TOMORROWS WORLD MULTI ASSET

TCFD Product Report

31/12/2023

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INTRODUCTION

This report aims to help you understand the impact of the Fund on climate change by providing detailed climate-related information on the Fund's investments in a manner consistent with the Task Force on Climate-Related Financial Disclosures (TCFD). Metrics provided for carbon foot printing and exposures are calculated using methodology in the TCFD Annex.

This product report complies with the regulatory requirement to publish product level disclosures consistent with the TCFD and aims to provide information on the emissions generated by assets held within the Fund. The metrics produced follow the calculations as defined in the TCFD annex.

The approach outlined in this report is consistent with the consideration of climate-related risks and opportunities as set out in the Sarasin & Partners LLP Entity Report, covering the four pillars of the TCFD recommendations and recommended disclosures referring to all aspects of Governance, Strategy, Risk Management and Targets.

INTERPRETATION OF METRICS

Total carbon footprint of the Fund measures the total emissions divided by the total market value of Fund. This is expressed in tonnes CO2e per US$ million invested. This metric can be used to compare across Funds.

Absolute emissions associated with the Fund are an aggregation of all greenhouse gas emissions from the assets held, across scopes 1, 2 and 3, expressed in tonnes of CO2e (carbon dioxide equivalent).

The Weighted Average Carbon Intensity (WACI) measures the Fund's exposure to carbon-intensive companies. Any investment's contribution to the Fund's total emissions are based on their weight within the Fund, expressed in tonnes CO2e per US$ million in revenues. This metric is also used to highlight the Fund's exposure to high carbon intensity companies.

Carbon intensive sector exposure is the percentage of carbon-related assets in the Fund, expressed as a percentage of the current Fund's value. This metric focuses on a Fund's exposure to sectors and industries considered the most GHG emissions intensive.

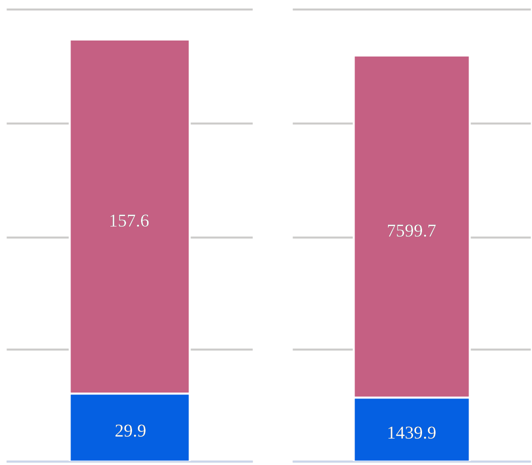
Scenario analysis impacts allows us to assess the Fund's transition alignment and its exposure to climate risk as well as allowing for the impact of climate change on its assets to be assessed based on a range of scenarios, over different time periods. These are forward-looking assessments based on our understanding of the Network for Greening the Financial System's (NGFS) 'orderly transition', 'disorderly transition' and 'hothouse world' scenarios.

We would like to underscore the limitations of this scenario analysis given climate change scenario modelling is complex and the NGFS models that we are using have well-known limitations. Specifically, they are unable to capture expected non-linearities, or tipping points, in the climate system, and also leave out socio-economic responses to climate change. In short, the models tend to understate the tails risks associated with climate change and the energy transition. We recognise that NGFS has been making efforts to address these short-comings. In the meantime, we interpret the results with caution, and aim to enhance our modelling in the course of 2024.

Bond coverage within the metrics consider corporates only and do not include sovereign bonds where held. When referencing metrics relative to total assets in the calculation sovereign bonds are not included in the total assets figure.

METRICS DISCLOSURE IN REPORTING YEAR

FINANCED EMISSIONS AND TOTAL CARBON FOOTPRINT



Footprint
(tCO2e/ invested)

Absolute
(tCO2e)

Fund asset data coverage

Footprint:
Scope 1 & 2: 63%
Scope 3: 63%

Absolute:
Scope 1 & 2: 63%
Scope 3: 63%

WEIGHTED AVERAGE CARBON INTENSITY (WACI)

