

ALQUITY IMPACT REPORT 2025





***RATIONAL
SUSTAINABILITY DRIVEN
BY OUR VALUES***

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INTRODUCTION TO OUR 2025 IMPACT REPORT

BY SURESH MISTRY, HEAD OF SUSTAINABILITY

As we present Alquity’s 2025 Impact Report, we reflect on a journey that continues to demonstrate the powerful synergy between financial returns and positive social impact. At Alquity, our founding belief that investing in the world’s most dynamic markets can generate both competitive financial performance and meaningful social change remains stronger than ever. The past year has reinforced our conviction that responsible investing is not merely an alternative approach but a superior investment strategy.

OUR APPROACH TO RESPONSIBLE INVESTING

We are investors first and foremost, focused on delivering attractive returns through a distinctive investment approach. Our philosophy is built on rational sustainability - a pragmatic framework that recognizes the financial value and real-world implications of responsible business practices whilst avoiding ideological extremes.

ALQUITY CORE PRINCIPLES

RATIONAL SUSTAINABILITY DRIVEN BY OUR VALUES

We believe that companies operating sustainably create long-term value. Our approach is grounded in financial rationality - we analyse ESG factors as material indicators of business quality and future performance. Alquity was founded with a clear set of social and environmental values that sit at the heart of our investment processes and remain as strong today as they have always been.

DEEP LOCAL INSIGHTS

Our on-the-ground research provides unique perspectives on emerging markets, with a focus on domestic growth opportunities rather than export-dependent businesses. This contrasts with many investors who apply standardized global frameworks without sufficient local context.

SMALL AND MIDCAP BIAS

We identify high-potential companies at earlier stages of development, accessing growth opportunities often overlooked by larger investors. We find value in businesses demonstrating sustainable practices regardless of their size or reporting sophistication.

RESPONSIBLE INVESTMENT ANALYSIS

We use ESG analysis as a tool within our broader responsible investment process, not as an end in itself. Unlike many peers who treat ESG as a screening mechanism or a marketing label, we integrate it as one component of comprehensive investment analysis.

Our philosophy is built on rational sustainability - a pragmatic framework that recognizes the financial value and real-world implications of responsible business practices.

We recognize that the investment landscape has been characterized by growing scepticism toward ESG investing. The “anti-ESG sentiment” has gained traction in certain markets, with critics questioning the financial materiality of sustainability factors. Rather than being deterred by this pushback, we’ve refined our approach emphasizing that ESG analysis is a tool within our broader investment framework, not an ideological position. We believe that analysing environmental, social, and governance factors provides critical insights into a company’s long-term resilience and growth potential. Our investment philosophy recognizes that ESG is a framework for analysis that needs to consider the broader context. For example, in Emerging Markets, infrastructure development using cement may have high carbon emissions, but plays a crucial role in economic development and poverty reduction. Our approach balances these considerations, focusing on best-in-class companies and engaging with them to further improve their practices, while acknowledging their role in sustainable development. At all times, our company values remain paramount and we don’t compromise on these however compelling the investment case may be.

By integrating rigorous ESG analysis with our commitment to transforming lives through the Alquity Transforming Lives Foundation, we’ve continued to create value for our investors while addressing critical social challenges across emerging markets. The stories and data within this report illustrate how our investment approach has supported economic development, environmental sustainability, and social inclusion.

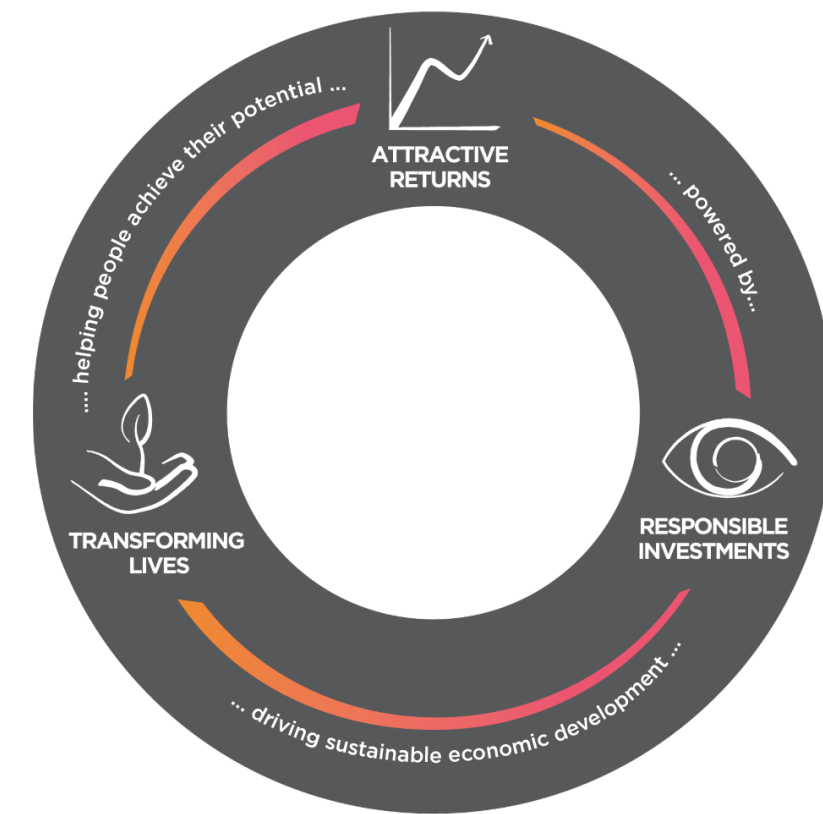
As we look ahead, we remain dedicated to our mission of proving that finance can be a force for good. We believe that the most successful investments will be those that recognize and respond to the major challenges of our time – climate change, resource scarcity, and social inequality. By choosing Alquity, investors gain access to strategies designed to deliver financial returns while contributing to positive societal impact through our Virtuous Circle business model. This rational approach to sustainability offers a compelling alternative to mainstream impact investing that often forces investors to choose between returns and impact.

We thank our investors, partners, and the communities we serve for their continued trust and collaboration in this important work. Together, we are building a more equitable and sustainable future.

BY CHOOSING ALQUITY, INVESTORS GAIN ACCESS TO STRATEGIES DESIGNED TO DELIVER FINANCIAL RETURNS WHILE CONTRIBUTING TO POSITIVE SOCIETAL IMPACT.

**WE BELIEVE THAT
RETHINKING CAPITAL
ALLOCATION IS CRITICAL
IN SHAPING SOCIETY**

PART 1 **OUR MISSION** ALQUITY'S BUSINESS AND INVESTMENT MODEL



Investors' short-term, profit-oriented mindset has driven businesses to overly prioritise 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 understood or deliberately disregarded. The pursuit of only 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, 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. 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 the belief 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. In this way, our business aligns with 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.



PART 2 ATTRACTIVE RETURNS: COMBINING SUSTAINABILITY WITH PERFORMANCE

Our Asia and Future World Funds delivered first quartile performance in 2024, benefiting from the strength of Asian (excluding Japan) and broader Emerging Markets and our overweight to AI-related companies. In 2024, improved macroeconomic stability, easing inflationary pressures, and a rebound in consumer and investor confidence across key Asian economies contributed to a turnaround in equity markets. Our funds were well-positioned to capture this upswing. Both funds have delivered second-quartile or above performance since implementing enhancements to their investment process in August 2020 (most notably the introduction of a robust risk management framework following the addition of Marnie Aragon-Uy to the team).

The Alquity India Fund delivered a 10.8% return in 2024, ranking in the third quartile. Since its inception in 2014, the Fund has delivered a return of 213.3% return placing it on the top quartile. We stick to our long-term view and remain confident in the prospects for India and our domestically driven growth portfolio.

Additionally, our Global Impact Fund has achieved second quartile performance amongst global equity peers and has consistently outperformed its Article 9 peers, securing top quartile performance since its inception in early 2021.

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

Fund (USD I)	2024	2024 Quartile	3 Year	3 Year Quartile	Since Inception*	Since Inception* Quartile
Alquity India	10.8%	3 rd	19.4%	3 rd	213.3%	1 st
Indian ETF	9.0%	-	16.0%	-	131.1%	-
Alquity Global Impact	10.1%	1 st	6.9%	1 st	19.3%	1 st
ACWI ETF	17.4%	-	17.5%	-	32.6%	-
ACWI Sustainable Impact	-9.4%	-	-15.9%	-	-18.9%	-

*Since 30/04/2014 for the India Fund, 16/03/2021 for the Global Impact Fund. The quartile data presented here are derived from the Lipper India and Lipper Global (SFDR Article 9 Funds only) universes. The ETFs used are the iShares India ETF and the iShares ACWI ETF..

