Annual

Sustainability Report 2022

Regnan Sustainable Water and Waste Fund

Brought to you by J O Hambro Capital Management

Regnan

Regnan Sustainable Water and Waste Strategy

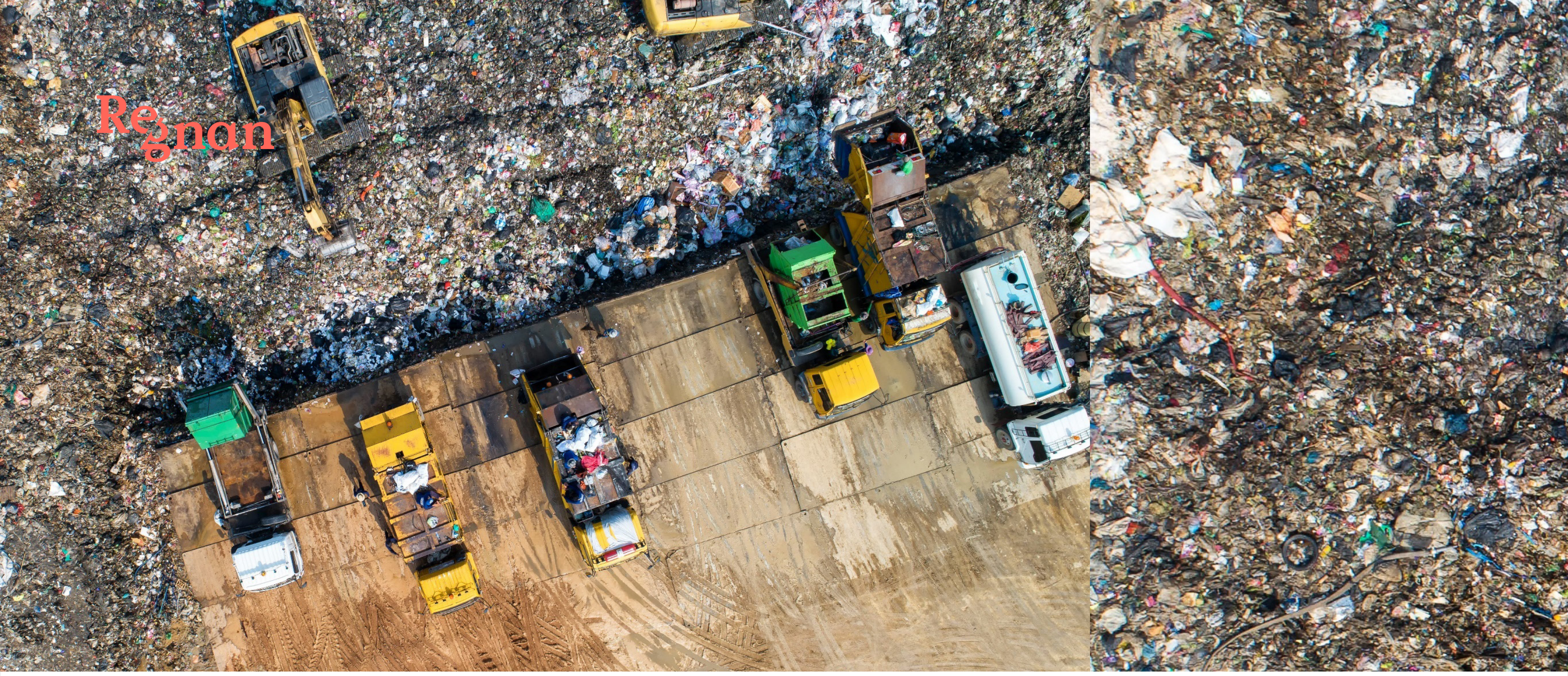
The Regnan Water and Waste Strategy aims to combine the best opportunities from the water and waste value chains.

1. ***The complementary power of water and waste integration:*** The combination of both water and waste themes is a differentiated proposition, and one that has been pioneered by the investment team. Water and waste companies provide unique diversification characteristics when combined.
2. ***Proven process:*** The team are highly experienced in this space with a proven, robust and replicable investment process. They aim to build a high conviction portfolio with unique characteristics and extremely low overlap with global equity portfolios – providing much needed diversification away from widely held sectors such as technology, communication services, healthcare, financials and energy, whilst also offering diversification within the sustainable space (which is predominantly focused on decarbonisation).
3. ***Portfolio purity and research:*** A clear focus on thematic purity ensures that all stocks in the portfolio are exposed to the water and waste theme. All stocks undergo detailed fundamental and sustainability due diligence, and the distinctive investment process enables live benchmarking of the universe in an area which remains under-researched.

Strategy overview

- The Fund aims to generate long-term outperformance by investing in the listed shares of sustainable companies that provide solutions to global water and/or waste related challenges.
- An actively managed, high conviction, diversified portfolio with an integrated sustainability process enhanced by Regnan's proprietary ratings and engagement framework.
- The team are pioneers in combining exposure to both water and waste value chains, including companies developing new technologies; this means extremely low overlap with global equity. portfolios.
- Benchmark: MSCI AC World Index.
- The use of the Index does not limit the investment decisions of the fund manager therefore the composition of the portfolio may differ significantly from that of the Index.
- Please click here for further details on this Fund's sustainable objective.
- Please refer to the Prospectus/KIID for further information.

Source for Towards Sustainability logo: www.towardssustainability.be



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Letter to investors

It has now been a bit over a year since we launched the Sustainable Water and Waste strategy at Regnan. We have strived to provide our investors with a solution via our strategy and we would like to thank our investors for providing their support and belief in the investment process and team. We have always said that the strategy provides access to a perpetual theme and offers diversification benefits compared to both global equity and global sustainable investments. Given the wide fluctuations that we saw in 2022, the diversification benefits of the strategy came to the forefront. In terms of relative performance to the reference benchmark MSCI All Country World NR Index, January 2022 was one of the worst relative performances in the history of the strategy as financials and energy sectors saw significant rallies. Neither of those sectors are going to be our structural exposures. However, as fundamentals played out, we had good performance in subsequent months.

From the longer-term perspective, the Regnan Centre comprising sustainability experts and analysts was one of the most important reasons for our move to Regnan. The Regnan Centre has a long history of providing services on environmental, social and governance issues. We have progressively improved our investment process with significant enhancements in sustainability research and engagement. For all stocks in the portfolio, we continue to have our fundamental investment models and notes, and now we also have a detailed sustainability analysis called Sustainable Value Assessment (SVA). Over many years of ESG research, the Regnan Centre has shaped its methodologies to facilitate a high level of specificity to account for diverse businesses and ESG issues. For instance, we do not assign exposure scores based on industry sector, but rather focus on business specific factors.