85.04 CO2/EM sales portfolio	501.87 CO2/EM sales portfolio
Scope 1 & 2 data coverage: 63%	Scope 3 data coverage: 63%

CARBON INTENSIVE SECTOR EXPOSURE

8.53%

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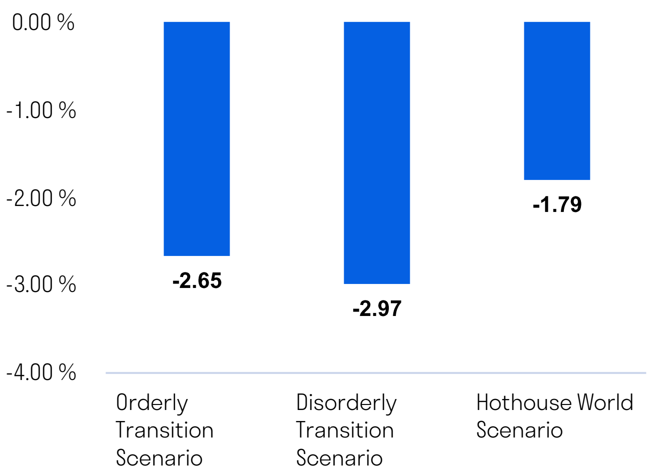
SCENARIO ANALYSIS



Scenario Analysis Data Coverage: 69%

Climate scenario analysis provides a forward-looking Climate Value-at-Risk assessment for a portfolio considering the climate related risks and opportunities faced under different climate scenarios. The CVaR is calculated as the percentage change in a company's market value as a result of future climate change impacts over a 15-year time horizon. The valuations at the security level are aggregated to assess the impact at fund level with the potential value impairment for the Fund according to each scenario displayed in the chart above. A negative number denotes that under that scenario, there will be a lower valuation of the fund's underlying assets.

The portfolio performance in any scenario will depend not only on geographic and sectoral composition but also on the climate risk assessment and management at the company level. The specific impacts on this portfolio will depend on factors such as the companies' climate strategies, technological advancements, policy details, and how quickly and effectively markets respond to these changes. These factors are not always adequately captured by the climate models and scenarios.

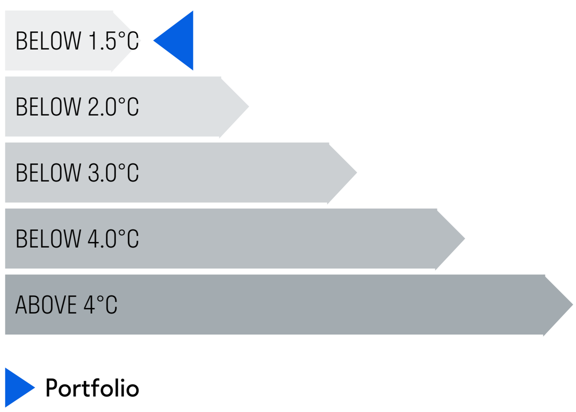
SCENARIO ANALYSIS IMPACTS

Despite climate change already making weather events more frequent and severe, it is unlikely to have a high level of impact across the Fund within the short term (0-3 years). Transition impacts such as technological change, policy and markets are likely to be more significant. Under both transition scenarios, companies that are helping to drive the decarbonisation of the economy should present an opportunity, while others that make a significant contribution to the Fund's WACI will have a negative impact as emissions regulations tighten and the costs of carbon increase. The comparative cost penalties to climate leadership may lead to high emitters deferring investment to reduce emissions, particularly under the hothouse world scenario.

Over the medium term (3-10 years), the impact of an orderly versus disorderly transition is likely to become more divergent with companies providing climate solutions and those that can reduce their emissions substantially over this period doing better. Under a disorderly transition, these opportunities may be more muted, with greater risk that policy action is slow and some companies fail or are unwilling to adapt. The physical impacts of climate change are expected to become more systemic with an increase in extreme weather events. In both a disorderly transition and a hothouse world scenario, emissions intensive companies are likely to face increased reputational risk from their inaction, leading to a more significant negative impact on equity and bond performance.

Assessing impacts to the Fund over the longer term (10+ years) becomes more challenging due to the increased uncertainties involved. However, under a hothouse world scenario, it is anticipated that the influence of physical climate impacts becomes the chief climate-related risk to returns. Potential financial impacts would include business interruptions, decreased economic productivity, supply chain issues and social backlash. The impact on profitability and shareholder returns is likely to be to impact all investments in the Fund. Under orderly or disorderly transition scenarios, the impacts on the Fund observed in the medium term are likely to become further extended and entrenched, with demand changes and failure to adapt leading to economic and profit losses.

IMPLIED TEMPERATURE RISE



Portfolio: 1.4°C

Implied Temperature Rise Data Coverage: 63%

IMPLICATIONS OF IMPLIED TEMPERATURE RISE

The Implied Temperature Rise metric provides an estimate of how the Fund's current emission trajectory contributes to global temperature increase. This is used to assess the Fund's alignment with limiting global temperature rises in line with the Paris Agreement.