Fund (USD I)	2024	2024 Quartile	3 Year	3 Year Quartile	Since 31/08/2020**	Since 31/08/2020** Quartile	Since Inception***	Since Inception*** Quartile
Alquity Future World	13.0%	1 st	-8.0%	2 nd	10.9%	2 nd	9.7%	3 rd
EM ETF	6.9%	-	-7.5%	-	4.7%	-	25.5%	-
Alquity Asia	14.8%	1 st	-12.2%	2 nd	10.1%	1 st	38.4%	3 rd
Asia ex Japan ETF	10.5%	-	-7.5%	-	1.3%	-	51.6%	-

** Since the investment process changes for the Funds took place. *** Inception dates: 04/06/2014 for Future World, 28/03/2014 for Asia. The ETFs used are the Asia ex Japan ETF and the Emerging Markets ETF..

Source: Source: Alquity, Bloomberg, Lipper, as of 31st December 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. Currency exchange rate movements can lead to an increase or decrease in the value of the fund's investments. Performance figures shown relate to our I share class structure. Other share classes may have delivered lower returns. Please, refer to the fund factsheets located in our [website](#) for a comprehensive view of performance across all our share classes.

COMPANY ESG RATINGS

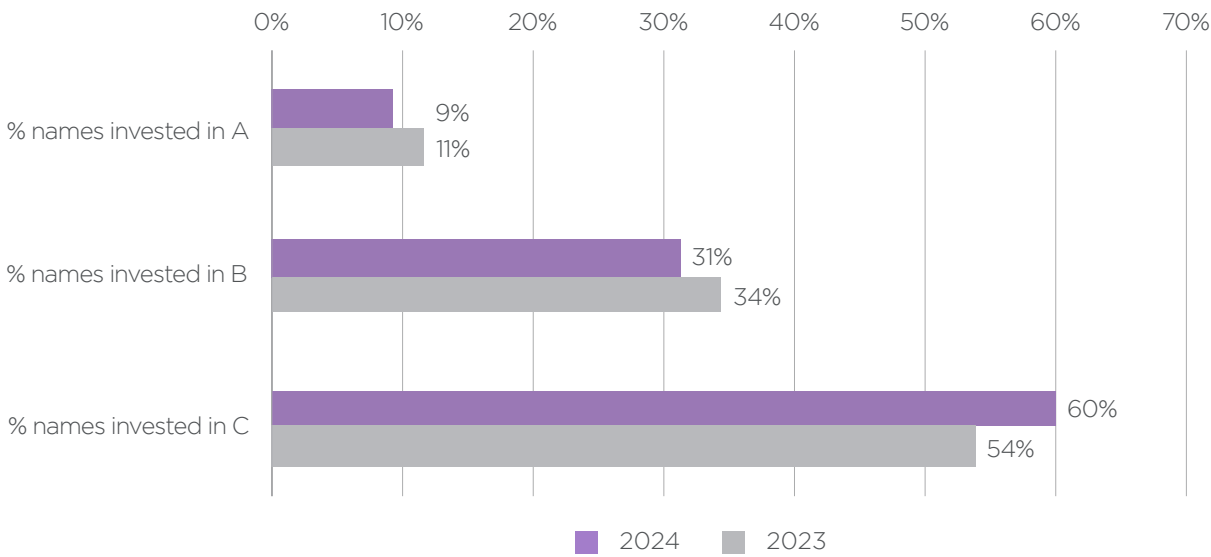
For our Emerging Markets funds, we deploy our own proprietary ESG rating system that assesses behaviours and practices across companies in the context of global or regional best practice after applying our exclusions. We then assign a rating to each institution, which captures the risk, and the quality 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

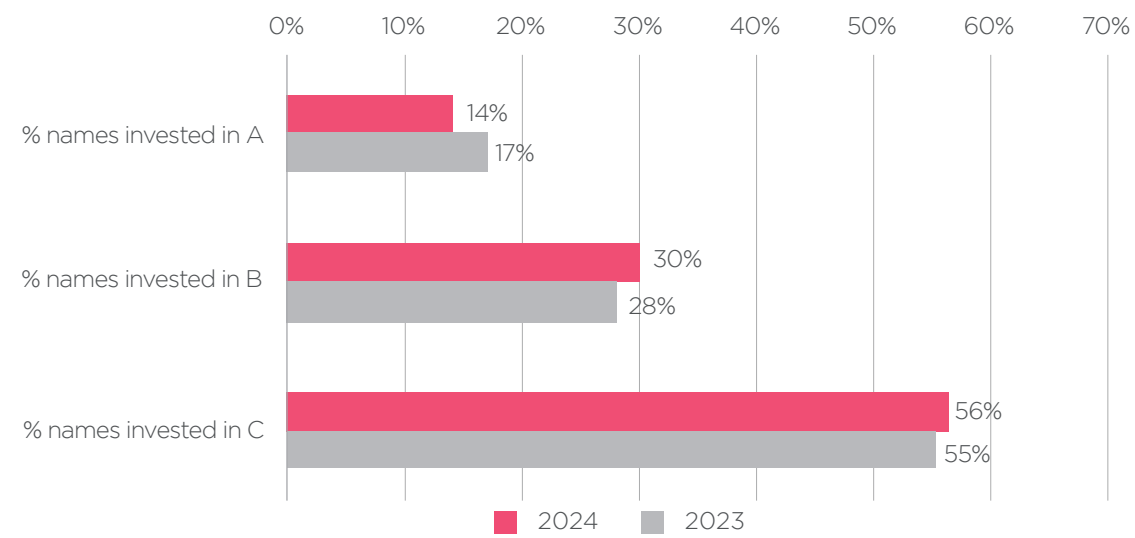
ALQUITY ESG RATING	DESCRIPTION OF COMPANY ACHIEVING THIS RATING
A	High risk industry demonstrable global best practice performance in ESG.
	Lower risk industry demonstrable regional best practice in ESG.
B	High risk industry demonstrating regional best practice in ESG.
	Lower risk industry with satisfactory 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 lower risk industry with unsatisfactory ESG performance

FIGURE 3: INDIA FUND - COMPANY ESG RATINGS



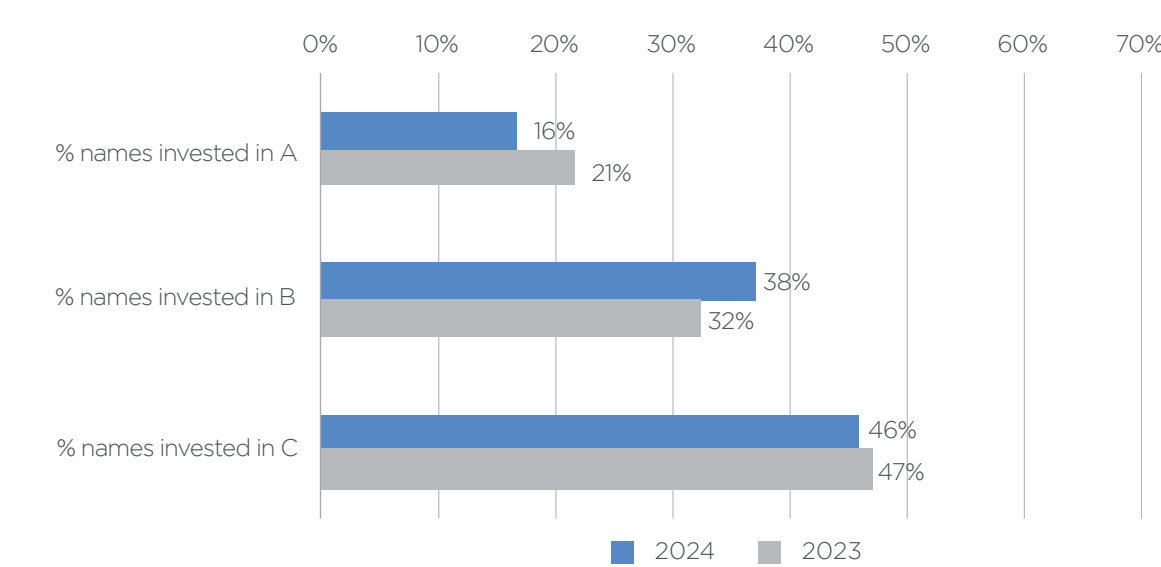
Source: Alquity, as of 31st December 2024.

FIGURE 4: ASIA FUND - COMPANY ESG RATINGS



Source: Alquity, as of 31st December 2024.

FIGURE 5: FUTURE WORLD FUND - COMPANY ESG RATINGS



Source: Alquity, as of 31st December 2024.