Our engagement activities have also improved from the past and during the inaugural year of the strategy, we prioritised increasing the sustainability of individual portfolio companies and contributing to broader systems resilience. Given our focus on investing across the value chain of water and waste, we are well placed to engage on systems and systemic issues. Decarbonisation, physical impacts of climate change, and enhanced disclosures were some of the repeated areas of engagement during the year. We provide a few examples of engagement in this report.

Furthermore, we have also incorporated Regnan’s taxonomy of mapping our water and waste solutions to individual SDG targets. Mapping and monitoring thematic purity at a stock and portfolio level has been a key differentiator for us which has been appreciated by our investors.

In this report, we highlight some of the sustainability metrics of the strategy. This is not an exhaustive list of indicators but provides a snapshot of the portfolio as at year end. As we engage with our portfolio companies for improved disclosure, we expect to see greater data availability in future reports.

Lastly, looking ahead, we expect the inflationary pressures of 2022 to impact demand in 2023 with fears of a global slowdown and unemployment rates picking up from low levels. The market is likely to look beyond multiple compression and focus on corporate earnings pressure. In this environment, we believe real assets and related core services with asset-backed cash flows are likely to present opportunities. In our view, the water and waste thematics continue to offer sound valuation, with favourable ROE, net debt and cash flow characteristics.

Bertrand Lecourt
Senior Fund Manager,

Regnan Sustainable Water and Waste

Saurabh Sharma
Fund Manager,

Regnan Sustainable Water and Waste

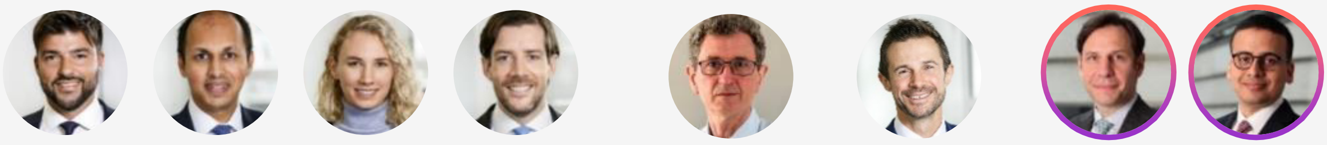
About Regnan

At Regnan, we focus on delivering innovative sustainable and impact investment solutions, by drawing on over 20 years of experience at the frontier of responsible investment. Regnan's roots trace back to Monash University, Melbourne in 1996, when it was established to investigate and address ESG-related sources of risk and value for long-term shareholders.

An experienced and proven team

Investment services

Impact | Head of Investments | Portfolio Specialist | **Sustainable Thematic**



Client solutions:

Investment returns | Sustainability | Innovation | Purity

Engagement | Advisory | Research

Stewardship services

Regnan is the specialist sustainable and impact brand. Driving positive impact and investing for a sustainable future is why we exist. We want to help make responsible investment the standard way to invest by making it more nuanced, intellectually robust and effective.

In 2019 Regnan expanded into responsible investment funds management.

Our funds:

- **Regnan Sustainable Water and Waste** (launched September 2021)
- **Regnan Global Equity Impact Solutions** (launched October 2020)
- **Regnan Credit Impact Trust[1]** (launched January 2020)

Note: [1]Only available to Australian clients.

Regnan

Our work with the Regnan Centre

The team works side-by-side with the Regnan Centre, which is Regnan's experienced stewardship team, benefitting from their specialist knowledge. This continuous collaboration with the Regnan Centre has been particularly beneficial in three areas:

1. The Regnan Rating SVA Approach

Regnan's Sustainable Value Assessment (SVA) is a forward looking and bottom-up analysis of ESG factors undertaken by experienced, specialist researchers. Regnan methodologies have been designed to promote comprehensive evaluation of ESG factors, while also providing flexibility to incorporate company specific considerations. In undertaking additional, proprietary analysis of firms, the Regnan Centre aims to keep a view that is independent of any particular investment management approach.

2. Thematic research

Our work with the Regnan Centre has spawned several research projects and reports which have informed our investment and engagement, including '**Waste not, warm not**' exploring opportunities for decarbonisation in waste management to '**Droughts and Floods: Dealing with the flow**' exploring opportunities in the water value chain to increase systems' resilience to respond to emergent physical impacts of climate change.

3. Engagement

Engagement work is led by the team but supported and enhanced by the research capabilities of the Regnan Centre , which provides long-standing and in-depth experience in analysing sustainability factors and driving change through engagement. For instance, the Regnan Centre's '**Beyond Diversity**' report, which identified equity and inclusion as an overlooked opportunity for investors, directly informed diversity, equity and inclusion engagements with our portfolio companies.

Regnan

Portfolio level metrics – Sustainability Indicators[1]

Drinking water produced

Total:
14,670,981 m³

equivalent to
70,431
households/year

Wastewater treated

Total:
4,444,013 m³

equivalent to
21,334
households/year

Waste treated

Total:
84,630 Tonnes

equivalent to
67,948 households/year

Companies with carbon reduction plans

Total:
56%

This includes companies with any carbon reduction plan, including those that may not be Paris aligned

Companies with carbon reduction plans that are SBTI approved, Paris aligned and/or Net Zero

