

# The Close Sustainable Balanced Portfolio Fund

## Embedding sustainability in multi-asset investing

The Close Sustainable Balanced Fund aims to provide capital growth and income over the medium term consistent with its risk/return profile. The fund will invest at least 80% of its portfolio in a mixture of equities and fixed interest securities, achieving this exposure primarily through direct investment.

The Fund also aims to be a best-in-class sustainable portfolio by investing in companies with, or on a pathway towards, a lower carbon intensity and by avoiding investments in sectors with weak ESG characteristics.

## Four responsible investing factors

- ① **Research**  
Reviewing material ESG factors in our investment research can provide an additional information set, and more holistic perspective, from which the credibility of an investment case can be judged
- ② **Screening**  
Screening allows for the identification and possible exclusion of any companies from investment which may be deemed as harmful to society or the environment
- ③ **Carbon emissions**  
The portfolio aims to be aligned to a decarbonised future by investing in companies with low or improving carbon intensities
- ④ **Engagement and escalation**  
Integrating engagement in our investment strategy as a tool to influence corporate behaviour, mitigate against potential investment risks, promote sustainability, and aid our voting practices

## Avoiding harmful actors

We do not invest in sectors or companies where a material proportion of revenue is generated from products that 'cause harm when used as intended', specifically:



- Companies with 10% revenue exposure to any of the above sectors are excluded
- Any company that no longer meets our criteria will be sold within 90 days
- We do not invest in any companies that we deem to be in violation of the UN Global Compact Principles

<sup>1</sup> The UN Global Compact is a call to companies to align their strategies and operations with ten universal principles related to human rights, labour, environment and anti-corruption, and take actions.

<sup>2</sup> Controversial weapons (non-detectable fragments, landmines, incendiary weapons, blinding laser weapons, cluster munitions, biological/chemical weapons).

This document should be read in conjunction with the Fund's Key Investor Information Document and Prospectus which will exclusively form the basis of any application and will contain further information on specific risks that apply to your investment.

Past performance is not a reliable indicator of future results. The value of investments and the income from them can go down as well as up. Investors may get back less than the full amount originally invested. If you are unsure about any information contained within this document, or the suitability of this investment to meet your needs, you should take professional financial advice.