**ALQUITY EXISTS TO
TRANSFORM THE
WORLD OF INVESTMENT
TO CREATE A FAIRER,
MORE SUSTAINABLE
PLANET.**

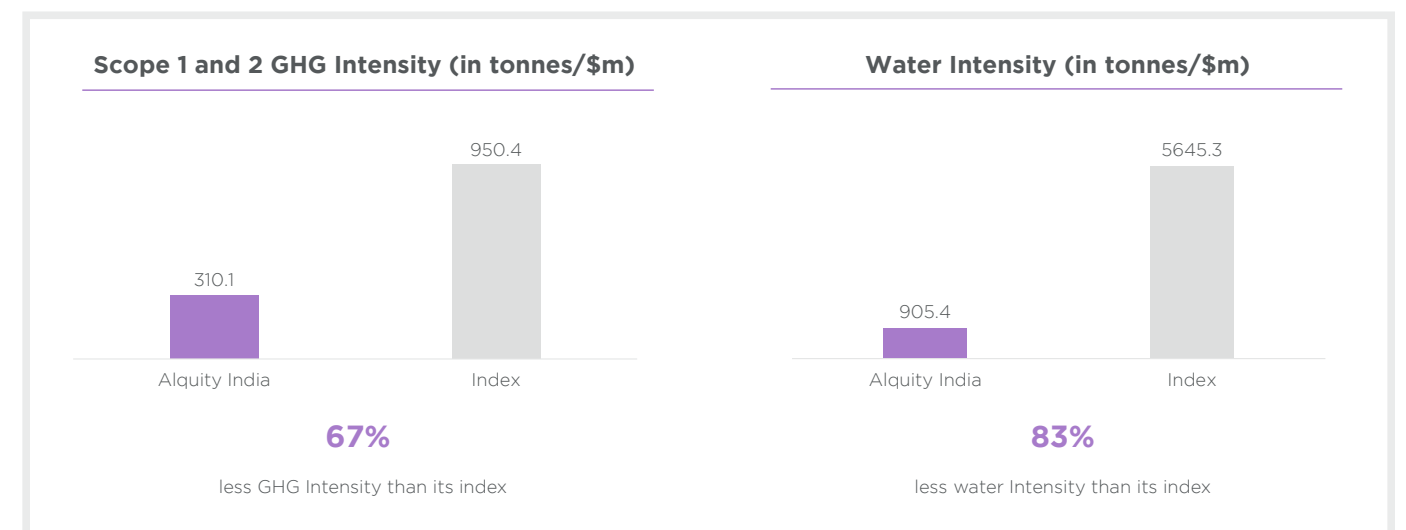
PART 3 **RESPONSIBLE INVESTMENTS** ENVIRONMENTAL FOOTPRINT

Since 2022, all our Emerging Markets strategies have included two impact indicator targets designed to consistently outperform their respective benchmarks. These targets are embedded in our portfolio construction guidelines and are monitored. The selected targets are:

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

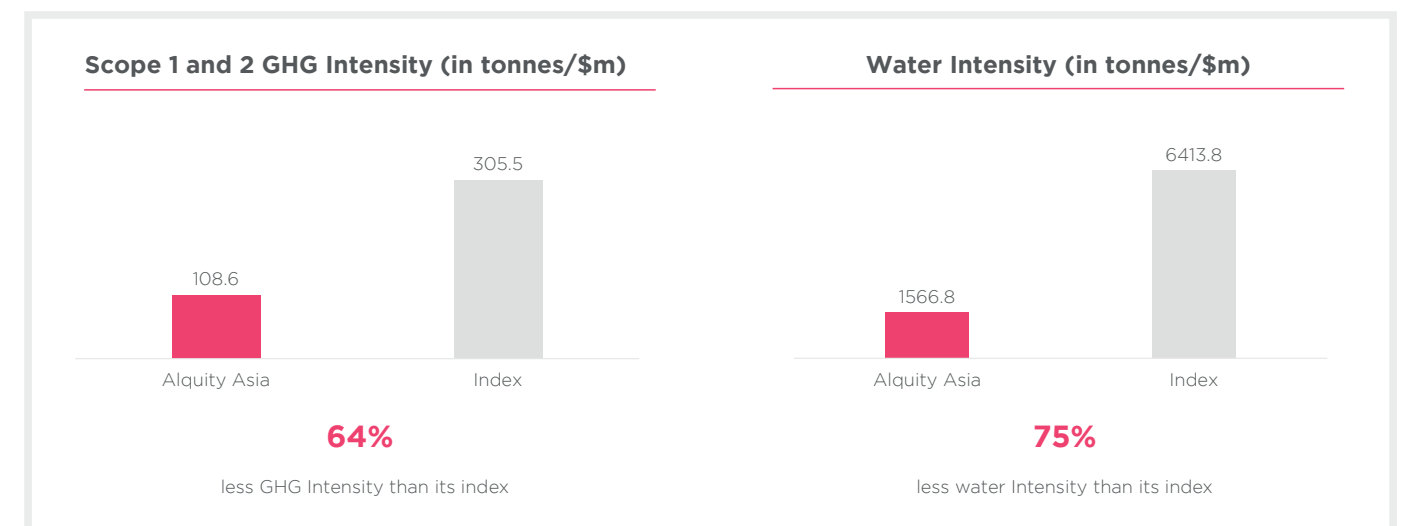
These metrics reflect our commitment to our [climate declaration](#). Data is gathered directly by the Alquity team using a mix of company disclosures, desk research and informed estimations using a variety of peers when data is not available - an approach we've found to be significantly more reliable than third-party data sources. Below, we present the latest water and GHG intensity for each of our portfolios compared to their benchmarks.

FIGURE 6: ALQUITY INDIA GHG AND WATER INTENSITY



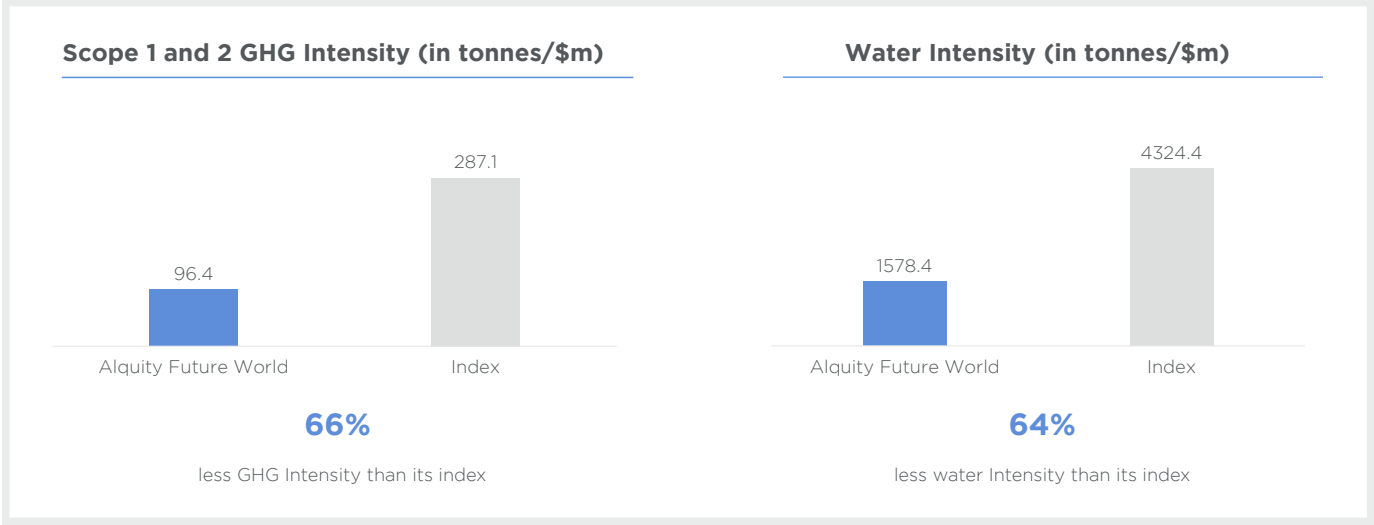
Source: Alquity, as of 31st December 2024. For GHG, 100% coverage, including 89% reported data and 11% estimated. For water, 100% coverage, including 84% reported data and 16% estimated. The Index used is the iShares India ETF.

FIGURE 7: ALQUITY ASIA GHG AND WATER INTENSITY



Source: Alquity, as of 31st December 2024. For GHG, 100% coverage, including 85% reported data and 15% estimated. For water, 100% coverage, including 83% reported data and 17% estimated. The Index used is the iShares Asia ex Japan ETF.