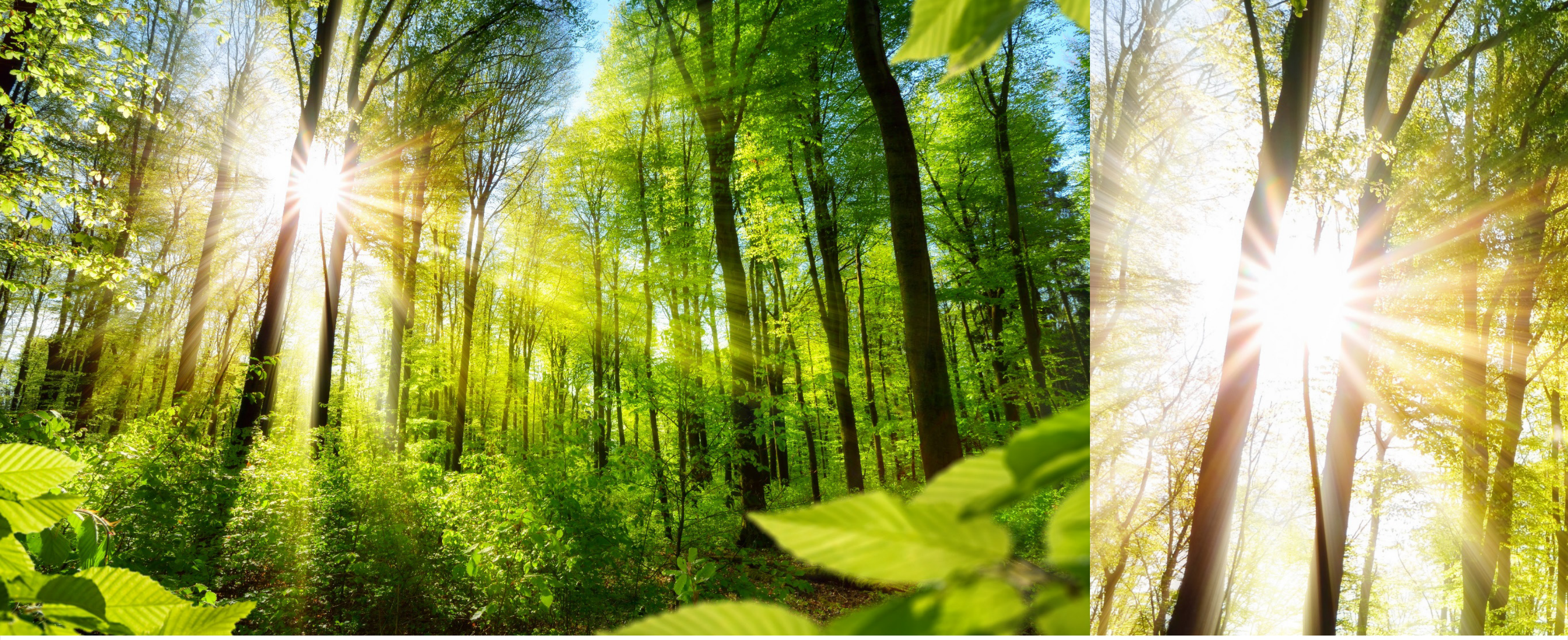
Total:
44%

This includes companies with targets (self-declared) according to company disclosure are SBTI approved, Paris aligned and/or Net Zero

Material recycled

Total:
27,312 Tonnes

Source: Data collected internally for companies which report a direct or equivalent metric. [1]Calculations based on Regnan Sustainable Water and Waste Strategy, AUM: GBP 160m, as at 31 December 2022. Weights used in calculation have been rescaled for cash. Given we are collecting this data manually for all portfolio companies, the data for the benchmark has not been collected.



Avoided CO_2 Engagement: Case study

We have observed an uptick of disclosure on avoided emissions, i.e. emissions avoided or reduced from the use of the investee company's products. While we see this as a useful extension to comprehensive emissions reporting, we expect companies to be conservative in their approach to claims on avoided emissions until standards are established and be transparent with their methodologies.

Over the course of the year, we engaged with companies to use science-based and robust methodologies to understand the relative comparative carbon footprint of company products and operations, and the contributions of products and services to a net reduction in emissions in the real economy.

In our engagement we suggested the analysis of avoided emissions and the disclosure of the results can primarily:

- Inform product portfolio planning and new product development, providing an additional data point to consider in determining products to develop and retire
- Enhance customer awareness of the relative climate impact of the company's products
- More holistically inform investors on the company's exposure to climate risks, opportunity capture and contribution to emissions reduction

Given the embryonic nature of methodologies guiding the calculation of avoided emissions we encourage companies to be attentive to:

- Using science based, credible, reliable and robust methodologies to calculate comparative emissions
- Using appropriate baseline and future scenarios
- Conducting life cycle analysis to comprehensively understand impacts where appropriate
- Considering system wide change in emissions as relevant (i.e. the contribution to real world emissions reductions)
- Using realistic assumptions and disclose all key assumptions, methodologies, and sources
- Verification requirements, including future requirements

CO_2 Avoided (Tonnes)[1]

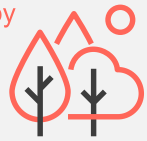
Total:

49,413

Equivalent to carbon sequestered by

58,477 acres[2]

of US forests in one year



Source: Data collected internally for companies which report a direct or equivalent metric. [1]Calculations based on Regnan Sustainable Water and Waste Strategy, AUM: GBP 160m, as at 31 December 2022. Weights used in calculation have been rescaled for cash. Given we are collecting this data manually for all portfolio companies, the data for the benchmark has not been collected. [2]United States Environmental Protection Agency Greenhouse Gas Equivalencies Calculator.

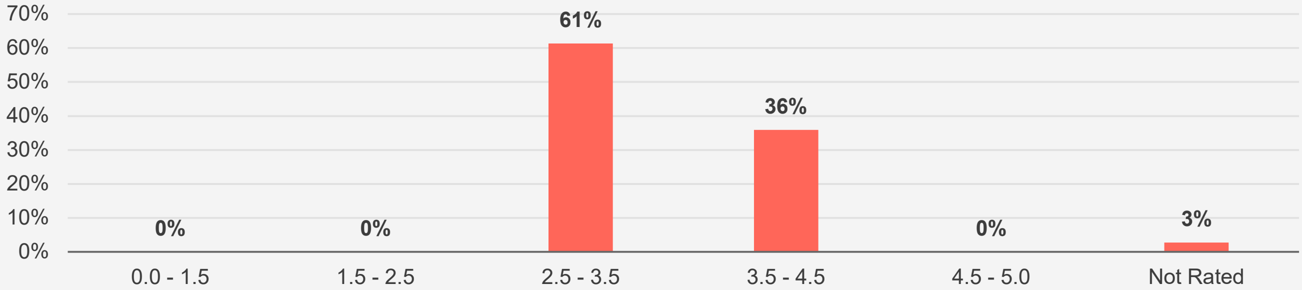
Regnan

Regnan Sustainability Value Assessment Ratings

Regnan's Sustainability Value Assessment is a forward looking and bottom-up analysis of ESG factors undertaken by experienced, specialist resources. Regnan methodologies have been designed to promote comprehensive evaluation of ESG factors, while also providing flexibility to incorporate company specific considerations.

