Statement of Commitment

Sustainable and Responsible Investing has been a long-standing and essential part of the strategic positioning and behaviour of KBI Global Investors. We have been involved in SRI since the mid-1980s and welcome the European SRI Transparency Code.

This is our second statement of commitment and it covers the period 31 December 2016 to 31st December 2017. Our full response to the European SRI Transparency Code can be accessed below and is available in the annual report of the retail funds and on our web site.

Compliance with the Transparency Code

KBI Global Investors is committed to transparency and we believe that we are as transparent as possible given the regulatory and competitive environments that exist in the countries in which we operate. KBI Global Investors meets the full recommendations of the European SRI Transparency Code.

March 2018

Section 1. Basic Details

The Fund Management Company

1a Provide the name of the fund management company managing the fund(s) to which this code apply.

KBI Global Investors Ltd.

Provide general information about The Fund Management Company managing the fund(s) to which this code apply (e.g. name, address, website…).

KBI Global Investors Ltd. is an Irish domiciled and incorporated institutional asset manager and is regulated by the Central Bank of Ireland. KBI Global Investors is headquartered in Dublin, Ireland with sales offices in Boston and New York. KBI Global Investors has a global client base with mandates in the UK, Europe, North America and Asia.

Established in 1980 as the Investment Management division of Ulster Bank Ltd, KBI Global Investors, the collective term for KBI Global Investors Ltd, and its wholly owned subsidiary, KBI Global Investors (North America) Ltd, has been managing assets for institutional clients for some 35 years – public and corporate pension schemes, sub-advisory investors, faith based investors, foundations and endowments, wealth managers, private banks and investment intermediaries included.

On 1st September 2016 Amundi Asset Management, the largest European asset manager and 10th largest global asset manager acquired a majority stake (87.5%) in KBI Global Investors, with employees taking a minority stake (12.5%). Amundi Asset Management is, in turn, 100% owned by Amundi, which is listed on the French Stock Exchange.

The name of the company was changed to KBI Global Investors, the collective term for KBI Global Investors Ltd, and its wholly owned subsidiary, KBI Global Investors (North America) Ltd. KBI Global Investors operates autonomously within the Amundi group.

KBI Global Investors' headquarters is:
3rd Floor, 2 Harbourmaster Place, IFSC
Dublin 1, Ireland

Our website is www.kbiglobalinvestors.com

1b Describe the general approach of the fund management company with regards to how it takes environmental, social and governance (ESG) criteria into consideration.

General Approach to ESG criteria

We do not believe that Responsible Investing is a static process. In contrast, it constantly evolves to take account of changing investor preferences, and societal norms. We are continuously striving to enhance our RI policies, practices and products and we expect change to continue to be a constant feature of RI in the years ahead.

We have two sets of investment products, i.e. Global Equity Strategies and Natural Resource equity strategies.

KBI Global Investors has been a pioneer in ***Natural Resource equity*** thematic investing since 2000, investing in companies providing solutions to sustainability challenges related to the provision of food, energy, water and the mitigation and adaptation to the impacts of climate change.

Our suite of ***Global Equity Strategies*** is based on our belief that dividends, profits and governance are highly correlated over time and that a rich source of alpha (excess return and risk reduction) can be found through analysing the dividend pattern of companies and how the dividend is being financed. Many investors see dividends as purely income and don't recognise that they can be an excellent way of identifying companies with strong governance, stable and growing earnings and efficient capital management. Payout tends to get underpriced as a result. This source of alpha is broadly ignored by many investors. We combine these divided criteria with a matrix of other factors, including broader ESG scores, in our investment process.

We incorporate RI factors into the investment process of both sets of strategies because we believe that companies with strong governance and whose products and services enhance social or environmental goals should meaningfully outperform over time. Such companies are more likely to have long, durable, sustainable business models.

All portfolios managed by the firm do not invest in companies which produce (or companies owning more than 25% of another company which produces) landmines or cluster munitions, in the form of whole weapon systems, components, or delivery platforms.

Additional SRI screening is specific to the various strategies that we manage. Some of our strategies exclude investment in companies engaged in certain controversial industries or practices and exclude investment in companies with SRI (ESG) ratings (as determined by a leading external ESG specialist, MSCI ESG Research, see section 2b for more detail on our use of MSCI ESG Research ratings) below a set minimum level. The controversial industries or practices are as follows: tobacco production, weapons manufacturing, involvement with abortion or contraception, adult entertainment, predatory lenders, certain stem cell research, gambling, animal testing for non-pharmaceutical purposes, improper promotion of breast milk substitutes, and thermal coal ownership.

Other strategies are SRI Thematic in nature and operate a variety of positive screening in that they invest only in investments relevant to the particular SRI Theme.

On a separate account basis, SRI screening is available for clients who wish to avoid stocks based on ethical criteria. We have provided customised screening strategies for clients since the mid 1980s.

• Is the fund management company approach towards ESG criteria aligned or inspired by its corporate social responsibility approach? Yes/No. If yes, insert a link to the company's CSR policy. If not, explain why not.

Yes. Although we do not have a formal written policy on CSR, we regard our ESG investment philosophy and practice as being very much aligned with our CSR approach. Our Natural Resources strategies focus on supporting solutions to global problems (scarcity of clean water, clean energy and food), while our CSR activities take the same approach but on a very local scale, for example working with a school and a youth club in a disadvantaged area to provide direct, in-person assistance with various activities, and helping, in a very practical way, with the provision of accommodation and meals for the parents of very sick children in a nearby children's hospital. In this way we "think global" for our ESG investing principles, and "act local" in terms of our CSR commitments.

