us to engage with companies and seek improvements over time.

FIGURE 15: HOLDINGS OF THE FUTURE WORLD FUND MEETING EACH KPI (% OF COMPANIES)



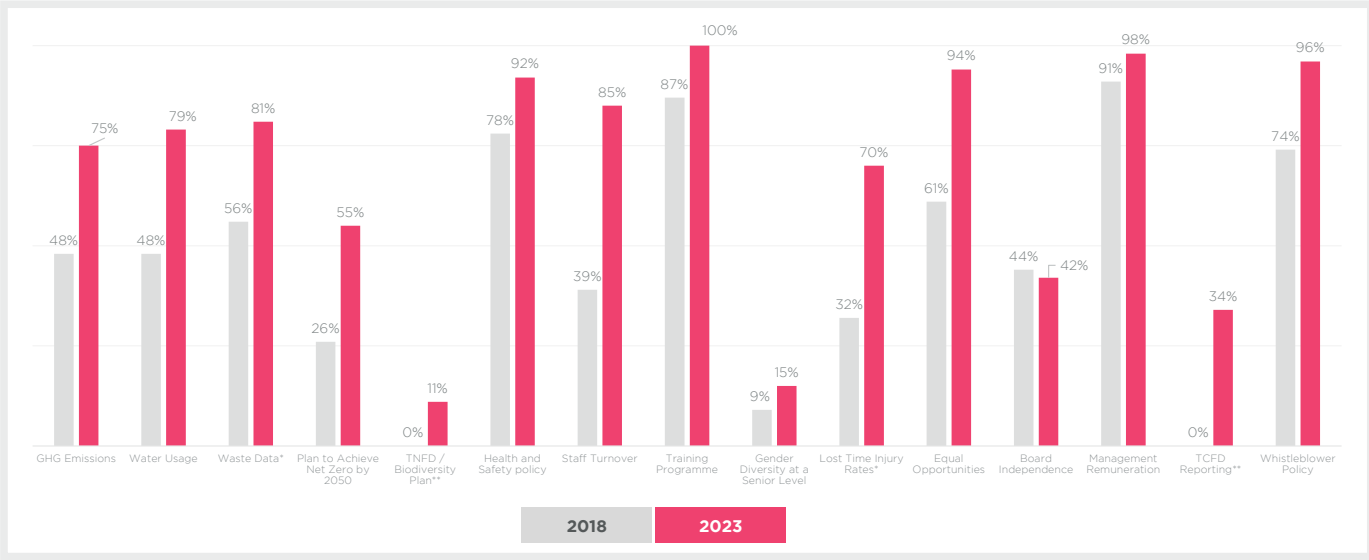
Source: Alquity, as of 31st December 2023.

We believe it’s essential to align the interests of all stakeholders with those of management. Hence, we recommend considering ESG as a part of executive compensation. By holding management accountable for achieving certain ESG goals — such as reducing water intensity or promoting better recycling practices within the company or in the materials used — companies will enhance their environmental footprint and social impact.

Moreover, we have reformulated and tightened two of our KPIs, namely: changing ‘having a plan to cut environmental impact’ to ‘having a climate plan to achieve Net Zero’. Additionally, for biodiversity, we will include TNFD disclosure as part of the KPI.