FIGURE 8: ALQUITY FUTURE WORLD GHG AND WATER INTENSITY



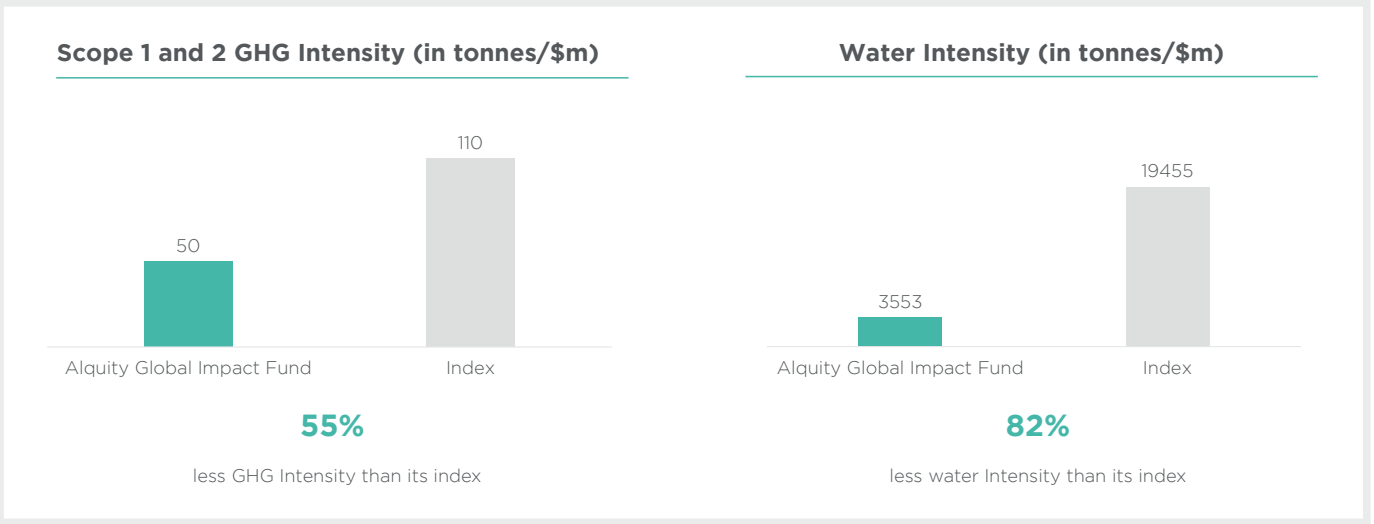
Source: Alquity, as of 31st December 2024. For GHG, 100% coverage, including 83% reported data and 17% estimated. For water, 100% coverage, including 81% reported data and 19% estimated. The Index used is the iShares EM ETF

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, water and GHG intensity are also integrated into portfolio construction, in addition to waste intensity. The Fund will have a smaller environmental footprint compared to its index as displayed below.

FIGURE 9: GLOBAL IMPACT FUND GHG AND WATER INTENSITY



Source: Alquity, as of 31st December 2024. The Index used is the iShares ACWI ETF

ACCREDITATION

In January 2024, we received our PRI framework reporting assessment. Under the four pillars, we 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, our EET, as well as our latest UN PRI assessment. Please visit our website or click the following links:



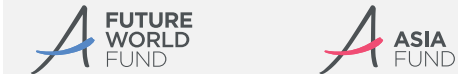
Category	Rating	Score
Policy, Governance and Strategy	★★★★★	88/100
Process - Active Fundamental	★★★★★	94/100
Process - Active Quantitative	★★★★★	91/100
Confidence Building Measures	★★★★★	85/100

Source: Alquity, as of 22nd December 2023.



- SFDR DISCLOSURES
- UN PRI ASSESSMENT
- EUROPEAN ESG TEMPLATE

Article 8



Article 9



Source: Alquity, as of 31st March 2025.



GOVERNANCE IN CHINA: BECAUSE NOT ALL VIES ARE THE SAME

GOVERNANCE



Variable Interest Entities (VIE) are 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.

Tencent has a series of contracts with Tencent Computer and Shenzhen Shiji Kaixuan Technology, which are companies domiciled in China and which own the licences to provide internet content/value-added telecom services. These contracts enable Tencent to recognize and receive the full economic benefit of the business and operations of Tencent Computer and SSKT, whilst providing effective operational control over and rights to the economic benefits of the equity interests in these companies even without direct legal ownership of their equity interests (and the rights to acquire these, subject to regulatory approval). Therefore the VIE is effectively controlled by Tencent’s board of directors, which is majority independent and has an exemplary track record regarding the treatment of minority shareholders since the IPO way back in 2004. Tencent chose to list in Hong Kong almost two decades ago, as the listing requirements were (then, pre-2018) much stricter than the USA, with a prohibition on dual share classes and a requirement for minimum standards of operating history. It remains noteworthy that Tencent has a single class of shares, without preferential voting rights for Pony Ma.

In addition, just to illustrate how strong and consistent Tencent’s management is, we recently conducted a small exercise: we reviewed all the earnings calls and financials from the past two years and cross-checked every single prediction (not just the headlines) against the actual outcomes. The accuracy was astonishing - whether it was a delay in the monetization of a game or the timing of new features. While one might expect management to provide accurate guidance, the fact that Tencent has done so with such consistency and precision for every single area underscores the quality of their execution and insight.

In contrast to Tencent, Alibaba has a uniquely poor governance structure, and there are several question marks on its VIE structure and its track record. The key issue for Alibaba is that there is no real link between control and ownership - and given the track record of Alibaba’s partnership, we have concerns about the company from a minority shareholder point of view. The clearest example is 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. 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 goodwill (over \$36bn) which has been detrimental to Returns on Invested Capital and has resulted in continuous impairments over the years.

Sources: Tencent, Alibaba, Alquity, as of April 2025.

Tencent 腾讯

B rated in our proprietary ESG methodology

Source, Alquity, as of April 2025.



As the world’s leading semiconductor foundry, Taiwan Semiconductor Manufacturing Company (TSMC) plays a critical role in shaping the environmental footprint of the global electronics industry. TSMC fabs enable technologies that power decarbonization across mobility, AI, and energy systems. For example, an analysis by Taiwan’s ITRI found that every 1 kWh of power used to produce certain high-performance (HPC/AI) chips results in an estimated 4 kWh of energy savings “for the world” (due to more efficient downstream computing).

Regarding its operations, TSMC was the first semiconductor company to join the RE100 initiative, pledging 100% renewable energy by 2040 and 60% renewables company-wide by 2030. TSMC also works closely with Tier-1 suppliers (responsible for approximately 90% of its supply chain GHG emissions) to collaborate on carbon reduction, including goal-setting and technology sharing (as part of its Scope 3 strategy). Since 2021, the company has saved over 50 million m³ of water and 810 GWh of energy consumption through these initiatives. In terms of water management, TSMC’s fabs use significant volumes of water, but the company has reported steady improvements. In 2023, TSMC reclaimed over 280 million m³ of water through its recycling systems (a 33% increase over 2022), achieving a 90.3% recycling rate. The company’s commitment to minimizing waste is also evident in its goal to achieve zero waste to landfill by 2025.

Sources: TSMC 2023 Annual Report (as of July 2024), Industrial Technology Research Institute (as of April 2024).

LEMON TREE HOTELS: AN EXAMPLE OF INCLUSIVE GROWTH AND SOCIAL IMPACT

SOCIAL



As one of India’s largest and fastest-growing mid-priced hotel chains, we believe Lemon Tree Hotels, one of the core holdings of our Emerging Markets Funds, is a good example of what it means to be a socially responsible business due to its commitment to equitable opportunities and inclusive employment. At the heart of Lemon Tree is a deeply embedded inclusive hiring policy that has been in place across more than 100 hotels since 2007. The company has partnered with several NGOs and skilling institutions across India to train and source employees from economically and socially marginalized backgrounds (ca. 17% of the workforce as of FY2024).



THERE IS ALWAYS ROOM FOR EMPATHY AND INCLUSIVITY

These include:

- Approximately, 9% of employees are people with disabilities
- Around 7% of employees are from economically disadvantaged or socially excluded communities

These employees are fully integrated across job roles (ranging from front office and housekeeping to kitchen and operations through tailored training). Over 5,000 hours of specialized training are conducted annually for employees from marginalized groups, along with regular staff sensitization sessions. In addition, every employee at Lemon Tree must learn, and is trained, in Indian Sign Language, along with certain skills to communicate with a person who is differently abled.

Sources: Lemon Tree Hotels Annual Report (as of March 2024) and Business Responsibility and Sustainability Report (as of September 2024).

Total CO2 emissions for 2024, including both fossil fuel-related emissions and land-use emissions, are projected to reach 41.6 gigatonnes. This marks a critical moment in the global trajectory of emissions, as the past decade has shown a stabilization in emission growth compared to the previous period of rapid increase. Between 2004 and 2013, global emissions grew at an average rate of 2% per year, driven largely by an increasing demand for energy and industrial growth in emerging economies. However, despite efforts to curb emissions, the stabilization from 2014 to 2023 has not been sufficient to place global emissions on a declining path. Despite the progress in clean energy, growth in natural gas and oil use have driven global fossil emissions up to 0.8% in 2024, with coal emissions also projected to increase.

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.