# Sustainable Portfolio Promise

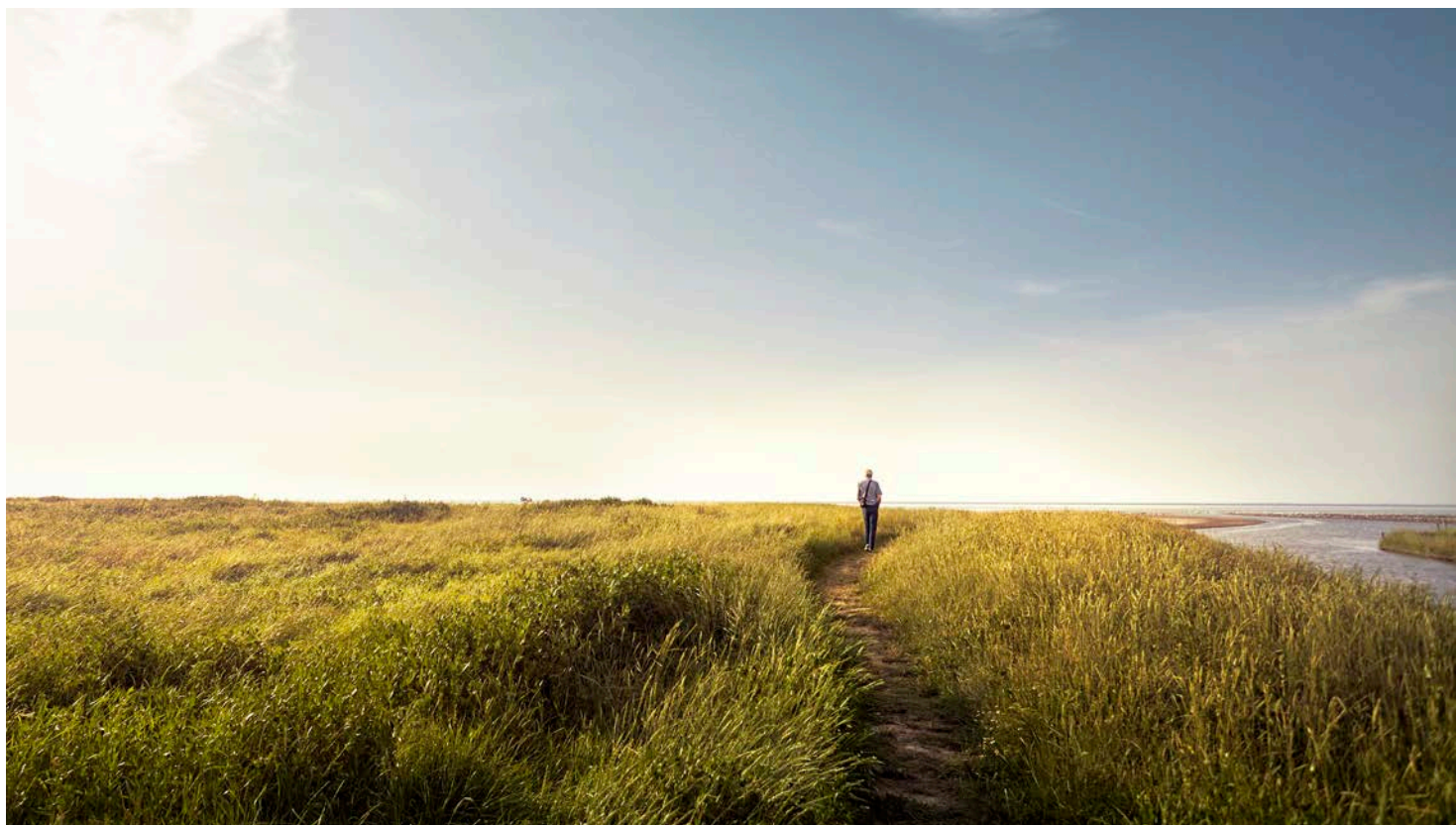
Lower carbon intensity than benchmark and commitment to reduce further

**The Fund seeks to invest in such a way that is aligned with the reduction of greenhouse gas emissions in the economy, by:**

- Maintaining a portfolio carbon intensity equal to the lower of (i) 50% below the 2019 baseline of the non ESG benchmark<sup>3</sup> or (ii) below the ESG benchmark<sup>4</sup>
- All measured companies will either be at these levels already or aiming to reduce their emissions materially
- Targeting net zero CO<sub>2</sub> emissions by 2050 achieved by reduction and removal

<sup>3</sup> Non ESG Benchmark: ICE BofA Global Corporate Index for corporate bond securities and the MSCI All Countries World Index for equities.

<sup>4</sup> ESG Benchmark: ICE BofA Global Corporate Green, Social and Sustainable Index for corporate bond securities and MSCI Low Carbon Leaders Index for equities.



## Sustainable screening/exclusion criteria

### Conduct criteria

Excludes companies we believe are in severe breach of global norms on:

- **Human rights:** eg no discrimination, freedom to assemble
- **Labour rights:** eg right to collective bargaining, elimination of forced labour, abolition of child labour and elimination of discrimination
- **Environmental harm:** eg pollution, breaches of environmental laws, no respect for protected areas
- **Business integrity/anti-corruption:** eg fraud, gross corruption including bribery, business tax evasion

### Climate criteria

The fund maintains a Weighted Average Carbon Intensity (WACI) equal to the lower of; 50% below the 2019 baseline level of the non ESG benchmark or below the relevant ESG benchmark. The fund also has a target of net zero emissions by 2050.

WACI, expressed as tonnes of Scope 1 and 2 CO<sub>2</sub>e per US\$m of revenue, is the sum of emissions normalised by company revenues and scaled by weighting in the portfolio.