SFDR - WEBSITE PRODUCT DISCLOSURE FOR FINANCIAL PRODUCTS THAT PROMOTE ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

KBI Innovator Fund

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Introduction

Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (**SFDR**) requires that firms publish information on environmental or social characteristics that their products promote (for Article 8 products), together with information on the methodologies used to assess, measure and monitor them.

KBI Global Investors Limited (the "**Investment Manager**") is the investment manager of the financial product.

a) SUMMARY

Environmental or social characteristics:
This financial product promotes environmental and social characteristics but does not have as its objective sustainable investment.

The environmental and social characteristics promoted by this product are the provision of vital natural resources such as water, agribusiness and clean energy as well as better corporate practices.

Sustainability Indicators:
The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including: (i) the percentage of revenues earned on an estimated basis by investee companies which are from the environmental solutions sector, (ii) the weighted average ESG rating of the portfolio , as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings and (iii) the weighted average carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

Sustainability in investment strategy:
The Investment Manager identifies companies which operate in the environmental solutions sector and integrates an analysis of such companies' Environmental, Social and Governance ("ESG") performance into its investment analysis and investment decisions.

Harm to environmental or social objectives:
The sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective.

The portfolio construction process excludes holdings deemed inconsistent with the Investment Manager's Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investing Committee, including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds.

Assessment of Good Governance:

The Investment Manager assesses the governance practices and governance performance of all companies in which the product invests. This assessment is based on (i) the Investment Manager's own research and knowledge of the company based on its direct interactions with companies and its analysis of the financial statements and related materials of companies; and/or (ii) information including specialised governance information and ratings from at least one external data provider, in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Minimum proportions:
A minimum of 70% of the investments of the product are used to meet the environmental and social characteristics promoted by the product in accordance with the binding elements of the investment strategy and the product seeks to invest a minimum of 25% of its assets in sustainable investments with an environmental or social objective.

Methodology to measure environmental and social characteristics:
For the percentage of revenues earned by investee companies which are from the environmental solutions sector, the Investment Manager uses its own estimates based primarily on data from investee companies' financial statements, but also using other disclosures that those companies may make from time to time.

For the weighted average ESG score, the Investment Manager uses ESG scores from an external data provider, where available, and weights each score according to the weight of that company within the portfolio as a whole.

For the weighted average carbon intensity of the portfolio, data is obtained from an external data provider which uses a combination of data reported by investee companies and its own estimates when reported (i.e. company-sourced) data is not available.

Due Diligence:
Due diligence is conducted internally but often with input and/or assistance from external data providers. The Investment Manager's ESG data and research provider provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of most though not all companies in which the Investment Manager invests or considers for investment on behalf of the product.

Engagement:
The Investment Manager carries out both direct and collaborative Engagement.

The objective of the Engagement activity is to improve the ESG performance of investee companies. The Investment Manager believes that this has benefits to society and the environment, but also assists investment performance.

Reference Benchmark:
No specific index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and social characteristics that it promotes.

b) NO SUSTAINABLE INVESTMENT OBJECTIVE

This financial product promotes environmental and social characteristics but does not have as its objective sustainable investment.

The sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators ("PAI Indicators"), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The PAI Indicators relate to a number of potential negative impacts, including but not limited to greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product does not invest in any companies materially engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
3. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment process.

c) ENVIRONMENTAL OR SOCIAL CHARACTERISTICS OF THE FINANCIAL PRODUCT

The environmental and social characteristics promoted by this product are the provision of vital natural resources such as water, agribusiness and clean energy as well as better corporate practices. The provision of vital natural resources such as water, agribusiness and clean energy is, in the opinion of the Investment Manager, a benefit to the environment and to society. Better corporate practices also contribute to a more just society by, for example, enhancing human capital or providing improved social opportunities to services such as finance, health care, and communications.

d) INVESTMENT STRATEGY

Investment Strategy

In identifying investments which allow the product to promote environmental and social characteristics, the Investment Manager adopts the following strategies:

Collective Investment Schemes
When making investments in active collective investment schemes, excluding commodity-related schemes, the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses the Environmental, Social and Governance ("ESG") performance of companies in which it invests, and integrates the results of that assessment into its investment decisions.