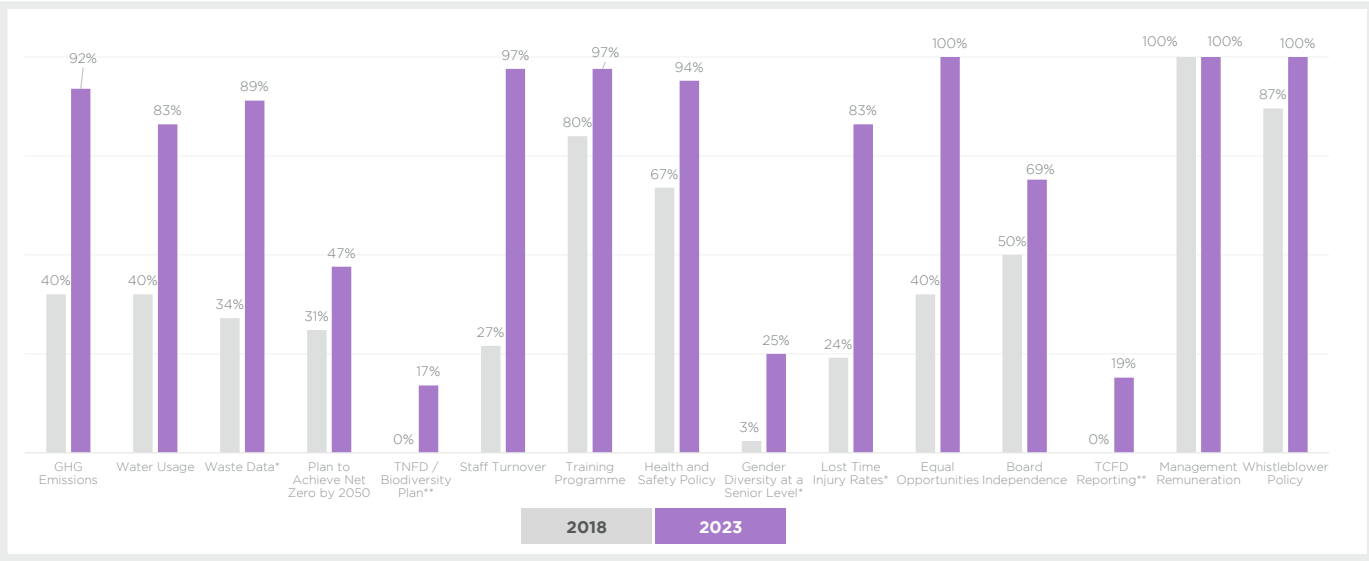
You can see the KPIs (Figures 15 to 17) for each of our Emerging Markets funds below, as well as examples of our engagement to improve disclosure.

FIGURE 16: HOLDINGS OF THE ASIA FUND MEETING EACH KPI (% OF COMPANIES)



Source: Alquity, as of 31st December 2023.

FIGURE 17: HOLDINGS OF THE INDIA FUND MEETING EACH KPI (% OF COMPANIES)



Source: Alquity, as of 31st December 2023.

FIGURE 18: ALQUITY KEY PROGRESS INDICATORS



STEWARDSHIP

Alquity is founded on the belief that the way we deploy capital shapes society. In the listed equity space, excluding sectors that are either detrimental to the environment or provide no positive societal value can over time help influence their behaviour and increase the cost of capital. Likewise, by selecting companies with positive ESG practices we can encourage others to follow suit. However, this is not sufficient. Investors must use their position as shareholders to influence and drive timely change in companies and the economies in which they invest.

This can take the form of engagement on disclosure (as in Figure 18 in regard to the Alquity KPIs), specific material issues as well as using our voting rights to support or reject management resolutions.

Our deep qualitative ESG analysis helps to identify areas where companies can improve their policies and activities that can have a material impact on their financial performance, and just as importantly the environment and communities in which they operate (known as “double materiality”). For example, we constantly monitor the GHG and water intensity of our companies against their peers, and assess and understand the underlying reasons behind the data, in contrast with third-party data providers.

We will engage with our companies when necessary, as was the case with JD.com in China, where most of the increase in water usage data was not a consequence of its operations, but as a result of improved data collection and disclosure. This is to be encouraged. Other topics where we engage with our companies can be wide-ranging, such as tenure of auditors or plastics reduction. Of course, if any issue or controversy arose that was so significant that the company fell below our minimum standards and could not be rectified through engagement in suitable timeframe, then the company would be divested from the portfolios.




Select examples of engagements over the last year

E: Environmental, S: Social, G: Governance



Source: Alquity, as of 30th June 2024.

FIGURE 19: EXAMPLES OF ENGAGEMENT RELATING TO ALQUITY’S KPIS

COMPANY	COUNTRY	SECTOR	KPI ENGAGEMENT TOPIC
	India	Software	Including ESG as part of the executive compensation
	Vietnam	Retail	Staff turnover, environmental (e.g. water) and LTI disclosures
	South Korea	Electric Vehicle Batteries	Gender diversity and prevention of biodiversity loss
	Brazil	Travel	Disclosure of cybersecurity policy and LTI rates
	Malaysia	Bank	Including ESG as part of the executive compensation and greater gender diversity
	India	Travel	Greater disclosure (e.g. water usage and staff turnover)
	Taiwan	Electronic Equipment	Including ESG as part of the executive compensation
	South Korea	Automotive Parts	Greater gender diversity at a board level
	India	Home Loan Financing	Greater enviromental disclosure (e.g. GHG emissions and water usage)

Source: Alquity, as of 30th June 2024.