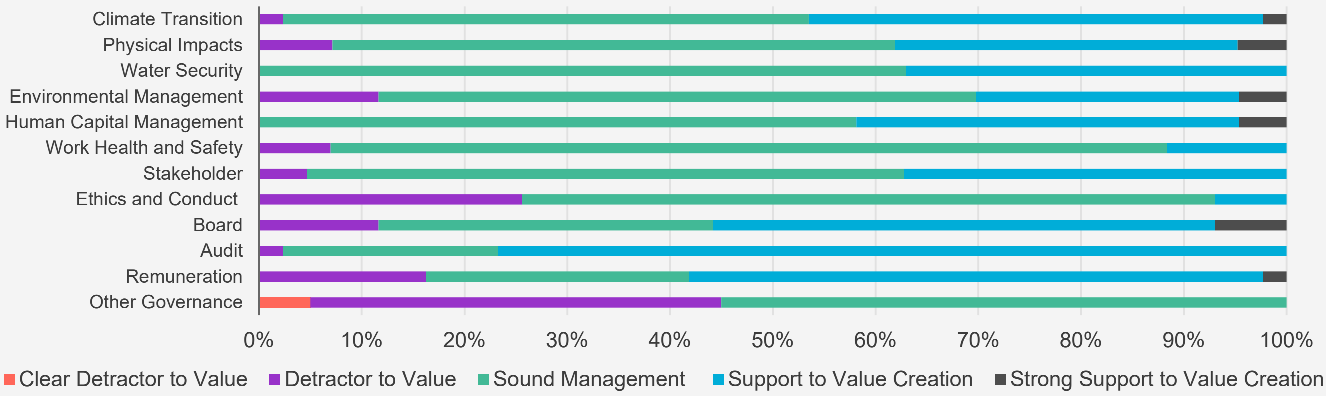
Scores for each ESG factor and pillar (E, S and G) are assigned from 1-5 reflecting the extent to which sustainability management is assessed to contribute to sustained value creation: detractor (1-2), neutral (3), support (4-5). Accompanying momentum assessments (stable, improving or weakening) indicate the expected direction of change in the score. See further details about the SVA methodology here.

Overall SVA Scores



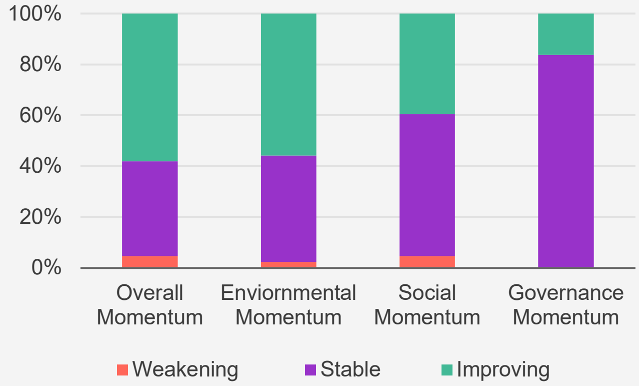
Source: Regnan/JOHCM. No company below a rating of 2.5 was held in the portfolio during the year. We assessed companies which were rated below 2.5, example Manila Water, the team did not invest in the company. Data as at 31 December 2022. Not rated is cash.

Regnan Sustainability Value Assessment Factor Ratings



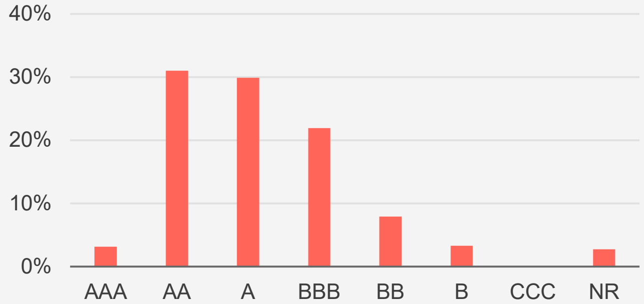
Source: Regnan/JOHCM. Data as at 31 December 2022.

Momentum



Source: Regnan/JOHCM. Data as at 31 December 2022.

MSCI Rating



Source: MSCI. For further details: www.msci.com/our-solutions/esg-investing/esg-ratings. Data as at 31 December 2022. Not rated (NR) is cash.

Engagement

Regnan was initially established to investigate and address sustainability related sources of risk and value for long-term shareholders.

Our overarching focus when engaging with portfolio companies is on sustainability, value creation and systems resilience. We aim to enhance performance by seeking the effective management of sustainability risks, optimizing opportunity capture and address areas of portfolio or systematic risk. As such, the investment team's engagement programme is an integral part of the investment process.

The team will seek to determine willingness to engage prior to investment and may divest existing holdings if a company is no longer willing to engage.

Engagement is long-term and outcomes-focused, guided by engagement objectives, which are formulated on a company-by-company basis.

In determining whether a company demonstrates potential for improvement through engagement we draw on internal expert views and consider:

- How large the gap is between current performance and minimum standards and/or unrealised opportunities.
- The nature of the changes that would need to be made and any barriers this presents to change.
- Expected company openness to engagement, considering factors such as shareholding structure, company policy or track record on investor engagement, engagement norms in the local market, and any historical experience we have had in engaging with the company.
- The existence of aligned initiatives that may support achievement of the changes sought.

After an engagement objective has been set, progress towards this engagement objective is then monitored. Engagement intensity will differ between portfolio companies, to reflect differing materiality. Furthermore, the completion of engagement objectives is expected to take multiple years as it takes time to create change.

Any engagement work is led by the investment team supported and enhanced by the research capabilities of the Regnan Centre , which provides long-standing and in-depth experience in analysing sustainability factors.

The team's long-term, constructive approach to engagement is welcomed by most portfolio companies. In other words, engagement often acts as a positive feedback loop between the investment team and portfolio companies.

How we engage

We engage for protection and enhancement of portfolio and stakeholder value using the following engagement process:

Identify

In depth research to identify actual or potential:

- Risks
- Opportunities and/or
- Negative impacts

Prioritise

Prioritise engagements considering:

- Magnitude and/or urgency of the issue
- Additionality of our engagement
- Likelihood of change

Set change objectives

Establish thematic and/or company specific change objectives, including SMART* objectives

Constructive engagement

Targeted two-way discussions with the company and/or other relevant stakeholders to secure outcomes

Track progress

Ongoing monitoring for substantive evidence of progress

Close or escalate

Change objectives achieved or alternate actions considered

Source: Regnan/JOHC. Note: SMART (specific, measurable, attainable, realistic and, time-bound)

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Engagement: Year in Review

During the inaugural year of the fund, our engagement prioritised areas identified as increasing the sustainability of individual portfolio companies and contributing to broader systems resilience. Our thematic approach sees investment in companies across the waste and water value chain, which makes us well placed to engage on systems and systemic issues. Engagement is informed by our comprehensive company sustainability research and in-depth thematic research.

Decarbonisation

Our decarbonisation engagement efforts were informed by the findings of our "Waste Not, Warm Not" report with detailed examples provided elsewhere in this report, including seeking a strategic view of landfill gas capture supported by credible, ambitious and real targets.

