

ANNEX I

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

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Guinness Global Real Assets Fund
Legal entity identifier: 984500I1BE90CCCDEC86

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** ____%

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

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**



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

What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes environmental and social characteristics by:

- (a) Applying an exclusion list to prevent investment in companies which are directly involved in the design, manufacture or sale of cluster munition, landmines and biological and chemical weapons or companies that generate more than 30% of revenue, as determined by the Investment Manager, via thermal coal extraction or thermal coal power generation. A copy of the exclusion policy can be found at (<https://www.guinnessgi.com/about-us/responsible-investment#tab-literature>)
- (b) By deploying an internal ESG assessment to assess the environmental and social credentials of investee companies (as per the table in the forthcoming section), and their governance practices. The Investment Manager leverages the Sustainability Accounting Standards Board (SASB) materiality framework, company disclosure and insights from third-party ESG data providers to identify the most material ESG risks and opportunities a company is exposed to. To measure the attainment of environmental and social credentials of investee companies, and their governance practices, the Investment Manager conducts a comprehensive ESG report including a materiality assessment (which identifies the most material ESG risks and opportunities a company is exposed to), and a review of ESG risk management (the significance of the exposure and progress made by management in mitigation and improvement). The Investment Manager will use the results to guide investment decisions and ongoing engagement with existing portfolio companies.

The environmental and social characteristics promoted by the Fund as a result of the above investment approach are:

1. Promoting human well-being and peaceful societies by avoiding investment in entities which are directly involved in the design, manufacture or sale cluster bombs, anti-personnel mines, biological or chemical weapons (due to a number of factors, including their significant, indiscriminate and open-ended potential risks to civilians and as evidenced by their inclusion in international conventions to ban their development or use) and thereby promoting the longer-term safety of civilian populations in warzone areas;
2. Promoting a better environment and transition to cleaner energy sources by restricting investment in companies that generate revenue from thermal coal extraction or thermal coal power generation.
3. Promoting the environmental and social characteristics where relevant to an investee company as per the table below, by assessing target companies and

existing portfolio companies against the below criteria and using the results of that analysis to make investment or divestment decisions and/or to guide the Fund's engagement with portfolio companies in order to encourage them to improve their performance over time against the below metrics and by comparison to their peers.

Environmental	Social	Governance
• Opportunities in Clean Technology • Carbon Emissions/Climate Change • Physical and Transition Climate Risk • Energy Management • Water Management • Waste Management • Biodiversity • Product Lifecycle	• Human Rights • Human Capital Management • Health and Safety • Product Quality and Safety • Supply Chain Labour Standards • Responsible Sourcing • Data and Privacy • Key Stakeholder Management	• Disclosure • Board Structure ○ Independence ○ Diversity ○ Board Committees • Ownership Structure • Shareholder Rights • Audit and Accounting • Remuneration • Taxation

More information on the investment process of the Fund can be found within the website disclosures at <https://www.guinnessgi.com/funds/guinness-global-real-assets-fund#tab-literature>.

The Investment Manager undertakes engagement activities, where relevant, to encourage investee companies to improve aspects of some or all of their environmental, social or governance practices.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The sustainability indicators used to measure the attainment of the environmental or social characteristics promoted by the Fund are:

1. Excluding companies with exposure to (a) cluster munitions, landmines, biological or chemical weapons or (b) thermal coal as outlined above.

The exclusion lists are updated on an annual basis and are distributed periodically across the firm. In the event the Investment Manager identifies a company in the Fund that does not comply with these policy requirements, the Investment Manager will contact the company directly for confirmation of their involvement in an excluded activity. Following confirmation of involvement in this activity, divestment of any such holdings will be made within 90 business days.

2. An assessment of environmental and social characteristics of investee companies is informed by a "materiality map" (see table below) leveraged from the Sustainability Accounting Standards Board (SASB) materiality framework (a materiality framework which identifies industry specific ESG issues that are most likely to impact a specific company's financial performance, helping businesses, investors and wider stakeholders focus on financially material sustainability factors for decision making), company disclosure and insights from third-party ESG data providers. This assessment constitutes a review of the identified environmental and/or social risks specific to that company (the significance of the exposure and progress made by management in mitigation and improvement) and a final assessment where engagement priorities are set. Analysis is drawn from the table below. The assessment will focus on the material characteristics identified by the materiality map (see table below) which will be assessed when reviewing a given prospective or existing investment for the purpose of evaluating whether an investment aligns with the environmental and social characteristics promoted by the Fund.