WATER SHORTAGES IN BANGALORE (BENGALURU)

In response to Bengaluru (India) facing one of the worst droughts in its history, heightened by low rainfall due to El Niño, and with climate change likely to increase rainfall variability, we engaged with all our holdings with operations in Bengaluru. We asked Infosys, TTK Prestige, and Syngene, for details on their water management practices, and further further disclosure on certain areas (e.g. CapEx committed to water reduction efforts), a contingency plan to address water-related risks as well as the promotion of restoration projects, such as reafforestation and lake rejuvenation efforts.



Water scarcity and droughts hit Bangalore



COLLABORATIVE ENGAGEMENTS

We work with like-minded peers and industry initiatives to ensure that we maximise our influence. Below, we detail three examples of this.

1

Auditor rotation

G

We have been long-term investors in Mediatek, a Taiwanese technology company which benefits from the AI surge. Although we believe in the growth prospects of the business, we have had concerns on some of its governance practices, such as not changing its auditor since the company went public over twenty years ago. We have always voted against the reappointment of the auditor in each AGM, in line with our Principles of Governance, as we believe that the auditing firm should change every five years to ensure independency in the process.



We have partnered with East Capital to speak with management about the importance of replacing it’s auditor in order to enhance transparency, independence, and accountability within the audit process.



2

Plastic transition

E

Although we don't hold a position in Coca-Cola Europacific Partners (as it's excluded from our Global Impact Fund because it's a beverage firm, and it wouldn't fit into our Emerging Markets Fund given its current revenue profile), we decided to participate as members of the Plastics Solutions Investor Alliance (PSIA) launched by As You Sow and coordinated by the Dutch Association of Investors for Sustainable Development (VBDO). We decided to be part of the dialogue due to the significant plastic pollution problem in countries where we invest, such as the Philippines and Indonesia. Although initially a purely Western



European bottler, Coca-Cola Europacific Partners has recently been expanding in Southeast Asia.

Through this initiative, we also engaged with Henkel, a holding in our Global Impact Fund, on their packaging, plastic usage by type of polymer and biodegradable materials, and reusable solutions.

3

Responsible nickel sourcing

S E



The shift toward clean energy, especially in the automotive sector, relies heavily on minerals such as nickel. Alquity along other 30 investors overseeing approximately US\$ 2.7 trillion in assets issued a statement calling for urgent action to improve nickel mining practices to achieve more responsible nickel supply chains in the electric vehicle (EV) industry.

Reports highlight the negative environmental and social effects of nickel mining in Indonesia. These include increased CO2 emissions resulting from coal burning, water and air pollution leading to illnesses, conflicts with local communities, deforestation and biodiversity loss. This has prompted us and fellow investors to push for higher standards within the EV industry. Automakers and battery producers have the responsibility to ensure that environmental and social risks are mitigated throughout their nickel supply chains.

We expect companies to implement responsible sourcing requirements within their nickel supply chains, and leverage their influence to collaborate closely with suppliers, thus ensuring the adoption of responsible mining practices by upstream companies.

Letters were sent to our investee companies LG Energy Solution, KIA, BMW and Great Wall Motors.

OTHER INITIATIVES

Over the last year, we have been signatories and participants in various initiatives. For example, we recently endorsed Carbon Disclosure Project's (CDP) open letter to governments, calling for mandatory plastic data disclosure to be cemented as a key tenet of the Global Plastics Treaty. We believe that plastic data disclosure is crucial, as it ensures that both businesses and investors have the information needed to make informed decisions and take strategic actions for a sustainable future. We think this isn't just a matter of obligation; it's a pathway to unlocking financial benefits. The letter can be accessed [here](#).

Moreover, we signed the investor [statement](#) calling for an end to plastic pollution ahead of the fourth session of the Intergovernmental Negotiating Committee to develop an international legally binding instrument on plastic pollution (INC-4) to demonstrate our support for an international legally binding instrument to end plastic pollution.

Since our inception, we have excluded sectors detrimental to the environment and society. One of these sectors is tobacco, as it's estimated that the tobacco industry costs over 8 million lives yearly and pollutes our oceans with over 4.5 trillion toxic cigarette filters. Hence, we supported and signed the Tobacco Free Portfolios' [pledge](#), and encouraged other fellow investors to follow suit.

We have been signatories of various statements led by the [FAIRR Initiative](#), which we are proud to be part of. These statements cover a variety of topics affecting the protein supply chain, from AMR usage to seafood traceability and working conditions.

Finally, we also signed and supported Planet Tracker's investor [statement](#) calling on petrochemical companies to reduce fossil fuel dependency and eliminate hazardous chemicals in plastics.