At the core of this challenge lies the urgent need for a global transition to a Net Zero economy. Achieving this transition requires the collective efforts of governments, companies and individuals. Through our investment process, we actively support, on a pragmatic way, this transition by aligning our capital allocation to companies that are committed to reducing their emissions and adopting more sustainable practices. 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.

Source: [Global Carbon Budget](#), as of 14th of March 2025.

While there is some progress in addressing climate change, it remains insufficient to place global emissions on a declining path

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

IndusInd Bank

MINOR INTERNATIONAL

TOTVS

Walmart México y Centroamérica

mandiri

Source: Alquity, as of 31st December 2024.

OUR CARBON OFFSETS

At Alquity, we firmly believe that actions speak louder than words. Although the nature and size of our business mean that our GHG emissions are relatively low, we remain committed to sustainability and environmental responsibility. That is why in March 2025, we have offset all our GHG emissions from essential business travel for 2024 - a total of 72 tonnes.

For our carbon offset initiative, we have chosen Tradewater carbon credits. Tradewater operates impactful projects across Latin America, Ghana, the United States, and Thailand. Their credits are certified by the American Carbon Registry and Verra.

Tradewater focuses on collecting ozone-depleting substances (ODS) from refrigerant stockpiles. These substances, if released to the atmosphere, would contribute to climate change and ozone layer depletion. Tradewater ensures that these gases are safely transported to incineration facilities that meet the standards of the Montreal Protocol, permanently eliminating them. In addition, through our offset we also address another critical issue - methane leaks from abandoned and orphaned oil and gas wells in the United States. Methane is a potent greenhouse gas with a significantly higher warming potential than CO2.



Source: Reuters, as of June 2020.

Choosing to offset our emissions through [Tradewater](#) is just one of the ways we integrate sustainability into our business practices. We recognize that environmental responsibility goes beyond mitigating our own footprint.

We encourage other businesses, regardless of their size, to take similar steps. Collective action is crucial in the fight against climate change, and together, we can drive real change toward a more sustainable future.

**PREVENTING
REFRIGERANTS
FROM BEING
RELEASED INTO
THE ATMOSPHERE
PROTECTS THE
OZONE LAYER
AND MITIGATES
CLIMATE CHANGE.**

Sources: Alquity, Tradewater, as of 31st March 2025.

A MORE SUSTAINABLE FUTURE



OUR ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

FIGURE 10: 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.	  
	Consumer Products	HUL plays a key role on handwashing and hygiene education through its products and its Lifebuoy hygiene program, especially in rural India. Through Project Shakti, HUL has empowered over 160,000 rural women by training them as micro-entrepreneurs	    
	Industrial Machinery	LG Energy Solution is one of the largest battery producers, driving the transition to electric mobility and renewable energy.	    
	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 31st December 2024.

FIGURE 11: EXAMPLES OF COMPANIES IN OUR GLOBAL IMPACT FUND PORTFOLIO AND THEIR KEY IMPACT THEMES

COMPANY	SECTOR	ESG PERCENTILE	% OF SDG REVENUE	IMPACT THEME
	Semiconductors	1	78	Energy Efficiency
	Semiconductors	4	97	Energy Efficiency
	Waste Management	35	94	Pollution Prevention and Reduction
	Biotechnology	12	66	Health and Wellbeing
	Pharmaceuticals	11	82	Health and Wellbeing
	Biotechnology	9	99	Health and Wellbeing
	Pharmaceuticals	5	78	Health and Wellbeing
	Pharmaceuticals	7	95	Health and Wellbeing
	Building Products	4	40	Green Buildings

Source: Alquity, Sustainalytics, as of 31st December 2024.



ABB is a leader in energy-efficient industrial automation solutions (e.g. robotics), electric vehicles charging systems, and the provision of inverters, transformers and grid connections for renewable energy projects, as well as energy storage solutions and the electrification of marine transport. The company helped its customers avoid 66 million tonnes of CO₂ in 2024 and it aims to enable its customers to avoid 600 million metric tons of CO₂ emissions through its products sold between 2022 and 2030.

600 million metric tons of CO2 emissions are equivalent to:

- 1.5x the annual emissions of the UK
- 20% of the annual emissions of the European Union
- Emissions from 130 million cars in a year

Sources: ABB's 2024 Annual Report (as of February 2025), calculations based on 1) Gov.UK 2024 emissions provisional figures data (as of March 2025), 2) EEA (2023 EU GHG inventory, as of April 2025), 3) US EPA emissions of a typical passenger vehicle (as of March 2025)

DRIVING CHANGE

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

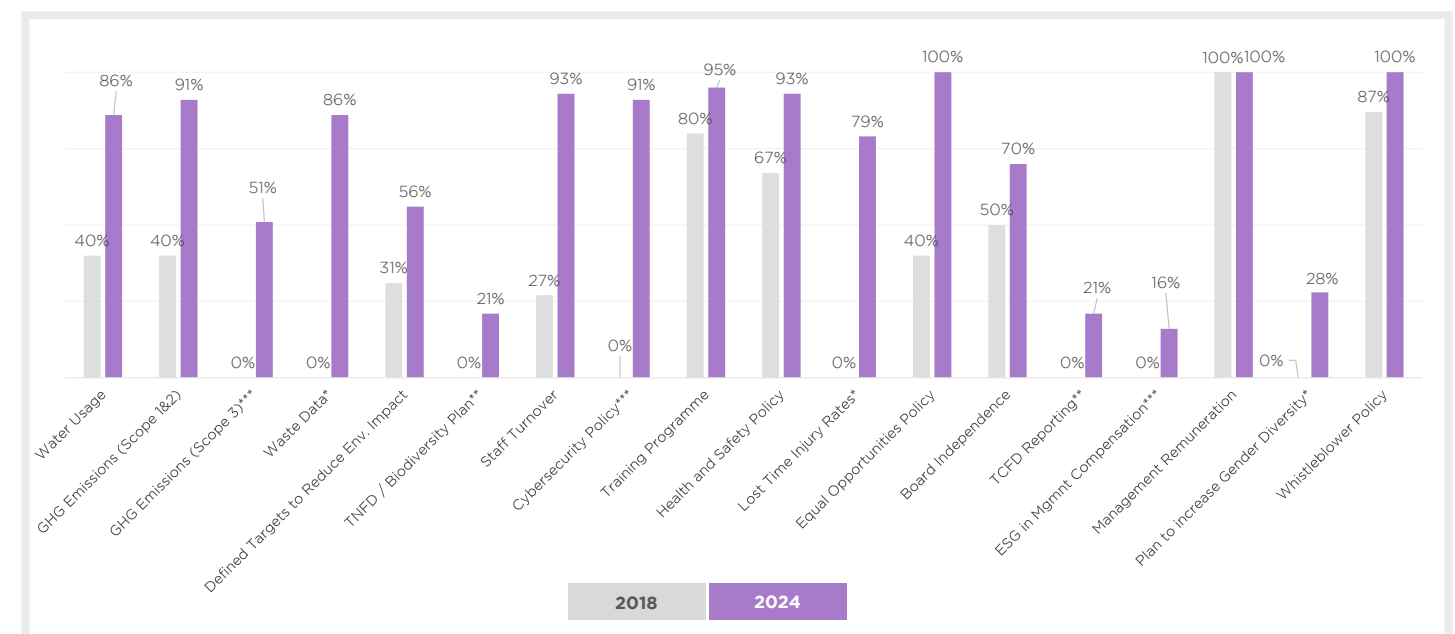
For all portfolio holdings, we track a set of Key Progress Indicators (KPIs), which represent a general set of transparency and ESG standards that we want all our holdings to meet over time. In each case, the assessment has a financial motivation and an associated positive potential impact.

We have identified the relevant principles within the UN Global Compact that the KPIs support. Our list of KPIs is updated annually, ensuring that companies meeting existing KPIs are further engaged to drive continued improvement. In addition, we may add new KPIs that reflect evolving environmental and social concerns and priorities.

You can see the KPIs (Figures 12, 13, and 14) for each of our Emerging Markets funds below, as well as examples of our engagement to improve disclosure and drive transparency.