Environmental	Social	Governance
• Opportunities in Clean Technology • Carbon Emissions/Climate Change • Physical and Transition Climate Risk • Energy Management • Water Management • Waste Management • Biodiversity • Product Lifecycle	• Human Rights • Human Capital Management • Health and Safety • Product Quality and Safety • Supply Chain Labour Standards • Responsible Sourcing • Data and Privacy • Key Stakeholder Management	• Disclosure • Board Structure ○ Independence ○ Diversity ○ Board Committees • Ownership Structure • Shareholder Rights • Audit and Accounting • Remuneration • Taxation

These reports are compiled using publicly available information (company disclosures, NGOs, media reports), third-party data (brokers, ESG research, proxy research), and insights from the team's experience and engagement. These qualitative reviews are additive to the investment process, allowing the team to form a more holistic understanding of their investments.

The assessment informs the Investment Manager on whether a company's disclosure is improving or worsening, how the company performs versus its peers, and how each measure compares to the company's history and its peer group. To fully understand the ESG risks and opportunities beyond headline metrics, the Investment Manager also conducts rigorous qualitative sustainability assessments which cover both the products and practices of a business. Forming part of the due diligence they undertake when selecting investments, this process encompasses a detailed review of a company's

strategy, financial and non-financial performance and risk, and capital structure. The Investment Manager constructs proprietary financial models in-house to understand a company's evolution covering various financial and non-financial factors.

The Investment Manager's engagement framework provides for dialogue with investee companies, tracking and monitoring of engagement activity, measurement of the outcomes of engagement, escalation where insufficient progress is made, voting in light of the results of engagement and ultimately for divestment where there has been insufficient progress and the Investment Manager believes such action to be in the interests of the Fund. The Fund will not automatically divest from a company if it is able to ensure through engagement that the relevant company can improve its performance over time against the above indicators and by comparison to their peers.

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The Fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

n/a

- — ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

n/a

- — ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

n/a

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

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

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

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



Does this financial product consider principal adverse impacts on sustainability factors?

☐

Yes

☒

No

Currently, third party methodology and ratings provide different and often conflicting outcomes. The Investment Manager is continuing to monitor data that is reliably made available.



The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What investment strategy does this financial product follow?

The Investment Objective

The investment objective of the Fund is to provide investors with both income and long-term capital appreciation.

The Investment Policy

In seeking to achieve its investment objective the Fund intends to invest primarily in a portfolio of global (which may include emerging markets, however emerging market exposure is typically not expected to exceed 20% of the Net Asset Value of the Fund) equity securities issued by companies deriving a significant proportion of their business (at least 50% of revenues) from the financing, development, construction and operation of real assets including infrastructure and real estate. The Fund intends to invest primarily in companies which pay dividends, but may invest in companies which do not pay dividends.

Investments are selected using a combination of analysis of economic and market factors, screening the investible universe for key identifiers of quality, value, earnings trend and price momentum, and detailed analysis of the underlying business. The economic and market factors are linked to the Investment Manager's belief that a focus on persistent high cash returns and balance sheet strength supported by structural growth drivers is the best approach for identifying companies which have the capacity to grow earnings and dividends for the long-term. The Investment Manager analyses trends it sees in global markets to identify such opportunities. Detailed analysis of the underlying business is carried out through the due diligence process.

Exclusions

The Fund will not invest in companies, as per the Investment Manager's exclusion policy. This includes companies directly involved in the design, manufacture or sale of cluster munition, landmines and biological and chemical weapons. The fund also excludes companies that generate more than 30% of revenue, as determined by the Investment Manager, via thermal coal extraction or thermal coal power generation. A copy of the exclusion policy can be found at (<https://www.guinnessgi.com/about-us/responsible-investment#tab-literature>).

ESG Integration

The Investment Manager assesses the environmental and social credentials of investee companies, and their governance practices, in particular with respect to company-specific ESG factors and overall disclosure through qualitative and quantitative analysis

of company and third-party data. The Investment Manager leverages the Sustainability Accounting Standards Board (SASB)* materiality framework, company disclosure and insights from third-party ESG data providers to identify the most material ESG risks and opportunities a company is exposed to.

**The Sustainability Accounting Standards Board (SASB) has established a framework aimed at improving the effectiveness and comparability of corporate sustainability disclosures. The standards are designed to benefit multiple stakeholders including investors, consumers, and regulatory bodies, providing a clearer view into the [sustainability](#) operations of businesses.*

The concept of materiality is central to the framework focusing on information significant enough to influence investor and stakeholder decisions. SASB materiality focuses on issues that are likely to affect the financial condition or operating performance of a company and are therefore crucial for investors. Understanding the importance of SASB materiality in sustainability disclosure can aid companies in streamlining their reporting efforts and enhancing transparency.