We believe that plastic data disclosure is crucial, as it ensures that both businesses and investors have the information needed to make informed decisions and take strategic actions for a sustainable future.



transformation

VOTING

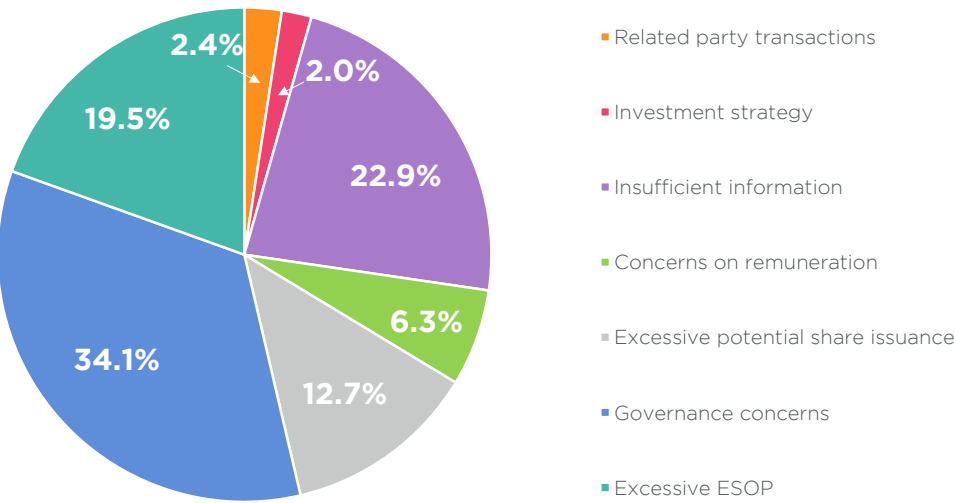
In 2023, for our EM funds we voted on 1256 occasions, of which 205 were against management. We always voted in line with the Alquity Principles of Governance, which can be accessed [here](#). Figures 20 and 21 below detail our voting by country and the reasons we voted against management.

FIGURE 20: VOTING BY COUNTRY FOR OUR EMERGING MARKET FUNDS

COUNTRY	TOTAL VOTES*	VOTES AGAINST MANAGEMENT (%)
India	436	16%
China	329	19%
Saudi Arabia	75	20%
Brazil	46	8%
South Korea	44	7%
South Africa	39	5%
Poland	32	25%
Taiwan	36	8%
Philippines	34	15%
Thailand	34	6%
Mexico	30	0%
Indonesia	23	22%
Greece	20	5%
United Arab Emirates	178	6%
Egypt	13	23%
Bangladesh	7	29%
Singapore	7	0%
Peru	5	0%

Source: Alquity, as of 31st December 2023. * For our Emerging Markets funds combined