Progress observed in these initiatives is expected to significantly reduce GHG emissions and add to earnings of companies (further detail in engagement case studies section).

Physical impacts of climate change

Regnan has for many years highlighted the need for companies to increase their resiliency to escalating physical impacts of climate change. During the year, we saw the continued escalation of the physical impacts of climate change with Europe experiencing record heatwaves, droughts in the United Kingdom, Hurricane Ian in the US and flooding in Australia, to name a few.

Our analysis which followed those events showed that companies in the water value chain provide solutions to escalating physical impacts of climate change, presenting a significant opportunity to expand their addressable market while enhancing broader system resiliency to climate change.

We provide examples of solutions providers across the value chain in our report.

Our engagement highlighted the importance of factoring in physical impacts of climate change into strategic planning and decision-making processes. For instance, identifying opportunities for new products and services that may become in-demand as a result of adaptation needs, as well as building capacity for innovation through strategic human capital management to develop adaptation relevant products and services.

Enhanced disclosures

We also sought to improve broader company ESG and sustainability disclosure with a view to improving market efficiency and ensuring that the sustainability efforts of companies are being adequately and accurately recognised by external sustainability and ESG data providers.

We are pleased to see 20.3% of engagements demonstrate early progress and 6.3% of engagements completed within the year.

The team will continue to pursue its engagement objectives with a focus on sustainability, value creation and systems resilience.

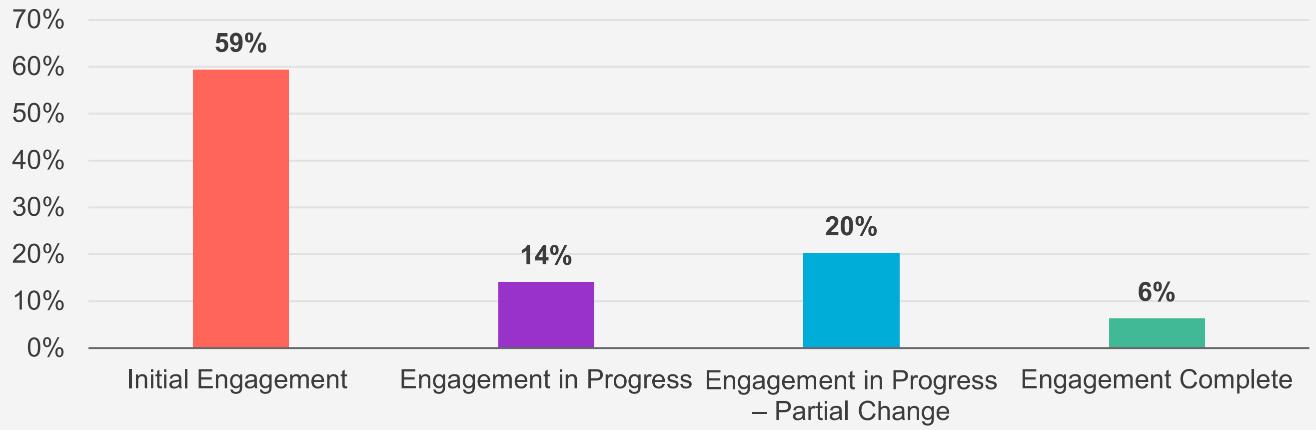
Oshadee Siyaguna
Senior Analyst – Thematic Investing

Regnan

Engagement: Year in Review (cont'd)

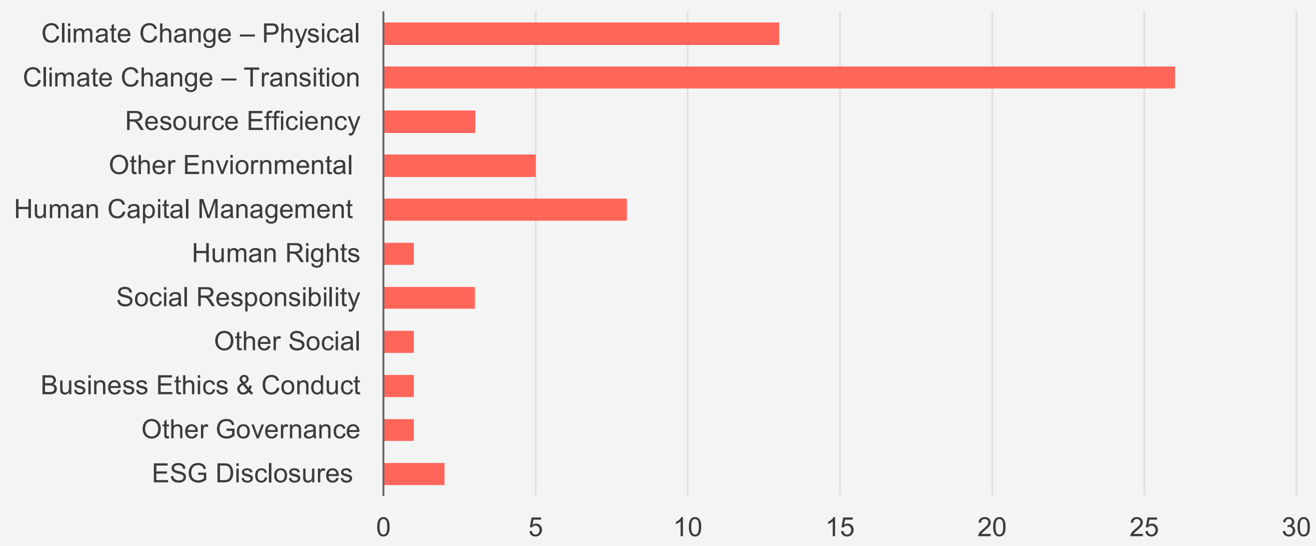
27 Engagements linked explicitly to environmental, social, governance or disclosure objectives

Engagement Progress



Source: Regnan/JOHCM. Data as at 31 December 2022. Percentage breakdown of engagements.

Engagement by topic



Source: Regnan/JOHCM. Data as at 31 December 2022. Number of objectives.

Engaging to reduce emissions in the waste sector

Over the last year we sought to engage with our portfolio companies to accelerate decarbonisation in the waste management sector. Our engagement was guided by our deep-dive thematic report entitled ‘Waste not, warm not’ which explored opportunities for decarbonisation in waste management.

Report recap

Increasing focus on greenhouse gas emissions (GHG) across the waste management value chain presents many options for decarbonisation in the sector.