To measure the attainment of environmental and social credentials of investee companies, and their governance practices, the Investment Manager conducts a comprehensive ESG report including a materiality assessment (which identifies the most material ESG risks and opportunities a company is exposed to), a review of ESG risk management (the significance of the exposure and progress made by management in mitigation and improvement) and a final assessment where engagement priorities are set. The assessment informs the Investment Manager on whether a company's disclosure is improving or worsening, how the company performs versus its peers, and how each measure compares to the company's history and its peer group. To fully understand the ESG risks and opportunities beyond headline metrics, the Investment Manager also conducts rigorous qualitative sustainability assessments which cover both the products and practices of a business. Forming part of the due diligence they undertake when selecting investments, this process encompasses a detailed review of a company's strategy, financial and non-financial performance and risk, and capital structure. The Investment Manager constructs proprietary financial models in-house to understand a company's evolution covering various financial and non-financial factors.

These reports are compiled using publicly available information (company disclosures, NGOs, media reports), third-party data (brokers, ESG research, proxy research), and insights from the team's experience and engagement. These qualitative reviews are additive to the investment process, allowing the Investment Manager to form a more holistic understanding of the investments.

Stewardship

The Investment Manager undertakes engagement activities, where relevant, to encourage investee companies to improve aspects of some or all of their environmental, social or governance practices. The Investment Manager would consider it relevant to undertake engagement activities in the event that it identifies a company in its portfolio that does not comply with the exclusion policy. In such a scenario, the Investment Manager will contact the company directly for confirmation of their involvement in an excluded activity. Following confirmation of their involvement in this activity, the Investment Manager will divest any such holdings within 90 business days.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Fund will not invest in companies, as per the Investment Manager's exclusion policy.

The Investment Managers exclusion policy provides for:

- exclusion of companies that have been identified by credible third parties as being directly involved in the design, manufacture or sale of cluster munitions, landmines and biological and chemical weapons.
- exclusion of companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

A copy of the exclusion policy can be found at (<https://www.guinnessgi.com/about-us/responsible-investment#tab-literature>).

The Fund will be required to engage with companies which do not meet some or all of the Investment Managers desired environmental, social and/or governance practices. This engagement will take the form of:

- (a) dialogue with investee companies,
- (b) tracking and monitoring of engagement activity,
- (c) measurement of the outcomes of engagement,
- (d) further escalation where insufficient progress is made,
- (e) voting at company general meetings in light of the results of engagement and
- (f) ultimately by way divestment in circumstances where there has been insufficient progress in response to steps (a) to (e) above and the Investment Manager believes such action to be in the best interests of the Fund.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

No such commitment.

● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices are assessed by the Investment Manager using company and third-party data.

In assessing good governance, among other factors, the Investment Manager considers management structures, employee relations, staff remuneration, and tax compliance covering some or all of the following factors:

- **sound management structures** (consisting of an assessment of board composition having regard to ownership structure, protection of minority interests, and knowledge of the company's industry).
- **employee relations** (consisting of an assessment of workforce disclosures, third party employee review data, and controversies relating to labour rights and human capital management).
- **remuneration of staff** (consisting of an assessment of executive remuneration policies, controversies relating to pay practices, and ratio between top management remuneration and average remuneration).
- **tax compliance** (consisting of an assessment of instances of illegal or high-risk tax practices).

This is included as a section in each portfolio holdings ESG assessment.

As part of the wider assessment of corporate governance, the Investment Manager may also consider further elements including, but not limited to, capital allocation, shareholder rights, risk management, bribery and corruption, related party transactions, stakeholder management, community engagement and voting outcomes. The Investment Manager's good governance policy provides these details on how the Investment Manager assesses investee companies against the above criteria and is available at (<https://www.guinnessgi.com/about-us/responsible-investment#tab-literature>).