FIGURE 21: REASONS OF VOTING AGAINST MANAGEMENT FOR OUR EMERGING MARKET FUNDS

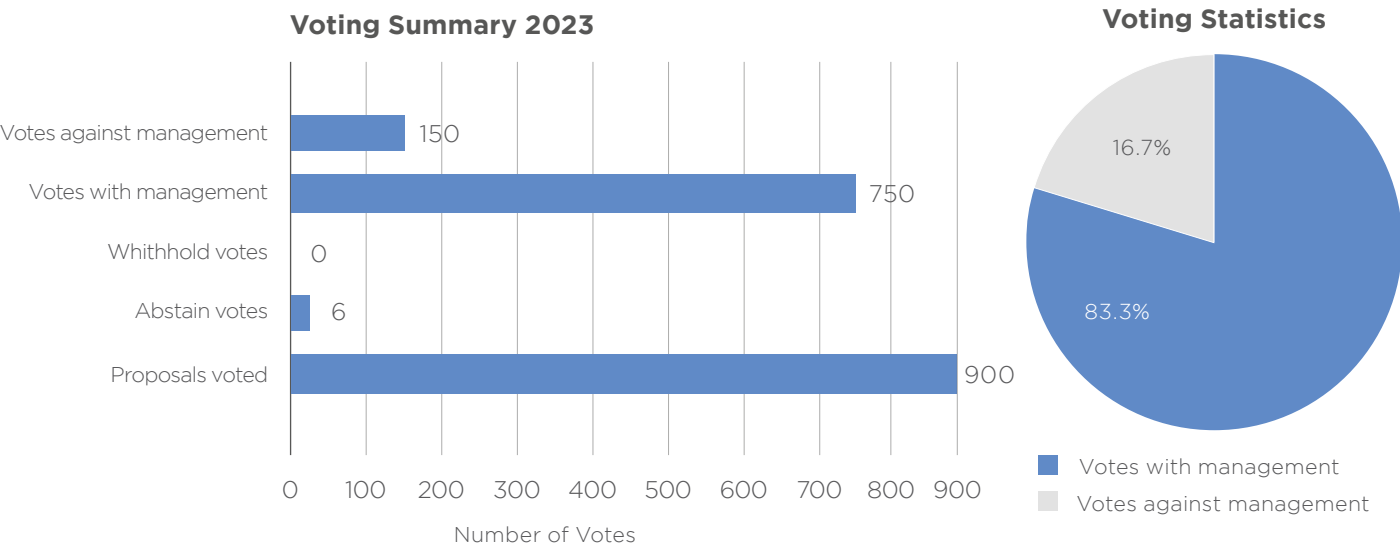


Source: Alquity, as of 31st December 2023. For our Emerging Markets funds combined

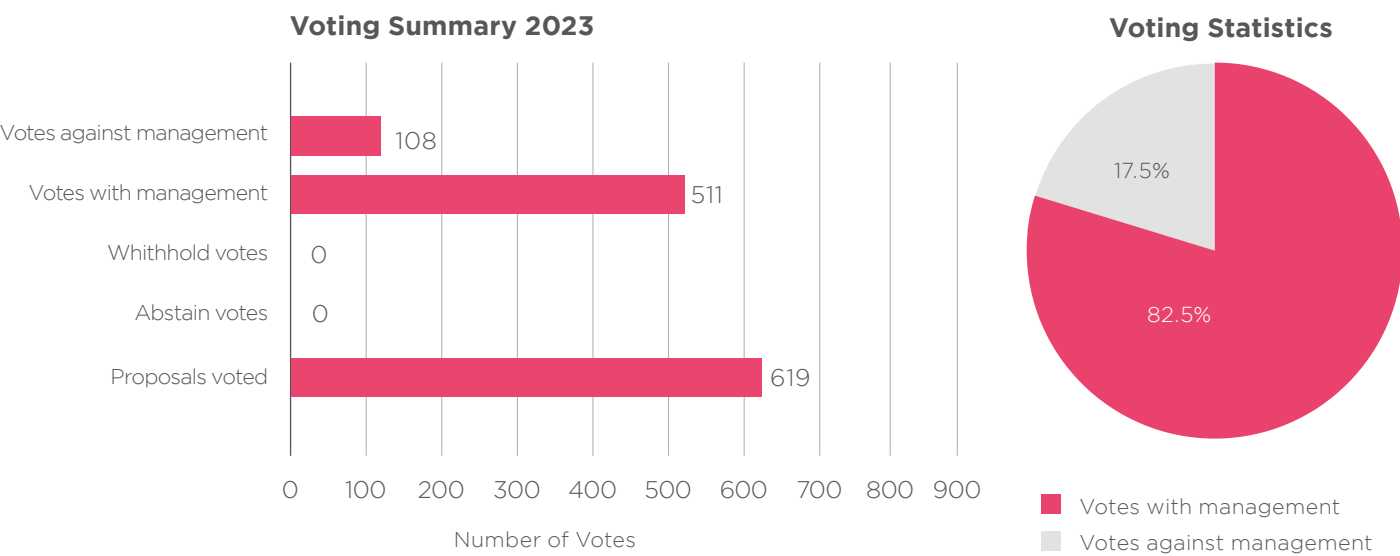
FIGURE 22: VOTING BY FUND

Below we have detailed our voting statistics for our Future World, Asia and India funds.