Direct Investments
The Investment Manager excludes holdings deemed inconsistent with its Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investment Committee. The product cannot invest in any companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds.

The Investment Manager carries out its own assessment of the environmental and social performance of companies, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers ("Data Providers").

Full details of the exclusions and thresholds are available at the following link: https://www.kbiglobalinvestors.com/sfdr-gifproduct-info/innov/.

Assessment of Good Governance.

The Investment Manager assesses the governance practices and governance performance of both the collective investment schemes and any direct companies in which it invests:

Collective Investment Schemes

The Investment Manager ensures that the investment managers of the underlying collective investment schemes in which the product invests assess the governance practices and governance performance of companies in which those collective investment schemes invest.

Direct Investments

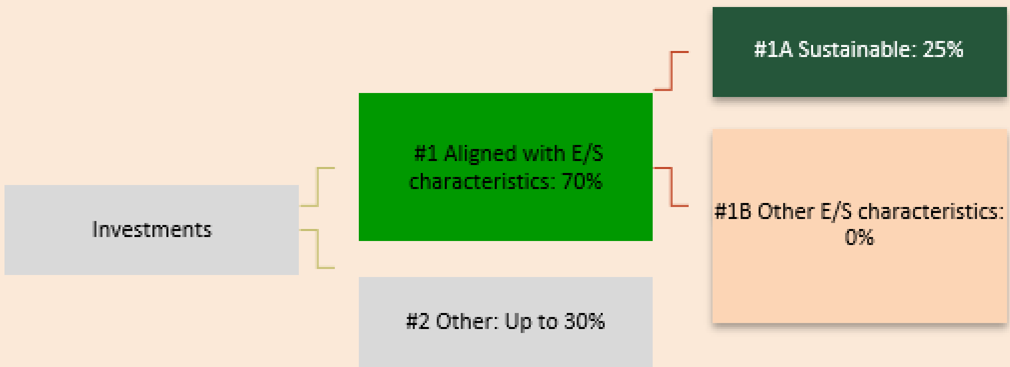
In the case of direct investment in companies, this assessment of governance practices and performance is based on the Investment Manager's knowledge of the companies based on its direct interactions with companies, its analysis of the financial statements and related materials of companies, and information including specialised governance information and ratings from at least one Data Provider in order to satisfy itself that the relevant issuers follow good governance practices, in particular, with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors.
- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies.
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee.
    - Labour management: the relationship between management and labour.
    - Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies

e) Proportion of investments

A minimum of 70% of the investments of the product are used to meet the environmental and social characteristics promoted by the product in accordance with the binding elements of the investment strategy. Further, the product seeks to invest a minimum of 25% of its assets in sustainable investments with an environmental or social objective, which will be achieved primarily through taking indirect exposure to companies by investing in other collective investment schemes.



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

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

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

The product invests in sustainable investments even though such investments do not meet all of the detailed criteria for "environmentally sustainable investments" within the meaning of the EU Taxonomy Regulation. The product has no investments in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy.

f) MONITORING OF ENVIRONMENTAL OR SOCIAL CHARACTERISTICS

The environmental and social characteristics promoted by this product are the provision of vital natural resources.

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including: (i) the percentage of revenues earned on an estimated basis by investee companies which are from the environmental solutions sector, (ii) the weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings and (iii) the weighted average carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

These indicators are monitored using a variety of internal and external data sources, as below.

- The percentage of revenues earned by investee companies which are from the environmental solutions sector are estimated by the Investment Manager. The calculation of this number is carried out at least annually but may be more frequent.
- The ESG score of an investee company is an objective evaluation of a company's performance with respect to Environmental, Social, and Governance (ESG) issues, with a minimum score of zero and a maximum score of ten. The calculation is carried out at least quarterly.
- The weighted average carbon intensity of the portfolio measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales). This calculation is carried out at least quarterly, using data from an external data provider which uses a combination of data reported by investee companies and its own estimates when company-sourced data is not available. It should be noted that carbon emissions data are not available for every company.