- Waste collection is an important enabler of reuse, recycling, and composting – key ways waste emissions can be reduced. Fuel efficiency, use of alternative fuels and electric vehicles also present options for decarbonisation.
- There are many interdependencies between waste management life cycle stages such that activities with low direct emissions rely on high emissions activities elsewhere in the value chain (ie scope 3 or value chain emissions).
- Divestment can only shift high emissions activities out of portfolios, it does nothing to reduce the real-world impact of waste management.
- We see engagement with waste management companies as the best way for investors to contribute to waste decarbonisation across the sector.

We have been pleased to see progress against several of our engagement objectives, in the first year since fund launch.

Engagement Objective	**Waste Connections – 2 meetings and 2 letters** Waste Connections, Inc.
Company decarbonisation goals are well supported by disclosed plans, interim targets, and action Given high emissions associated with operations in the sector, particularly in methane emissions in landfills and collection, we expect companies to have well evidenced decarbonisation goals with comprehensive plans and targets. including interim targets.	**Engagement in progress – partial change** We view Waste Connections’ emissions reduction activities as well tailored to its operations linked to biogas recovery, recycling efforts and carbon offsets. We used our first meeting with the company to test the potential for absolute emissions reduction in addition to intensity targets. The company indicated its desire to first, better understand its carbon profile, given the company’s growth aspirations (including via acquisitions), before setting absolute or intensity targets. We supported the company's efforts to better understand its carbon profile and emphasised the importance of considering emissions in strategic decision-making, including acquisitions. We committed to providing feedback as the company develops its targets, processes, and strategy on emissions and have since further engaged with the company at its request. In its 2022 sustainability report, the company committed to add a new target to reduce scope 1 and 2 emissions by 15% in absolute terms along with a goal to continuously improve emissions intensity. Given the medium-term timeframe of the targets (10 years) interim targets were deemed by the company to be unnecessary, we suggested that the disclosure of both the emissions reductions achieved, and the progress of underlying emissions reduction projects would provide investors with the additional reassurance sought in the absence of interim targets.
Disclosure of management review of GHG targets annually	**Engagement – complete** Given the lack of interim targets we sought confirmation that targets are regularly reviewed to ensure they remain sufficiently ambitious and, that this process be disclosed to investors. The company agreed with our suggestion and included an additional section in its 2022 sustainability disclosures on 'Target Progress'. Here the company detailed current progress against the targets set as well as the management process for reviewing the appropriateness of current targets and the rate of progress. In our second meeting, the company shared that it had received positive feedback from investors on the communication of its emissions targets.

Engaging to reduce emissions in the waste sector (cont'd)

Engagement Objective	**Waste Management Inc – 1 meeting**
Company decarbonisation goals are well supported by disclosed plans, and action. Given high emissions associated with operations in the sector, particularly on methane emissions in landfills and collection, we expect companies to have well evidenced decarbonisation goals with comprehensive plans and targets.	**Engagement in progress – partial change** In our meeting with Waste Management, we reinforced our view that the company's prioritisation of avoided emissions in its decarbonisation strategy needs to be accompanied with reductions in absolute emissions, ideally supported by short, medium and long-term goals to support those reductions. Waste Management affirmed its commitment to decarbonising, including setting a meaningful science-based target. The company confirmed work on this was underway board approval pending, with an expectation to have plans finalised by year end 2022. The company committed in its 2022 Sustainability Report to reducing absolute scope 1 and 2 GHG emissions by 42% by 2032 (2021 baseline) aligned with the Paris Agreement to limit warming to 1.5C. In our view, the company's current response is sound based on current regulatory and stakeholder expectations. We will monitor progress against these commitments and the adequacy of the targets as regulatory and stakeholder expectations evolve.
Effective capture of opportunities from renewable natural gas from landfills. Improving landfilling processes and technologies offers the most opportunities to reduce GHG emissions, with state-of-the-art operations able to capture and reduce emissions by up to 90%. Converting landfill gas provides a renewable form of energy, while also converting methane to CO_2 and water.	**Engagement in progress – partial change** We shared our view with the company that methane in landfills are becoming a valuable energy resource, given their renewable credentials, offering substantial sustainability benefits while reducing the company's carbon footprint. We encouraged the company to disclose its approach enabling any activities to be recognised by the market. The company was able to demonstrate a sophisticated approach to methane capture, with a dedicated officer focusing on renewable natural gas. The company has assessed 200 landfill sites and prioritised 17 landfill sites for landfill gas capture based on climate, size and other factors. The company subsequently disclosed plans to invest $825 million to expand its renewable natural gas network by 2026, considerably expanding the capture and beneficial use of landfill gas. We will continue to monitor the company's implementation of stated plans.
Ambitious recycling/reuse targets. We see this is critical to reducing net emissions within the real economy relative to the use of virgin materials.	**Engagement – in progress** We emphasised the important role of recycling in decarbonisation, highlighting that it can make a significant contribution to reducing net greenhouse gas emissions within the real economy by conserving natural resources and reducing the energy required for production. This is particularly true for composting, which reduces the need for synthetic fertilizers, and for recycling materials that are energy-intensive to produce, such as steel, aluminum, and glass. We encouraged the company to disclose its activities in this area. The company noted that over the next four years, it plans to invest USD 800 million in technology upgrades and new facilities in underserved markets. These investments are expected to significantly improve sorting efficiency through the installation of optical sorters across the company's network. Additionally, the company is actively working to reduce contamination in its recycling waste streams through increased awareness campaigns. The company is also focusing on increasing recycling in its commercial waste business, as currently only a small percentage of customers use the recycling service. The company also acknowledged that offering multiple services to customers can help retain them. The company has a contamination goal set at 10%, its current progress is at 16% from 20% a few years ago. Given the work underway we will continue to encourage Waste Management to set formal public targets for recycling.

Engagement activity across the portfolio on physical impacts of climate change

Our engagement with companies on the physical impacts of climate aims to:

- better capture the manifestation of risks and opportunities across the value chain
- increase the resiliency of portfolio company operations and product and service offerings
- reduce vulnerabilities within the broader waste management system.

This is important both to the continuation of business operations and profitability of investee companies but also recognises the critical services provided by many of our portfolio companies in ensuring essential services across multiple continents in both developing and developed countries.

Our prioritisation of engagement with companies on the physical impacts of climate change considers:

Geographic factors - considering site specifics climate risks, for instance including climate projections for specific water basins.

The company's reliance on climatic conditions - for instance whether earnings have already or are potentially impacted by seasonal fluctuations/weather, including water availability.

Interdependency considerations - How at risk are key components of the company's value chain from physical impacts? For instance, critical inputs such as water availability, or key suppliers, markets or infrastructure such as key logistics routes.