Future World Fund

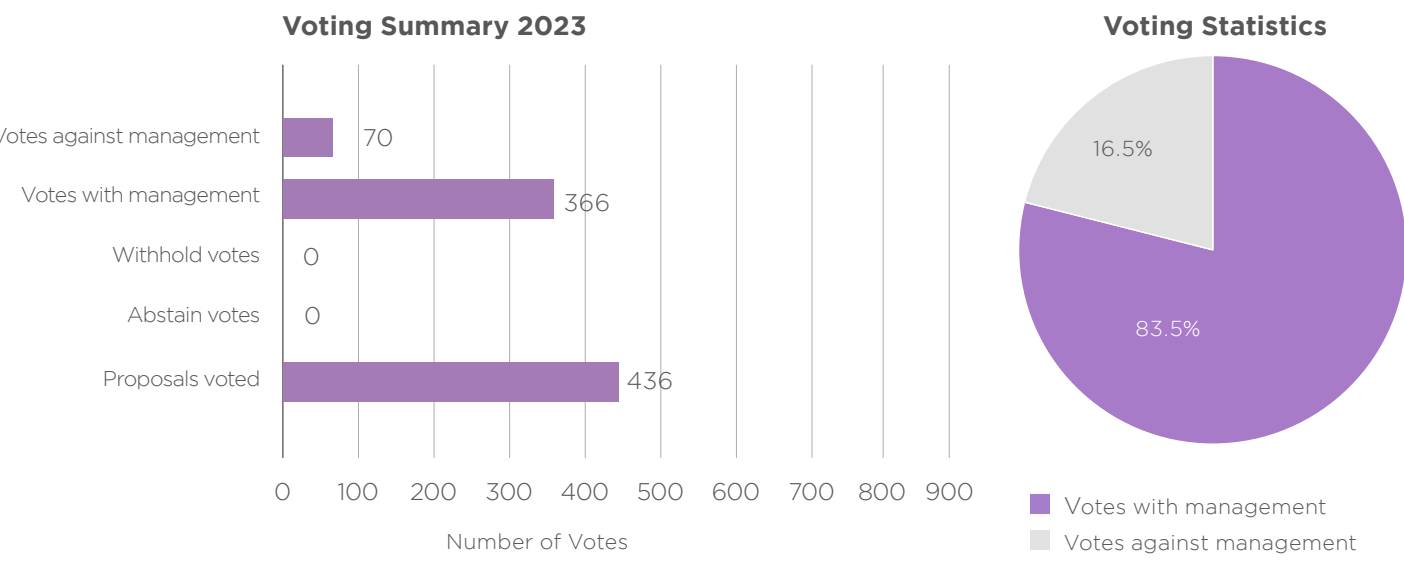


Asia Fund



Source: Alquity, as of 31st of December 2023.

Indian Subcontinent Fund

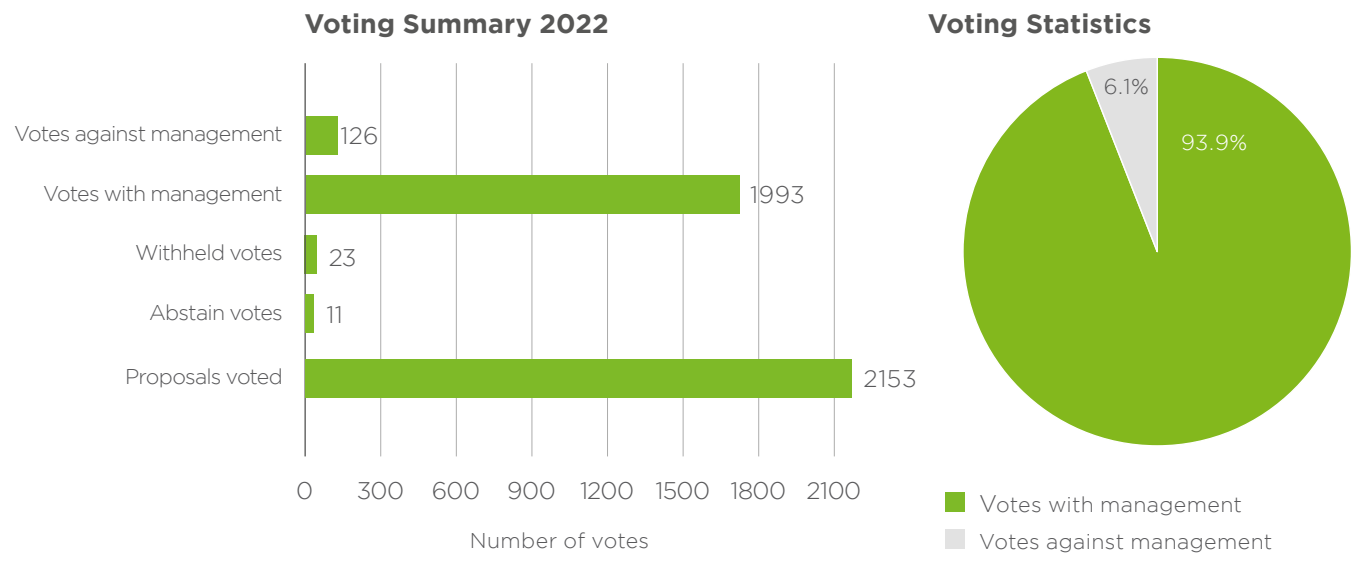


Source: Alquity, as of 31st of December 2023.