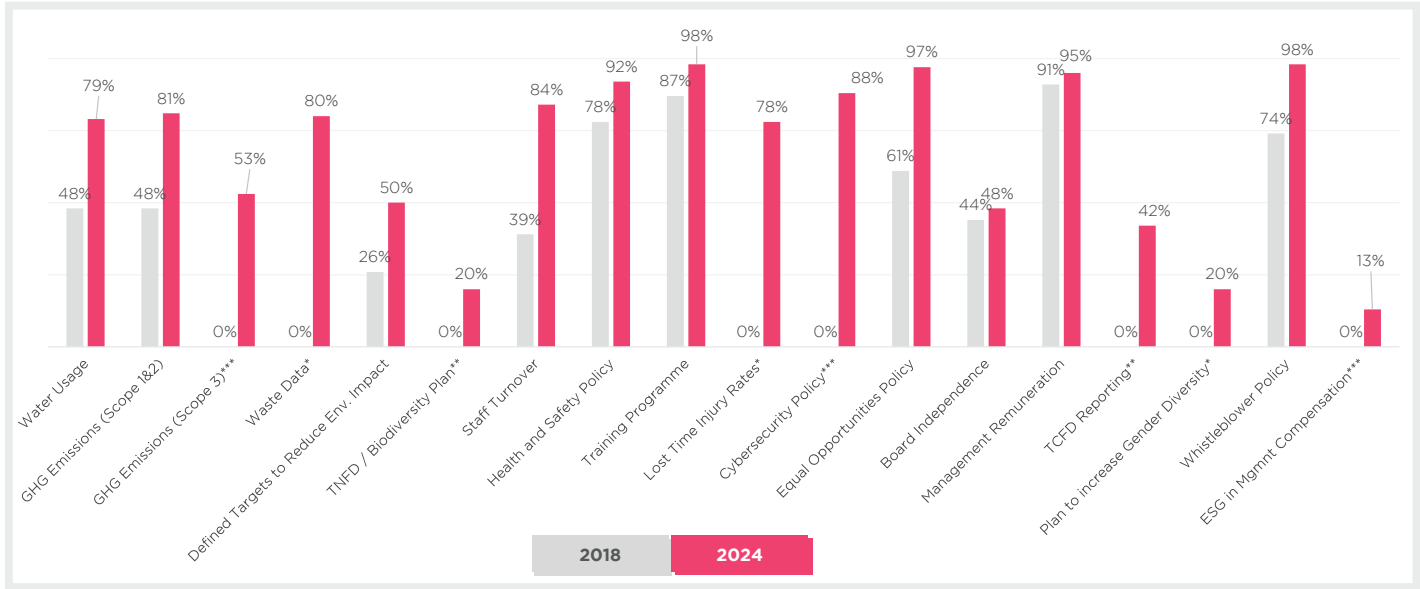
Our Key Progress Indicators represent a general set of transparency and ESG standards we want all our holdings to meet over time.

FIGURE 12: HOLDINGS OF THE INDIA FUND DISCLOSING EACH KPI (% OF COMPANIES)



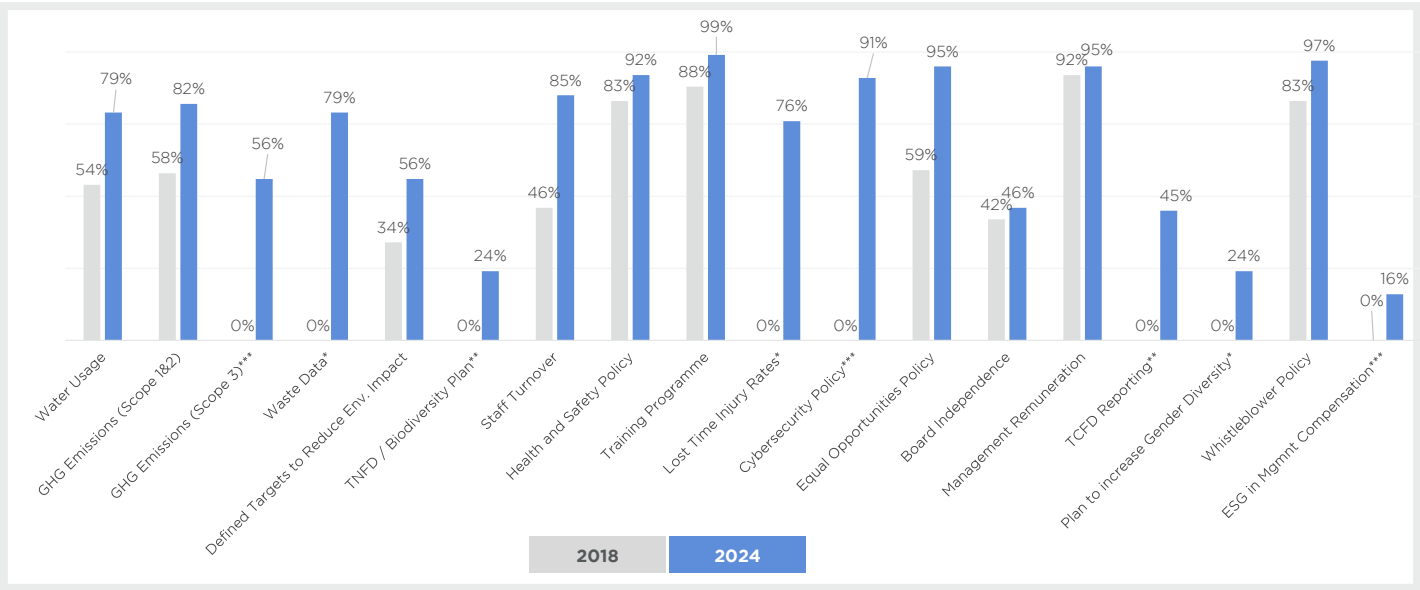
Source: Alquity, as of 31st December 2024. *KPIs launched in 2019 **in 2020 ***in 2024

FIGURE 13: HOLDINGS OF THE ASIA FUND DISCLOSING EACH KPI (% OF COMPANIES)



Source: Alquity, as of 31st December 2024. *KPIs launched in 2019 **in 2020 ***in 2024.

FIGURE 14: HOLDINGS OF THE FUTURE WORLD FUND MEETING EACH KPI (% OF COMPANIES)



Source: Alquity, as of 31st December 2024. *KPIs launched in 2019 **in 2020 ***in 2024.

FIGURE 15: ALQUITY KEY PROGRESS INDICATORS

ENVIRONMENTAL

- Emissions and/or climate impact disclosure
- Water usage disclosure
- Production of waste material disclosure
- Disclosure of a plan to reduce the environmental impact over a defined period
- Prevention of biodiversity loss actively considered in the strategic plan and/or TNFD reporting
- Reporting in line with TCFD recommendations
- Scope 3 emissions disclosure

SOCIAL

- Health and safety policy
- Staff development plan
- Staff turnover data disclosure
- ‘Lost Time Injury’ rates published
- Plan to increase gender diversity
- Cybersecurity policy in place and disclosed
- Equal opportunities policy

GOVERNANCE

- Whistleblowing policy available to all employees
- Percentage of independent directors on the board ≥ than the free float
- Management remuneration packages disclosure
- Delivering on ESG KPIs is part of management compensation

Sources: Alquity, as of 31st December 2025.

ENGAGEMENT

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 regard to the Alquity KPIs) or specific material issues. We will also use 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. 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.

FIGURE 16: EXAMPLES OF ENGAGEMENTS OVER 2024

E: Environmental, S: Social, G: Governance



Source: Alquity, as of 31st December 2024.

FIGURE 17: EXAMPLES OF ENGAGEMENT RELATING TO ALQUITY'S KPIs

COMPANY	COUNTRY	SECTOR	KPI ENGAGEMENT TOPIC
	China	Real Estate	Engaged on gender diversity
	India	Consumer Products	Including ESG as part of the executive compensation and TNFD reporting
	Saudi Arabia	Retail	Greater female representation at a board level
	India	Financials	Water usage disclosure and including ESG as part of the executive compensation
	Greece	Retail	Defining clear GHG reduction targets
	India	Hotels	Producing and disclosing GHG emissions (Scope 1 and 2) data
	Vietnam	Real Estate	Greater disclosure (GHG emissions water usage, waste, and Lost Time Injury rates)

Source: Alquity, as of 31st December 2024.

COLLABORATIVE ENGAGEMENTS

Over the last year, we have been signatories and participants in various initiatives, such as the ones led by the FAIRR Initiative, which we have been members and supporters of since 2019.