Strategic and operational factors - For instance how diversified are the company's products or services to physical risks, what flexibility does it have to pass on any increased costs or share the risks with key clients or suppliers.

Our engagement objectives focus on seeking:

- Acknowledgement of the risks associated with a changing climate (as distinct from weather).
- That the company undertakes thorough physical risk analysis. This should include:
  - The use of quality data sources.
  - Consideration of interdependencies including within its value chain.
  - Using plausible, challenging scenarios, including scenarios in excess of two degrees and the more severe climate impacts this implies.
- Evidence that the analysis is used to inform business decision making (including relevant capital allocation decisions and product solutions) to enhance risk mitigation.
- Evidence of the identification of market opportunities from the development of solutions to support enhanced resilience where relevant.
- Evidence of active monitoring and assessment within core risk management processes given the evolving nature of climate change, enhanced scientific understanding and data availability.
- Disclosure of analysis undertaken, risks and opportunities identified and resulting actions with sufficient detail for investors to assess the quality of the work undertaken.

Regnan

Engagement activity across the portfolio on physical impacts of climate change (cont'd)

Over the last year, we engaged with 8 portfolio companies on the physical impacts of climate change.

In general, in our engagement with the waste management sector, we found that companies have established the capacity to quickly respond to extreme weather events, thereby ensuring that clean-up operations are carried out efficiently and the affected cities are safe for inhabitants. The companies also reported an increase in waste tonnage in some cases, as much as 4 times higher.

Waste management

All waste management companies recognize that escalating physical impacts of climate change and have incorporated this into their operational planning.

However, we highlighted areas for improvement in the analysis of these impacts. For instance, by considering multiple scenarios, including RCP 8.5*, and by understanding interdependencies with infrastructure, supply chains, and potential knock-on effects. We also emphasised the importance of disclosing this information to investors, so they can monitor the companies' progress in managing risks and capturing opportunities. We will continue to monitor company disclosures and re-engage to seek that these further enhancements are made as needed.

Water utilities

Our engagements with water utility companies revealed that they generally have a comprehensive understanding of the physical impacts of climate change on water security.

However, it also showed that there will be a significant need for infrastructure investment to adapt to these impacts, including but not limited to, increasing reservoir capacity, improving watershed management, enhancing water leakage detection, promoting water-efficient products, improving urban drainage systems, and efficient irrigation. This puts the team in a unique position, as investors in the entire water value chain, to invest, enable and engage with those companies, which provide solutions to augment systems resiliency to climate change while efficiently capturing an expanding addressable market.

Source: Regnan/JOHC. Note: RCP 8.5: Representative Concentration Pathway 8.5 combines assumptions about high population and relatively slow income growth with modest rates of technological change and energy intensity improvements, leading in the long term to high energy demand and GHG emissions in absence of climate change policies.

Regnan

Portfolio level metrics – Sustainability Indicators

GHG Emissions

Scope 1: **3,141.76** tCO_2e
Scope 2: **624.88** tCO_2e
Scope 3: **37,361.01** tCO_2e

Total emissions:
41,127 tCO_2e

Benchmark: 24,232.87 tCO_2e

Data availability:
99.6%

Carbon Footprint

Total:
849.0
tCO_2e/m EUR (EV)

Benchmark:
500.2 tCO2e

Data availability:
94.4%

Board gender diversity (Ratio)

Total:
0.50

Benchmark: 0.50

Data availability:
97.2%

Activities negatively affecting biodiversity sensitive areas

Total:
0.0%

Benchmark: 0.0%

Data availability:
97.2%

Exposure to controversial weapons
(anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Total:
0.0%

Benchmark: 0.2%

Data availability:
97.2%

Hazardous waste ratio

Total:
1.9
tonnes/mEUR

Benchmark:
67,550.8 tonnes/mEUR

Data availability:
1.5%

Investments in companies without workplace accident prevention policies

Total:
19.8%

Benchmark: 31.6%

Data availability:
78.2%

Violations of UN Global Compact (UNGC)
principles & Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

UN GLOBAL COMPACT

Total:
0.0%

Benchmark: 2.5%

Data availability:
97.2%

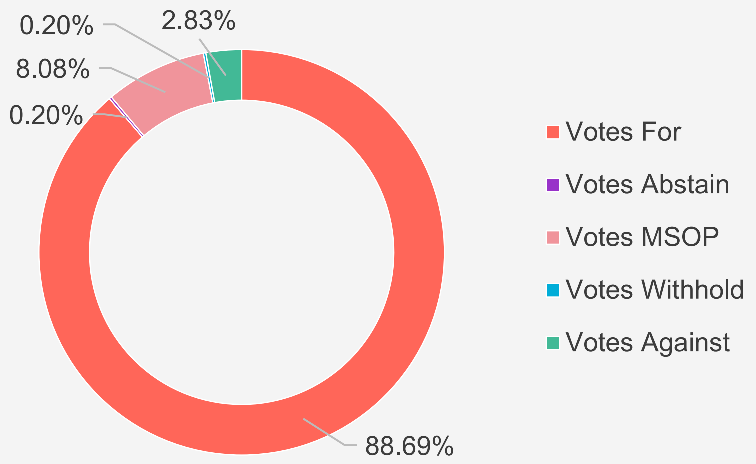
Source: ISS. The Operational Impact Metric data is representative of Regnan Sustainable Water and Waste Fund (Dublin ICAV) offshore OEIC, a sub fund of Regnan UK Umbrella Fund, domiciled in the UK. Strategy AUM: GBP 160m, which includes all Fund share classes. Benchmark :MSCI AC World NR. Data as at 31 December 2022.