And below, our voting statistics for the Global Impact Fund. We participated in a total of 2153 voting instances, with 126 votes against management.

FIGURE 23: VOTING STATISTICS FOR THE GLOBAL IMPACT FUND

Global Impact Fund



Source: Alquity, as of 31st of December 2023.



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By empowering women to earn, families can thrive. Impact studies revealed that children become healthier and better educated as a result of the increase in household income.

PART 5 TRANSFORMING LIVES

SHIVIA

The Alquity Virtuous Circle represents a re-imagining of the asset management business model to bring investment, sustainability and impact together. Our 3-D investment model delivers financial performance and catalytic capital for grassroots impact through our Transforming Lives Foundation. Through the commitment of donating 10% of our net fee revenues to social enterprises, we aim to address social and economic challenges in developing countries that may be overlooked, creating a virtuous circle that is essential to building strong, inclusive economies.



Source: Alquity, as of 31st of December 2023.

SHIVIA

LIVELIHOODS WITH DIGNITY

Shivia was founded in 2008 and is a UK registered charity working in both India and Madagascar. They offer families living below the internationally recognised poverty line the tools and training to start a small agricultural enterprise from home. As part of their mission to permanently improve the lives of marginalised and disadvantaged people, Shivia is committed to ensuring that their beneficiaries are able to earn a decent and living income. Today Shivia is working in nine locations in three of India’s poorest states: West Bengal, Odisha, Jharkhand, and three locations in Madagascar.

To date, we have generated over \$2,600,000 donations and transformed over 65,000 lives. In addition, while we deliver tangible impact, our fund managers also benefit from investment insights, as we run focus-group consumer panels with our charity partners. These consumer panels provides us with deep insights on consumer behaviour, which informs our research agenda.



In each location they have teamed up with a fully vetted, local NGO in order to gain access to the communities in most need, identify beneficiaries and deliver the toolkits and training. You can find more about Shivia and its projects by clicking on the link below.

ABOUT SHIVIA

Shivia’s ‘flagship’ programme is called Poultry Development Services which was launched in 2011 in the rural villages close to Kolkata. The programme provides women with a ‘toolkit’ so that they can earn money from raising chickens and selling the produce - mature chickens and eggs. For many women, this is the first opportunity they have to earn their own money. Each toolkit contains 10 chicks, starter feed and vaccinations and, very importantly, the support and training the women need to create a successful and profitable enterprise from home. The toolkits are delivered by a team of locally recruited staff – men and women from the villages who understand the problems faced by the poorest members of their community. The average unit cost of each toolkit, including training programme, is £20.

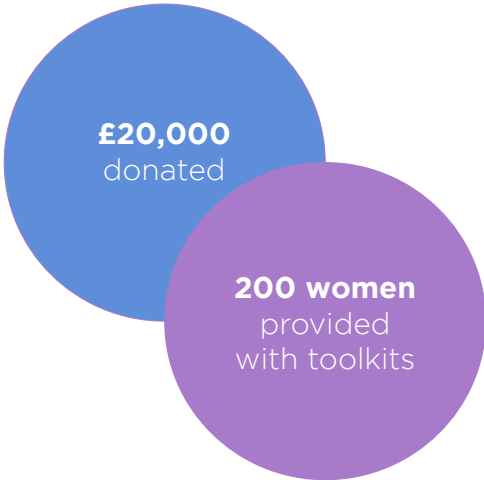
Since the first toolkit was delivered in 2011, Shivia has worked with over 18,000 beneficiaries and transformed the lives of at least 100,000 family members. In 2015, Alquity Transforming Lives Foundation chose to support Shivia and the poultry farming programme by providing a grant to help 300 women start their own small chicken farming enterprise. We were struck by how this simple, low-cost programme was a catalyst for lasting change within some of India’s most impoverished communities. The team at Shivia were able to demonstrate that, by empowering women to earn, families can thrive. Impact studies revealed that children become healthier and better educated as a result of the increase in household income.