An Implied Temperature Rise of 1.6°C assigned to a given Fund would indicate that the Fund is in line with keeping global temperature rise to below 2°C and it is using a fair portion of the global carbon budget. If the implied temperature rise was 2.3°C a Fund is exceeding the emissions that would allow temperature rise to be limited to well below 2 degrees warming.

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GLOSSARY

Carbon Intensive Sectors:
Carbon intensive sector exposure is the percentage of carbon-related assets in the Fund, expressed as a percentage of the current Fund's value. This metric focuses on a Fund's exposure to sectors and industries considered the most GHG emissions intensive. S&P use the Target Setting Protocol (TSP) definition in order to determine sectors recognised as carbon intensive. Carbon intensive sub-sectors are included within the broader Energy, Materials, Industrials, Consumer Discretionary, Utilities and Real Estate sectors.

Climate-related opportunity:
Refers to the potential positive impacts related to climate change on an organization. Efforts to mitigate and adapt to climate change can produce opportunities for organizations, such as through resource efficiency and cost savings, the adoption and utilization of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an organization operates (TCFD Annex)

Climate-related risk:
Refers to the potential negative impacts of climate change on an organisation. Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise). Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations (TCFD Annex)

Financed Emissions:
The absolute GHG emissions associated with a portfolio, expressed in tons CO2e.

Implied Temperature Rise (ITR):

Estimates the global temperature rise associated with the greenhouse gas emissions of the fund. Expressed as a numeric degree rating.

NGFS scenarios:

Network for Greening the Financial System (NGFS) scenarios explore a set of scenarios to carry out analysis of transition and physical risks.

Paris Agreement:
The UNFCCC Paris Agreement is a legally binding treaty which commits parties to "holding the increasing in the global average temperature to well below 2°C above pre-industrial"

Scenario Analysis Interpretation:
Scenario Analysis is a process for identifying and assessing a potential range of outcomes of future events under conditions of uncertainty. In the case of climate change, for example, scenarios allow an organisation to explore and develop an understanding of how the physical and transition risks of climate change may impact its businesses, strategies, and financial performance over time.

Orderly Transition Scenario:
Assumes climate policies are introduced early and become gradually more stringent, reaching global net zero CO2 emissions around 2050 and likely limiting global warming to below 2 degrees Celsius on pre-industrial averages.

Disorderly Transition Scenario:
Assumes climate policies are delayed or divergent, requiring sharper emissions reductions achieved at a higher cost and with increased physical risks in order to limit temperature rise to below 2 degrees Celsius on pre- industrial averages.

Hothouse World Transition:
Assumes only currently implemented policies are preserved, current commitments are not met and emissions continue to rise, with high physical risks and severe social and economic disruption and failure to limit temperature rise.

Scope 1: Direct Greenhouse Gas (GHG) emissions
GHG emission occurring from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles,

Scope 2: Electricity indirect GHG emissions
GHG emissions from the generation of purchased electricity consumed by the company.

Scope 3: Other Indirect GHG emissions
GHG emissions produced as a consequence of the activities of the company, but occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services.

Total Carbon Footprint:
Total carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO2e / $M invested.

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Data Considerations

Sarasin & Partners use MSCI as a sole data provider to ensure consistency across reported metrics. MSCI used company reported data and estimations where this is not available to address gaps. For each metric stated, data coverage is also provided for full transparency. We have determined that a sufficient level of data coverage for the Fund's investments is available in order for us to provide the key metrics stated in this report. We conduct quality checks and have an internal review process to address data risks. MSCI metrics presented within the scenario analysis may not fully capture future economic conditions. Consequently, this information should not be construed as indicative of financial impact or materiality.

A range of metrics are used in relation to climate risks and opportunities of the in-scope investments we manage. These metrics identify, track progress and assess against targets. We endeavour to use the latest approved industry standard developed by the Partnership for Carbon Accounting Financials (PCAF) in our methodology. Coverage includes listed equities and corporate bonds only; Sarasin & Partners are working with data providers to expand asset classes covered by these disclosures.

Backwards-looking metrics, such as carbon emissions, are used to inform investment decisions. Data availability and scope of coverage can be limitations to these metrics, particularly in relation to scope 3 emissions.

Sarasin & Partners have decided to exclude the Climate Value at Risk (CVaR) metrics due to the lack of data availability. We have developed an in-house calculation for a sub-set of our assets which we will endeavour to expand in the future.