Voting activity

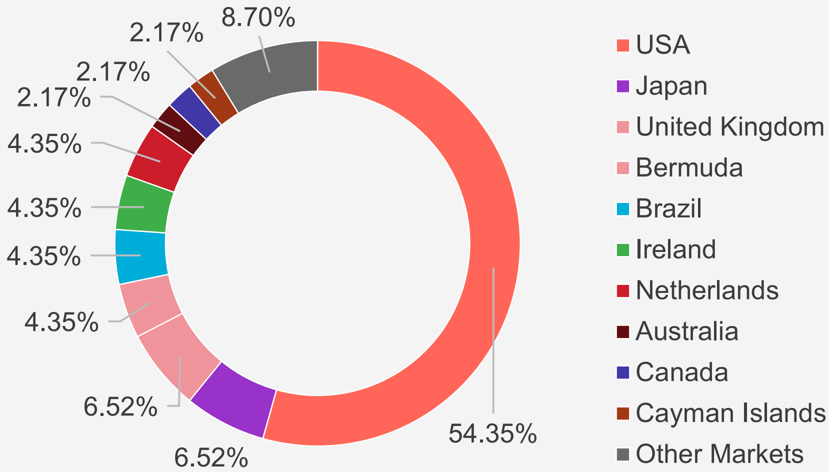
46
Total number of
Meetings

495
Total number of
Proposals

Vote Cast Statistics



Meeting Votes by Market

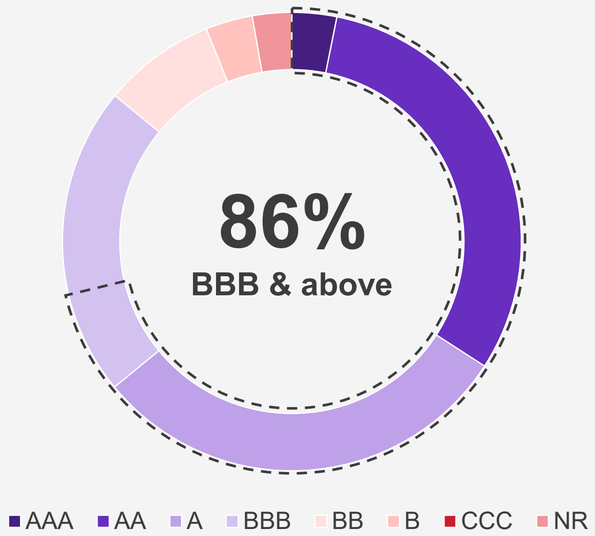


Source: Regnan/JOHCM from 1 January 2022 to 1 January 2023.

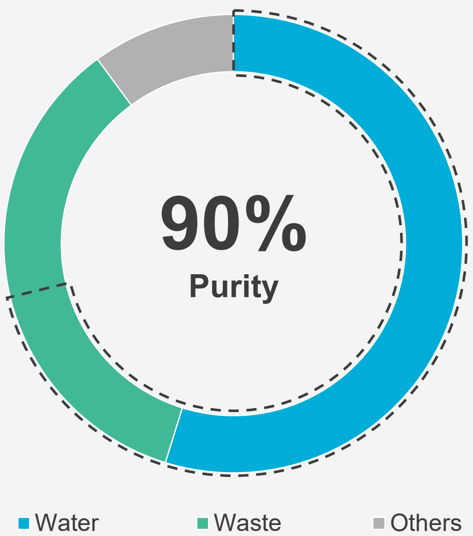
Regnan

Exposure and Ratings Summary

ESG Exposure
ESG Rating Exposure (> BBB MSCI)



Water & Waste Exposure
Water Purity at Portfolio level (% NAV)[1]



Source: MSCI / Regnan as at 31 December 2022. 1We ensure that at the Sub-Fund level, 70-100% of the portfolio's weighted average activities are derived from products or services relating to the water and waste investment theme. The purity threshold is designed to ensure the overriding drivers of business performance come from water and waste activities. Data representative of Regnan Sustainable Water and Waste Fund (U.K.) onshore OEIC.

Regnan

Exclusion Policy

Exclusions are one of the two key tools (along with sustainability assessment) that we apply to ensure all investee companies meet minimum standards of environmental, social and governance (ESG) risk and sustainability management.

The following exclusions apply to all assets of the Fund:

Negative (involvement) Screens

Category	The fund will avoid investing in companies which directly:
Coal	• Derive 5% or more of their revenue from the extraction, exploration, or distribution of coal, or from thermal coal power generation.
Conventional oil and gas	• Derive 5% or more of their total revenue from the extraction, exploration, distribution, or refinement of oil and/or natural gas, unless a science-based target is in place.
Unconventional oil and gas	• Derive 5% or more of their total revenue from unconventional oil and gas products and services, including hydraulic fracturing, oil / tar sands, shale oil and/or gas, coal seam methane and Arctic drilling.
Nuclear power	• Derive 5% or more of their total revenue from mining of uranium for the purpose of nuclear power generation, the generation of nuclear power, or the provision of products and services to the nuclear power industry.
Tobacco	• Derive 5% or more of their total revenue from the production or distribution of tobacco or related services (including tobacco-related products).
Weapons and armaments	• Derive any revenue from manufacture of controversial weapons (such as anti-personnel mines, biological or chemical weapons, cluster munitions, depleted uranium weapons, nuclear weapons, white phosphorous weapons); or • Derive any revenue from distribution of, or related services to producers of, controversial weapons; or • Derive 5% or more of their total revenue from manufacture, or provision of related services to, conventional weapons or armaments.

Norms-based Screens

Category	The fund will avoid investing in companies with:
United Nations Global Compact	• Breaches of the United Nations Global Compact principles which are categorised as structural and severe.

Exclusion Policy (cont'd)

Companies involved in the generation of power/heat from non-renewable sources, or providing dedicated equipment or services therefor, are excluded unless the company is increasing its absolute production of or capacity for contributing products/services, and one of the following conditions is met:

- The company has an SBTi target set at well-below 2°C or 1.5°C, or have a SBTi 'Business Ambition for 1.5°C' commitment
- Or the company derives more than 50% of its revenues from "contributing activities"
- Or the company has more than half its capex dedicated to "contributing activities".
- "Contributing activities" are defined as activities included in the EU taxonomy, OR which contribute clearly and concretely to any of the EU environmental objectives as set out in the Taxonomy, or the Sustainable Development Goals (SDGs)

All reasonable care is taken to implement the Fund's exclusionary screens to meet the criteria described above. We draw on external and supplementary internal research, believed to be accurate, to determine whether an issuer is subject to the exclusionary screens. However, as the nature and conduct of businesses may change over time, and publicly available financial or other information is not always comprehensive or up to date, we do not guarantee that the Fund will meet all of these criteria at all times.

We regularly monitor compliance by the Fund's holdings with the exclusionary screens. If we discover an investment no longer meets our criteria, we will divest the holding as soon as practicable, having regard to the interests of investors.

Disclaimer

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The investment promoted concerns the acquisition of shares in a fund and not the underlying assets.

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Alongside the investment team is the Regnan Insight and Advisory Centre of Pendal Institutional Limited in Australia, which has a long history of providing engagement and advisory services on environmental, social and governance issues. While the investment management team will often draw on services from and collaborate with the Regnan Insight and Advisory Centre, they remain independent of the Regnan Insight and Advisory Centre and are solely responsible for the investment management of the Regnan Sustainable Water and Waste strategy.

Sources for all data: JOHCM/Bloomberg/Lipper/MSCI Group (unless otherwise stated).

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