Further, the Investment Manager's ESG data and research provider provides continuing analysis of the environmental, social and governance-related business practices of companies in which the Investment Manager invests on behalf of the product. This research may be used to exclude companies from the portfolio where those companies are involved with certain sectors such as the manufacture of cluster bombs or land mines, the manufacture of tobacco products, or involvement in large-scale thermal coal extraction or coal-fired electricity generation.

g) METHODOLOGIES

The methodology used to measure how the environmental and social characteristics of the product are met is set out below.

- The percentage of revenues earned by investee companies which are from the environmental solutions sector are estimated by the Investment Manager, based primarily on data from investee companies' financial statements, but also using other disclosures that those companies may make from time to time. In the absence of such information, the Investment Manager uses its own estimates which are based on the Investment Manager's knowledge of the company and the Investment Manager's judgement and opinions on the division of revenue between various business activities. The calculation of this number is carried out at least annually but may be more frequent.
- The ESG score of an investee company is an objective evaluation of a company's performance with respect to Environmental, Social, and Governance (ESG) issues, with a minimum score of

zero and a maximum score of ten. For the purpose of calculating the weighted average ESG score of the portfolio, the Investment Manager uses ESG scores from an external data provider, where available, and weights each score according to the weight of that company within the portfolio as a whole. The calculation is carried out at least quarterly. It should be noted that an ESG score is not available for every company.

- The weighted average carbon intensity of the portfolio measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales). This calculation is carried out at least quarterly, using data from an external data provider which uses a combination of data reported by investee companies and its own estimates when company-sourced data is not available. Greenhouse gas emissions are classified as per the Greenhouse Gas Protocol and are grouped in three categories known as Scope 1, Scope 2 and Scope 3, but for the purpose of this calculation only Scope 1 and Scope 2 emissions are measured. Scope 1 GHG emissions are those directly occurring from sources that are owned or controlled by the institution, including: on-campus stationary combustion of fossil fuels; mobile combustion of fossil fuels by institution owned/controlled vehicles; and "fugitive" emissions. Fugitive emissions result from intentional or unintentional releases of GHGs, including the leakage of hydrofluorocarbons (HFCs) from refrigeration and air conditioning equipment as well as the release of CH4 from institution-owned farm animals. Scope 2 emissions are "indirect emissions generated in the production of electricity consumed by the institution." The greenhouse gases included in the GHG emissions are Carbon Dioxide, Methane, Nitrous Oxide, Hydrofluorocarbons, Perfluorocarbons and Sulphur Hexafluoride. It should be noted that carbon emissions data are not available for every company.

h) DATA SOURCES AND PROCESSING

(a) Data sources used to attain each of the environmental or social characteristics:

For the percentage of revenues earned by investments which are from the environmental solutions sector and are used to attain the environmental and social characteristics of the product, the Investment Manager uses its own estimates based primarily on data from investee companies' financial statements, but also using other disclosures that those companies may make from time to time. It uses its own estimates because in many cases companies do not disclose the breakdown of revenues in sufficient detail to allow the Manager to avoid the use of estimates. The basis for each estimate, and backup information related to that estimate, are recorded in writing and the estimates are approved by the Investment Manager's Responsible Investing Committee or its delegates.

For the weighted average ESG score of the investments used to attain the environmental and social characteristics of the product, the Investment Manager uses ESG scores from an external data provider, where available, and weights each score according to the weight of that company within the portfolio as a whole. The ESG scores aim to measure a company's resilience to long-term financially relevant ESG risks and the data provider determines a set of key issues relevant to each sector. Examples of key issues include climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition, social opportunities, corporate governance and corporate behaviour etc.