For example, we participated in the Seafood Traceability engagement. Seafood production and consumption are at an all-time high, with global capture and production reaching over 200m tonnes according to the FAO. Demand is expected to keep rising over the next decade, with consumption projected to grow by 10% by 2032 (FAO, 2024). While this growth presents a financial opportunity for seafood companies, it also brings significant risks to our planet and society, such as overfishing, habitat destruction, and biodiversity loss, as well as violation of labour and human rights. Given these risks and the nature of the industry, we exclude all companies involved in commercial fishing from our investment universe unless their practices are demonstrably sustainable. We believe that one of the measures to disclose and demonstrate sustainability and address these risks is the implementation of comprehensive, digital and interoperable traceability. This approach not only helps identify and mitigate risks but can also yield significant financial benefits and

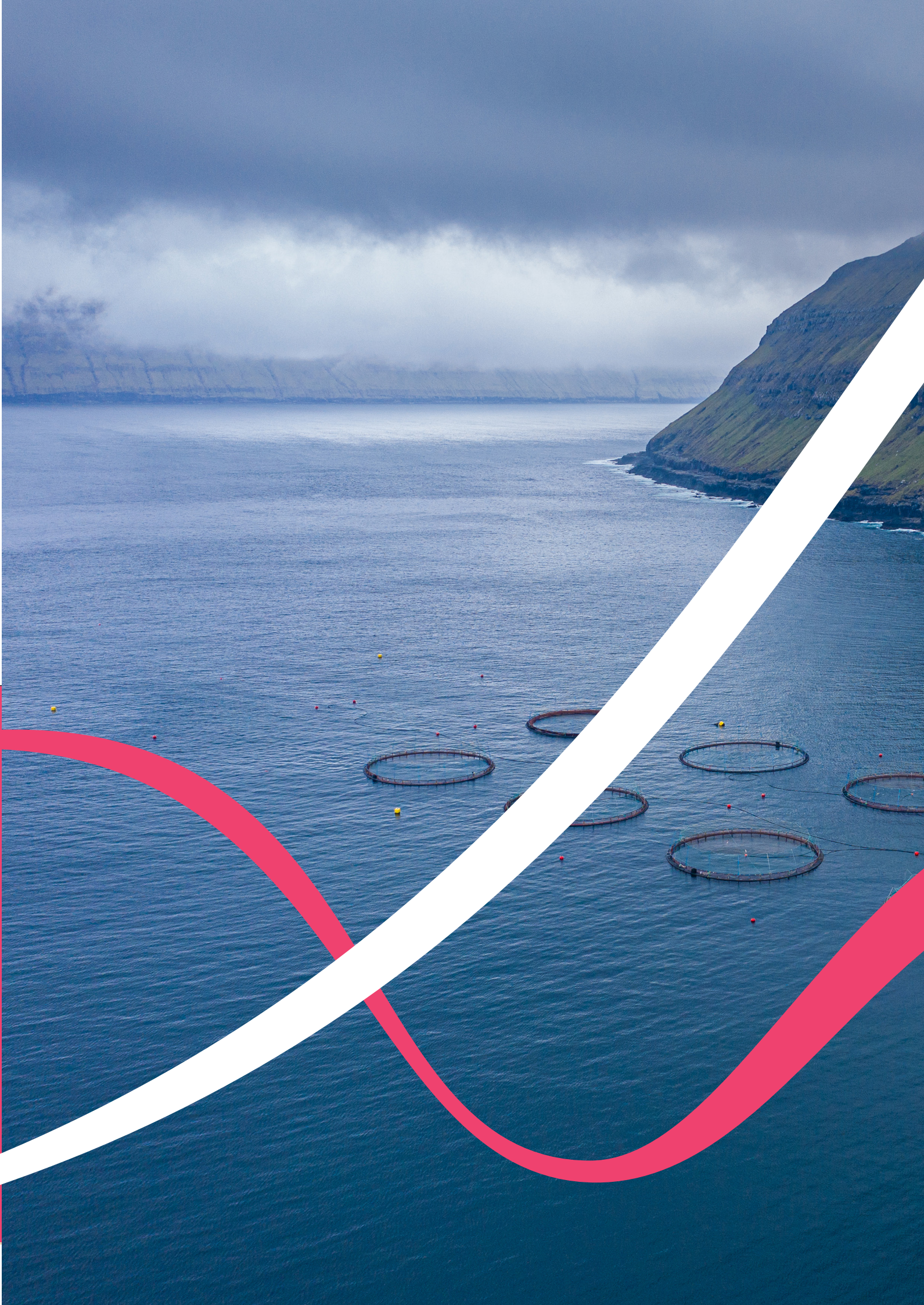
hence, should lead to improved shareholders returns over the long-term. In fact, according to a study by Planet Tracker in 2022, the cost of implementing such systems could be as low as 1% of seafood sales, yet they could boost industry profitability by up to 60% by minimizing recalls, reducing waste, enhancing compliance and improving brand trust.

Moreover, Alquity advocates for a transition to more sustainable food systems, recognising antimicrobial resistance (AMR) as a material issue that intersects health, agriculture, and supply chain resilience. Anti-microbial resistance due to over-prescribing of human and animal antibiotics, weakens our ability to fight diseases and is a significant threat to human health. That's why we participated in FAIRR's collaborative engagement on responsible antibiotic use in the quick service restaurant industry, as these companies play a key role in reducing antibiotic use due to its significant influence on protein supply chains, given the large volumes of poultry, pork, beef, and dairy they procure. We call for greater disclosure, as well as the establishment of clear targets and timelines for reducing antibiotic use.



**IT IS ESTIMATED
THAT 60,000
INFANTS DIE
ANNUALLY IN
INDIA DUE TO
ANTIBIOTIC
RESISTANT
INFECTIONS**

Source: FAIRR, 2020



VOTING

GOVERNANCE



We review 100% of the meeting resolutions in line with ISS recommendations and our own Principles of Governance, which are shown below and apply to our Future World, Asia and India Funds.

ALQUITY PRINCIPLES OF GOVERNANCE

We will use our shareholder vote in favour of the below principles. We will reflect companies' adherence to these principles as part of our ESG ratings, and ultimately the risk premium used to assess an appropriate valuation:

- Separation of the roles of CEO and Chairman.
- Number of independent directors in line with company's free float.
- Independent directors should not be ex-employees, family members of the founder, representatives of significant shareholders, or have any major commercial relationship with the company. They should be truly independent.
- Maximum 9-year tenure of any independent director (in line with UK corporate code), regardless of any breaks in service.
- Maximum 6 other public external directorships for any independent director, who must also have enough time to devote to the role given other constraints on their time.
- Minimum 75% attendance at board meetings for all directors (including by telephone).
- Share grants relating to employee/management share schemes of a maximum of 1% per annum, and no more than a 10% discount to the prevailing / average share price at the time of award. These should vest over a suitable timeframe, such as 3 years.
- Documentation relating to shareholder votes/AGM to be circulated 2 weeks in advance.
- Audit and remuneration/nomination committees to be 100% comprised of independent directors. The members of the audit committee should have sufficient adequate financial experience.
- Independent and credible auditor, changing every 5 years.
- Companies should strive for 50% gender diversity on board/senior management level. We will vote against the entire board where there is zero gender diversity at the board level.
- Pre-emption rights for existing shareholders for all equity raising.
- Remuneration packages for senior management to be highly transparent, and demonstrably comparable to peer companies.
- Transparent dual share classes are acceptable as long as there is an effective justification, the company is demonstrably run in the interests of minority shareholders, and there are rigorous checks and balances to prevent abuse.
- Although votes relating to our key progress indicators occur rarely, we will vote to achieve these goals when the opportunity arises.
- We will vote against the re-election of directors where we deem that companies are climate laggards with respect to their size, industry and region.

PART 5 **TRANSFORMING LIVES**

SHIVIA

Some of you may remember Shivia from our last Impact Report following our donation in January 2024. For those unfamiliar, Shivia was founded in 2008 and began its work in West Bengal, launching its Poultry Development Service (PDS) just a few years later, in 2011. This initiative focuses on empowering women farmers by supplying them with 10-day-old chickens, along with the necessary feed, medicine, and vaccinations. Additionally, it provides training on poultry care and the business aspects of selling eggs and meat.

To select eligible farmers for the poultry program, Shivia developed a scoring system based on factors like housing type and cooking fuel used, which enabled them to target aid to farmers with the lowest scores and the greatest need. The goal of the poultry program was to make the farmers financially independent within 3–4 years. By the end of the program, many farmers were able to grow their flock from 10 chickens to 150–200 chickens.

In 2014, Shivia expanded its operations to the Agriculture Development Program, which aimed to address the financial challenges faced by crop farmers in West Bengal. This program included soil testing, group formation, training on organic farming practices, and connecting farmers to government schemes. This program has supported around 14,000 farmers in West Bengal and 2,000 in other states.