Asset allocation

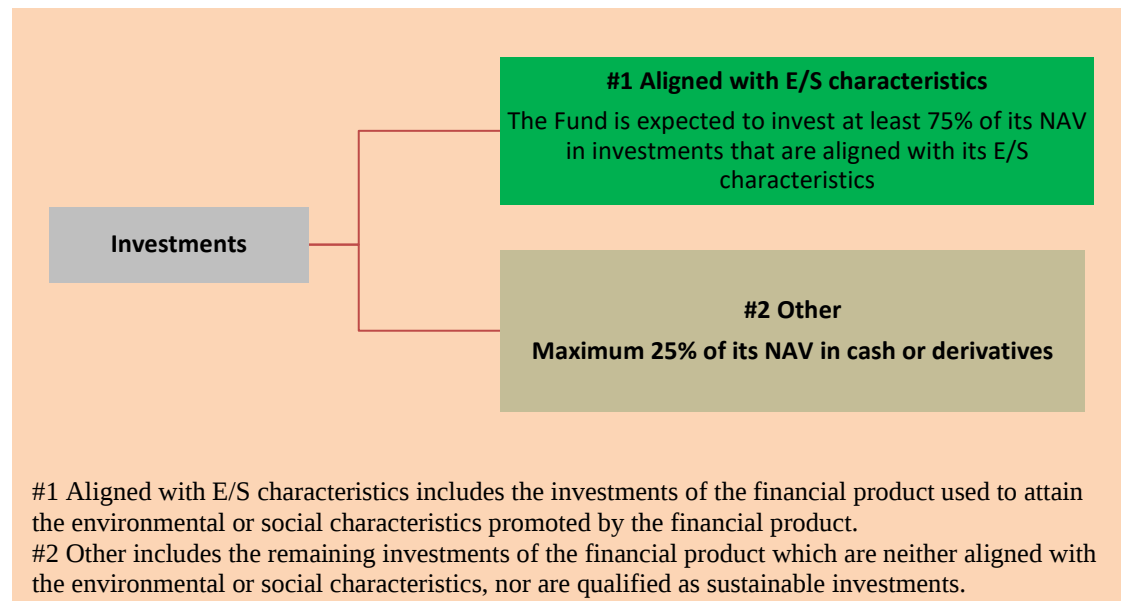
describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



What is the asset allocation planned for this financial product?



A minimum proportion of 75% of the Fund's Net Asset Value is used to attain the environmental and social characteristics promoted by the Fund. The remaining 25% includes investments such as cash held as ancillary liquidity or derivatives used for hedging purposes, in accordance with the provisions in the Supplement for the Fund.

The above asset allocation is a minimum asset allocation and allocations may be higher than the minimum disclosed at any given time.

There are no minimum environmental or social safeguards.

- ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

Derivatives are not used to attain the environmental or social characteristics promoted by the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective. **Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



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

0% of the Fund's Net Asset Value.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?



Yes



In fossil gas

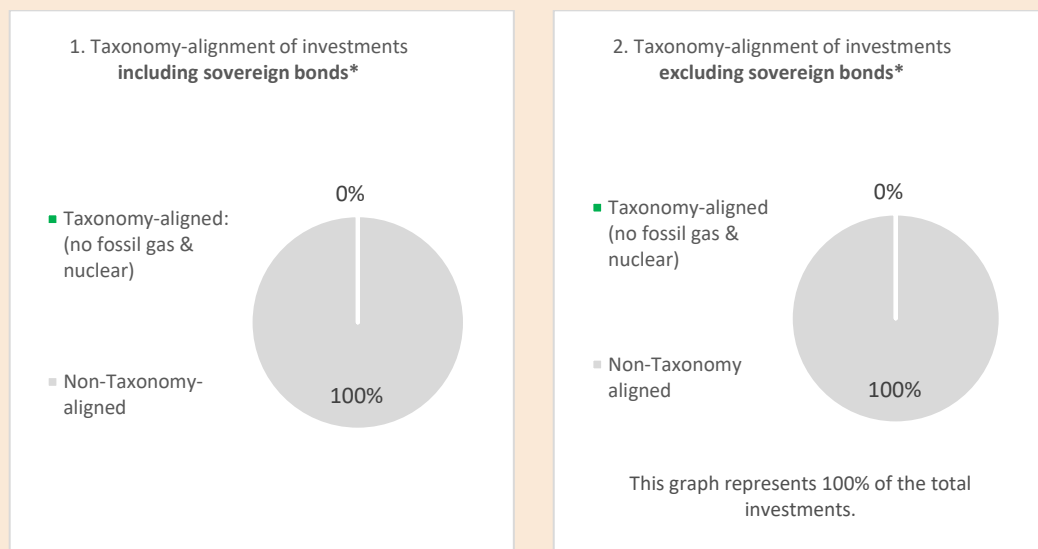


In nuclear energy



No

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds



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

1 Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- ***What is the minimum share of investments in transitional and enabling activities?***

0% of Fund's Net Asset Value.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

0% of Fund's Net Asset Value. The Fund promotes environmental and social characteristics, but does not commit to make any sustainable investments. Taxonomy-aligned investments are a sub-set of sustainable investments.



What is the minimum share of socially sustainable investments?

0% of Fund's Net Asset Value. The Fund promotes environmental and social characteristics, but does not commit to make any sustainable investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments such as cash held as ancillary liquidity or derivatives used for hedging purposes, in accordance with the provisions in the Supplement for the Fund.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



Reference

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

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No

- *How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?*

n/a

- *How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?*

n/a

- *How does the designated index differ from a relevant broad market index?*

n/a

- *Where can the methodology used for the calculation of the designated index be found?*

n/a



Where can I find more product specific information online?

More product-specific information can be found on the website:

<https://www.guinnessgi.com/funds/guinness-global-real-assets-fund>