For the weighted average carbon intensity of the investments used to attain the environmental and social characteristics of the product, data is obtained from an external data provider which uses a combination of data reported by investee companies and its own estimates when reported (i.e. company-sourced) data is not available. When there is no reported data, the data provider uses one of three models. If possible, a Company Specific Intensity Model is used, which is based either on emissions data previously reported by the particular company or in the case of electric utilities, on the fuel mix the company uses for electricity generation and therefore reflects the specifics of the businesses that the company is in and its own production processes. If the company does not report, a Global Industry Classification Standard (GICS) Sub Industry Model is used, which is more generalised but is based on the data provider’s own emissions database. In order to refine these models, the data provider built a robust data set of reported emissions for the years 2008 to 2012 for companies in its research universe (reported data on about 1900 global companies). Lastly, for those companies that did not report data and whose GICS Sub Industry was not represented in the data set, the Economic Input Output Life Cycle Assessment Model is used, a generalised model based on Standard Industrial Classification (SIC) codes.

(b) Measures taken to ensure data quality

For the percentage of revenues earned by investments which are from the environmental solutions sector, the Investment Manager uses its own estimates based primarily on data from investee companies’ financial statements, but also using other disclosures that those companies may make from time to time. It uses its own estimates because in many cases companies do not disclose the breakdown of revenues in sufficient detail to allow the Manager to avoid the use of estimates. The basis for each estimate, and backup information related to that estimate, are recorded in writing and the estimates are approved by the Investment Manager’s Responsible Investing Committee or its delegates.

For the weighted average ESG score, the data provider collects and standardizes a range of publicly available data from both company-reported and alternative sources. Data sources of a company’s operations include its annual reports, investor presentations, financial and regulatory filings. Data sources such as the International Labour Organisation (ILO), Organization of Economic Co-Operation and Development (OECD) and the International Monetary Fund (IMF) and many others may be used to assess macro level risk exposure to companies’ geographies of operation and business segments. To assess companies’ risk management and track record, the data provider refers to corporate documents, government data, trade and academic journals, and news media as its sources. To assess governance, the data provider refers to regulatory and stock exchange websites and databases. The data provider’s review process allows for companies to comment on the accuracy of company data for all research reports, and it communicates directly with companies.

For the weighted average carbon intensity, data is obtained from an external data provider which uses a combination of data reported by investee companies and its own estimates when reported (i.e. company-sourced) data is not available. When there is no reported data, the data provider uses one of three models. If possible, a Company Specific Intensity Model is used, which is based either on emissions data previously reported by the particular company or in the case of electric utilities, on the fuel mix the company uses for electricity generation and therefore reflects the specifics of the businesses that the company is in and its own production processes. If the company does not report, a Global Industry Classification Standard (GICS) Sub Industry Model is used, which is more generalised but is based on the data provider’s own emissions database. In order to refine these models, the data provider built a robust data set of reported emissions for the years 2008 to 2012 for companies in its research universe (reported data on about 1900 global companies). Lastly, for those companies that did not report data and whose GICS Sub Industry was not represented in the data set, the Economic Input Output Life Cycle Assessment Model is used, a generalised model based on Standard Industrial Classification (SIC) codes.

c) How data are processed

The data from the third-party data provider is integrated directly into the Investment Manager's systems via the Application Programming Interface (API), which enables the Investment Manager to retrieve stock and index data programmatically without the operational risk which might arise as a result of human intervention. This data is stored on the Investment Manager's database, giving the in-house applications instant access to use the data.

d) Proportion of data that are estimated

The proportion of data that are estimated is as set out below.

For the percentage of revenues earned by investee companies which are from the environmental solutions sector, all data is estimated.

For the weighted average ESG score for the portfolio, ESG scores from an external provider are available for approximately 87% of the portfolio. Estimates are not used. It should be noted that these percentages are approximate and subject to change from time to time due to changes in the investment portfolio and changes in the availability of data for companies.

For the weighted average carbon intensity, reported data are available for approximately 75% of the portfolio and estimated data is used for approximately 10%, while the balance is excluded as no data, either estimated or reported, is available. It should be noted that these percentages are approximate and subject to change from time to time due to changes in the investment portfolio and changes in the availability of data for companies.

i) LIMITATIONS TO METHODOLOGIES AND DATA

For the percentage of revenues earned by investee companies which are from the environmental solutions sector, the Investment Manager is reliant on information provided by investee companies, usually in its financial statements. However, it is often the case that this information is not sufficiently detailed to allow the proportion of revenues that are from the environmental solutions sector to be directly deduced, and the Investment Manager in such cases is required to use its own estimate. The Investment Manager believes that while there is a high degree of estimation to this metric, this is unlikely to affect how the environmental and social characteristics of this product are met.