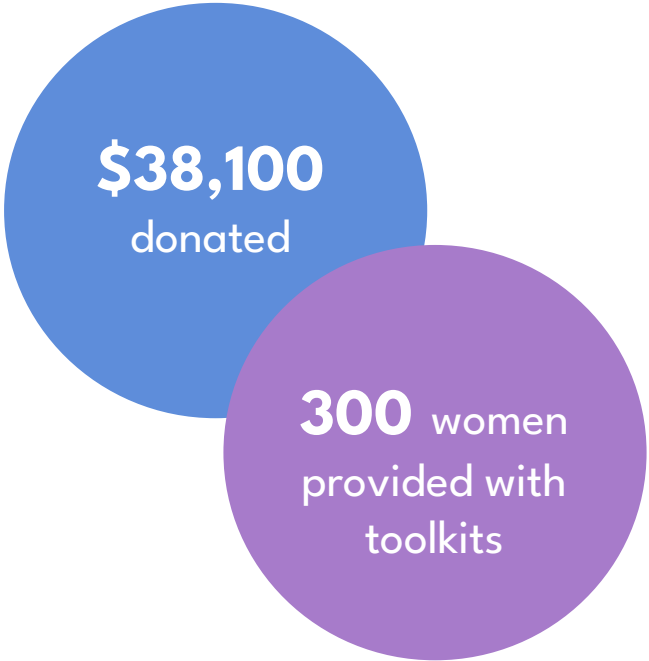
In 2023, Shivia launched its Fish Farming Program, which focused on utilizing the abundant ponds in West Bengal for commercial fish production. The program provided fingerlings and training to farmers on pond management and fish farming. It initially started with 50 farmers and have since expanded it to 250 farmers,



Click here to learn more about Shivia's work

Source: Shivia, as of 31st March 2025.

OUR TL FOUNDATION IMPACT



Source: Alquity, as of 31st December 2024.

Alquity is supporting Shivia for two years with a grant of \$38,100 (\$25,400 in January 2024 and \$12,700 in January 2025) to help support 300 tribal farmers in rural Chhattisgarh, one of the poorest states in India. by funding a new PDS project. Suresh visited the project to see how it was progressing and to learn more about a trial Shivia was undertaking with our support.

The project was within the Barnawapara Forest area, around a 1.5-hour drive from Kasdol, a small town approximately a 2-hour drive from Raipur, the state capital.

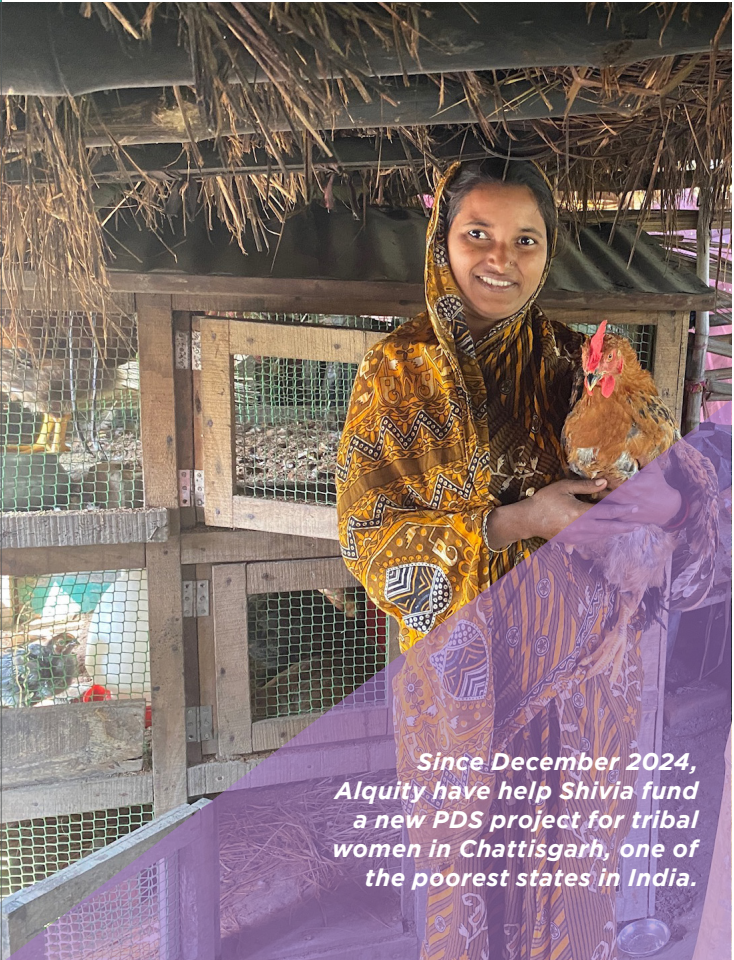
In this area, Shivia works closely with a local partner called KALP, which was founded 25 years ago and has strong local connections. This history has enabled the KALP team to build long-term, supportive relationships with the tribal communities, who are typically very wary of support from “outsiders.”

Unlike West Bengal, where villages are close together, here the villages are more remote and consist of small hamlets of 15–20 houses clustered together. Due to this unique geography, Shivia is able to support multiple farmers in the same village, as the farmers can sell their chickens over a wide range and therefore do not compete. In addition, commercial buyers are able to visit the villages and buy in bulk, providing an additional route to market.

Suresh met with a group of farmers in the village and learned from them about their experience with the support that KALP provided. The farmers expressed deep gratitude for the support and training provided by the livelihoods service providers (LSPs). They highlighted how the LSPs have taught them crucial skills, such as how to properly vaccinate the chickens.

Before the project, the farmers only had sporadic work as agricultural labourers during the farming season. The chicken farming programme has provided them with a steady source of income that they can rely on year-round. They are now able to use the money earned from selling the chickens to prepare for festivals, buy clothes and other necessities for their children, and support their children’s education.

Overall, the support provided through training, resources, and market linkages has been transformative for these farmers. It has enabled them to transition to sustainable poultry farming, significantly improving their household incomes and quality of life for them and their families.



Since December 2024, Alquity have help Shivia fund a new PDS project for tribal women in Chattisgarh, one of the poorest states in India.

Moreover, the team is experimenting with two different chicken farming models: a hybrid bird model that grows faster (three months) and an indigenous bird model that grows more slowly (five to six months) but is more expensive and flavorful. A major challenge with the hybrid bird model is predators, like snakes, which have caused significant losses. The indigenous birds are stronger and better able to defend themselves. The team is taking a data-driven approach and considering A/B testing to compare the outcomes of the two models. They are also carefully timing chicken distribution to avoid extreme weather conditions. Overall, the team is focused on iterating and improving the chicken farming models to best serve the remote, underserved communities they work with.

CASE STUDY

Selena, a resident of a rural village, has been running a successful chicken farming project for the past one and a half years. Through this initiative, she has not only generated a steady income but also expanded her entrepreneurial ventures.

Selena started her chicken farming project with an initial investment of 800 rupees (\$10) for 10 chickens. This covered the registration fee as well as the cost of building the chicken coops and providing electricity. With the guidance and training provided by the project organisers, Selena was able to effectively manage the chickens' feed, health, and sales.

The chickens Selena raises fetch a price of around 170 rupees per kilogram, with each chicken weighing approximately 2 kilograms. This allows Selena to earn a profit of 2,000 to 2,500 rupees every four months from her initial investment of 800 rupees. The high profitability of the chicken farming project has enabled Selena to reinvest her earnings. She has used the profits to start a small shop in her village, selling various food and jewellery items.

Selena's chicken farming project serves as an inspiring example of how the Shivia PDS can help transform the lives of the rural poor in India. The project's success can be attributed to the comprehensive training and support provided, as well as Selena's dedication and hard work.

“

With the help of the Shivia LSP, I have been able to build my chicken flock and use the money I make to fulfil my dream of running a shop in the village.

”

Selena

SURESH AT SELENA'S SHOP



As investors, it is crucial to understand that Alquity's impact goes beyond financial returns. By supporting organizations like Shivia, we contribute to a virtuous circle of returns and economic empowerment.

THIS HOLISTIC APPROACH TO INVESTMENT SETS ALQUITY APART AND DRIVES OUR MISSION TO TRANSFORM LIVES THROUGH THE POWER OF INVESTMENT.

Source: Shivia, as of 31st March 2025.



THANK YOU!
FOR HELPING US

TRANSFORM
LIVES IN INDIA

REIGNITING IMPACT: WHAT’S NEXT

To finish this Impact Report, we are excited to announce two things.

The Alquity Transforming Lives Foundation has hired David Crook as a Lead. David has worked with philanthropic foundations and NGOs for over 25 years. From 2009 to 2020 he led the partnerships and fundraising efforts of sister organisations Stars Foundation and Philanthropy University – supporting locally led non-profits and social enterprises across Africa, Asia and Latin America – and in 2019 he led the partnership with Alquity to deliver the first Transforming Lives Awards.

Secondly, the Transforming Lives Awards are returning this year. Through our Foundation, we'll once again be selecting outstanding social enterprises to receive funding and transform lives across Emerging Markets. One particular feature of this work is funded collaboration. We are seeing increased appetite among our peers in the finance industry, and in the business and philanthropy worlds, for combining know-how and resources to amplify impact. Our 2025 Transforming Lives Awards are a great platform for experimenting with partners. For example, we are working with some of our investee companies to identify candidates for the Awards whose success can feed back into the same communities in which the companies operate.

“

It's really motivating that, through the Awards, Alquity is able to deploy capital to assist marginalised people (such as young women or people with disabilities) to participate more fully in the economic growth that the business is invested in.

”

David Crook



STAY TUNED!



CREDITS

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