Our four funds, through our Transforming Lives Foundation, are aligned with the United National Sustainable Development Goals (UN SDGs). Through Shiva’s poultry development services and our grant, we are contributing to:

- Helping to eradicate poverty in rural Chhattisgarh (SDG 1)
- Empowering over 200 women to generate a living income on their own for the very first time (SDG 5)
- Creating employment opportunities for the most disadvantaged and boosting household incomes (SDG 8)
- Reducing inequality within India (SDG 10)

Over the years Shivia has modified the poultry farming programme to suit the changing needs of the people they work with. After the initial training period, they organise women into groups so that they can order chicks, feed and vaccinations at wholesale prices, with the ultimate goal of making them completely independent of Shivia. Shivia’s impact assessment data show that when women graduate from the programme they are armed with new skills and confidence to significantly grow their chicken farming business or start a new business enterprise altogether. There are numerous examples of women who have gone on to start a small grocery shop, roadside tea stall, or tailoring service.

In January 2024, Shivia expanded into a new area in India within the state of Chhattisgarh and work with 400 beneficiaries on the Poultry Development Services Programme. In January 2024, through our Transforming Lives Foundation we donated £20,000 to Shivia to support the first year of the new programme there, providing toolkits and training to 200 women in order to transform their lives and those of their families.



AN UPDATE FROM PHOOL

Another great example of one of the projects supported by the Transforming Lives Foundation is Phool. Phool - a social enterprise we initially funded in 2019 - focuses on the circular economy by transforming floral waste into charcoal-free incense and bio-leather products. This enterprise empowers women in rural and marginalized communities in India by providing them with training and employment opportunities.

Suresh Mistry, Alquity's Head of Sustainability recently visited Phool at their operation in Kanpur and recorded a 4-minute video about the amazing growth and impact Phool has on the environment and Kanpur's community.

You can watch it by clicking on the link below.

TRANSFORMING LIVES IN INDIA: PHOOL



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life changing

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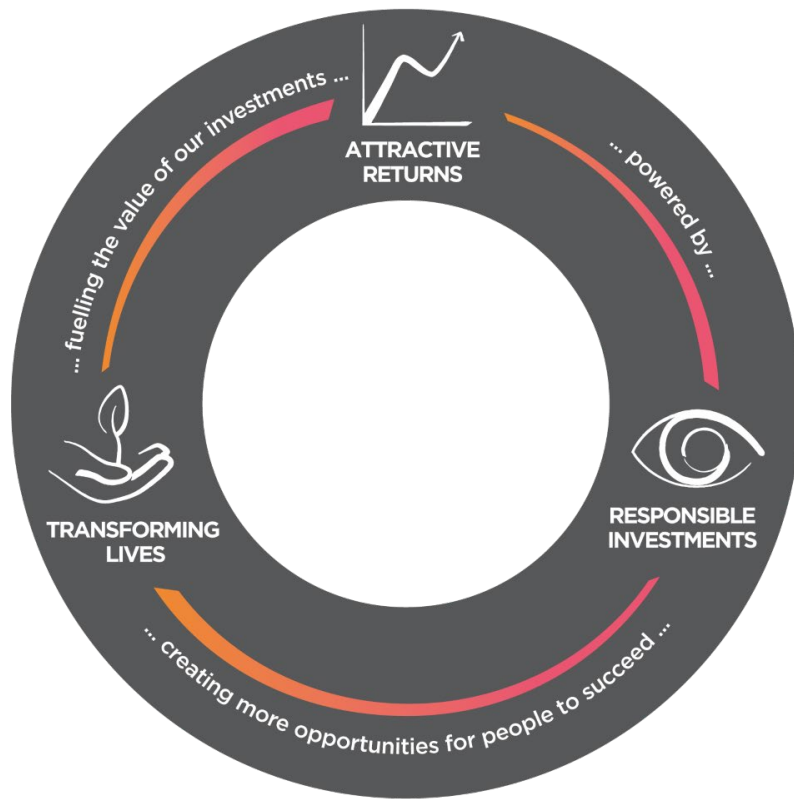
CANADIAN INVESTORS

Alquity has engaged with Stikeman Elliott LLP as their legal representation and is relying on the International Dealer Exemption in the provinces of Quebec and Ontario. With respect to statutory rights of action along with connected and related issuer information please refer to our Canadian Wrapper and Prospectus. This material is for distribution to Professional Clients only and does not constitute any recommendation or opinion regarding the appropriateness or suitability of an investment for any prospective investor.

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Units are only distributed in Switzerland to Qualified Investors. The prospectus, the Articles of Association, the Key Investor Information Document “KIIDs” as well as the annual and semi-annual report of the Fund is available only to Qualified Investors free of charge. Funds other than the Luxembourg domiciled Alquity SICAV mentioned in this document may not be admitted for distribution in Switzerland.





Alquity

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