For the weighted average ESG score, there is full reliance on an external data provider to supply ESG scores for investee companies. The Investment Manager closely monitors those scores and investigates apparent errors or anomalies that come to its attention, but it is not possible to entirely remove the possibility of error from this calculation. However, the Investment Manager believes that any such errors, if they exist, are unlikely to affect how the environmental and social characteristics of this product are met.

For the weighted average carbon intensity a limitation of the data is that not all investee companies report carbon emissions. However, as outlined about in the Methodology section, the data provider uses a variety of mathematical models to overcome this limitation. The Investment Manager believes that the use of these models is likely to ensure that the data limitations are unlikely to affect how the environmental and social characteristics of this product are met.

j) DUE DILIGENCE

Collective Investment Schemes:
When making investments in active collective investment schemes, excluding commodity-related schemes, the Investment Manager will only invest in schemes where the investment manager of the underlying scheme assesses the Environmental, Social and Governance ("ESG") performance of companies in which it invests, and integrates the results of that assessment into its investment decisions. The Investment Manager therefore reviews the ESG policies and practices of the schemes in which it invests, by reviewing relevant offering documentation of the underlying scheme and/or by meeting with the investment manager of the scheme(s) to discuss those ESG policies.

Direct Investments:
The Investment Manager's ESG data and research provider provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of most though not all companies in which the Investment Manager invests or considers for investment on behalf of the product. This research is also used, where required, to exclude companies from its portfolios where those companies are involved with certain sectors such as the manufacture of cluster bombs or land mines, the manufacture of tobacco products, or involvement in large-scale thermal coal extraction or coal-fired electricity generation. Where relevant data or information is not available from the external data provider(s), the Investment Manager may rely on its own internal analysis based on its own research and knowledge of the companies and publicly available information.

For governance issues, the Investment Manager carries out its own due diligence on all companies in which it invests or considers for investment, but this may be assisted with research and voting recommendations from an external proxy voting advisor.

In addition, the Investment Manager is a member of or signatory to various industry bodies and initiatives. These industry bodies in many cases provide valuable input through peer discussion of relevant issues as well as specific research on certain topics.

As part of this process, meetings may be held with investee company management. Further, staff members of the Investment Manager may attend specialist conferences as well as (for example) undertaking investee company plant tours.

k) ENGAGEMENT POLICIES

The Investment Manager may carry out direct and/or collaborative Engagement with companies to which it takes direct or indirect exposure (through investment in collective investment schemes).

The objective of the Engagement activity is to improve the ESG performance of investee companies. The Investment Manager believes that this has benefits to society and the environment, but also assists investment performance.

There are many reasons why the Investment Manager may commence Engagement, including but not limited to concerns re board structure and governance, excessive or inappropriately structured executive compensation, management's intention or ability to deliver shareholder expectations, disclosure of environmental information, and breaches of best practice with regard to stakeholder management.

However, while any of these factors may lead to commencement of Engagement, climate and diversity are particularly prioritised when engaging with companies.

For Climate, engagement is prioritised for companies that do not meet the minimum expectations of reporting carbon emissions to CDP and reporting on climate-related financial disclosures using the Taskforce for Climate related Financial Disclosures ("TCFD") framework.

I) DESIGNATED REFERENCE BENCHMARK

No specific index has been designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes.

m) VERSION HISTORY

VERSION	DATE PUBLISHED	MAIN CHANGES
1.0	JANUARY 3RD 2023	
1.1	JULY 21ST 2023	• SUSTAINABLE INVESTING AND COMPLIANCE WITH EU TAXONOMY REGULATION IN SECTION (E) • GENERAL TEXT EDITS / CLARIFICATIONS
1.2	DECEMBER 20 2024	• MINIMUM INVESTMENT OF THE PRODUCT HAS CHANGED FROM 25% TO 70%