• Has the fund management company signed the Principles for Responsible Investment?
If yes, please insert the link to the answer to the PRI questionnaire. If not, explain why not.

Yes, we have been a signatory since 2007. The firm is pleased to be a part of the network of investors who support and promote the long term benefits of sustainable investment within the context of their individual investment processes and fiduciary duties. Our Responsible Investing Transparency report, submitted annually to the UNPRI, is at this link https://reporting.unpri.org/surveys/PRI-Reporting-Framework-2016/4940910f-b725-433e-84ca-573cb8533111/79894dbc337a40828d895f9402aa63de/html/2/?lang=&a=1

Is the fund Manager a signatory or a member of other international and/or national initiatives supporting SRI practices? Please answer if you deem this information to be useful.

We are members of or signatories to the following initiatives:

- The United Nations Principles for Responsible Investment (UNPRI)
- The Institutional Investors Group on Climate Change (IIGCC)
- The Carbon Disclosure Project

- CDP Water Initiative
- The UK Stewardship Code
- The US Social Investment Forum
- CERES Investor Network
- Boston Area Sustainable Investment Consortium
- SIF Ireland

Our involvement in each organisation varies depending on the nature of the organisation but we are generally quite active. For example, our Head of Responsible Investing is on the steering group for the CDP in Ireland, and we participate in many collaborative engagements under the auspices of the PRI and IIGCC.

Has the fund management company established an ESG engagement policy? If yes, describe the policy by outlining its objectives and its methodology and/or, if it is public, insert a link to the policy. If not, explain why not.

Yes, we have a formal Engagement policy. The information below is public and taken from our website at this link http://www.kbiglobalinvestors.com/responsible-investing/kbi-uk-stewardship-code-statement-.1294.html

The firm carries out both direct and collaborative Engagement, but for this particular fund direct engagement is not undertaken because we employ a systematic investment method with judgmental overlay to create our diversified portfolios. By this we mean that we use financial screens to execute our investment ideas but not to generate them. This strengthens our sell disciplines, which are crucial to successful long term investing and brings a very high level of discipline.

Our process is designed to create a portfolio with our preferred financial characteristics, and as part of our investment process, we do not visit or directly engage with companies. However we do participate in collaborative engagements at a firm level.

Collaborative Engagement:
As a specialist boutique asset manager with focused resources, we endeavour to leverage relationships to engage in collective engagement when appropriate. To that end, we are members of the organisations below and participate in collaborative engagement that they organise or facilitate.

- The United Nations Principles for Responsible Investment (UNPRI)
- The Institutional Investors Group on Climate Change (IIGCC)
- The Carbon Disclosure Project
- CERES Investor Network

These industry bodies in many cases provide valuable input through peer discussion of relevant issues as well as specific research on certain topics.

• Has the fund management company established a voting policy? If yes, describe the policy by outlining its objectives and its methodology and/or, if it is public, insert a link to the policy. If not, explain why not.

Yes we have a proxy voting policy which is available at this link: http://www.kbiglobalinvestors.com/responsible-investing/kbi-global-investors-proxy-voting-policy.1589.html

It is our policy to use proxy voting for all portfolios and for all votes, other than where we are not given this authority by our client, or in countries where voting is impossible or exceptionally difficult for logistical reasons. (For the last calendar quarter at the time of writing, we voted in excess of 98% of all ballots). We have taken the decision to use the services of an outsourced provider, Institutional Shareholder Services (ISS), the leading provider of proxy voting advice and administrative services, to assist us with this activity given their expertise in this area and the resources that they can devote to this issue. ISS make voting recommendations to us, based on a pre-agreed set of policy guidelines which are reviewed annually. We have adopted the "Sustainability" set of voting guidelines, developed specifically to at least meet the UNPRI principles. They have a particular focus on transparency and reporting, and we generally support shareholder initiatives insofar as they request enhanced transparency on ESG issues.

We typically follow the ISS recommendation but the final decision is ours in every case and our Proxy Voting Committee can overrule the ISS recommendation. We report quarterly, on our public website, on proxy voting activity. The report includes a summary of voting activity, such as the percentage of all votes where we voted against management, but also has full details of every ballot voted including the management recommendation and our voting instruction. The most recent version of this report is available at this link: http://www.kbiglobalinvestors.com/_fileupload/Q12016%20KBI%20-%20Voting%20Statistics%20-%20All%20Accounts.pdf . We publish, on our public website, all votes that we cast, and our rationale for each vote.

• Describe how the fund management company or the group contributes to the promotion and the development of SRI.

This firm is a signatory to or member of several organisations and initiatives to promote SRI, including the UNPRI, the USSIF, CDP, Institutional Investors Group on Climate Change, CERES Investor Network, and others. Members of staff play an active role in several of these groups, including membership of national steering groups, speaking at annual conferences, membership of specific policy working groups, etc.

1c Describe/List your SRI products and the specific resources allocated to your SRI activities.

Products: We have four Natural Resource equity strategies, a Global Equity ESG strategy, and an Emerging Market ESG equity strategy, which are described below.

Our Natural Resource Equity Strategies, with their strong focus on providing solutions to major environmental and societal problems, have obvious ESG features and as well as being ESG-thematic, also explicitly integrate ESG into their investment processes. We integrate ESG factors into the investment process because we believe that companies with strong governance whose products and services enhance social or environmental goals should meaningfully outperform. Such companies are more likely to have long, durable, sustainable business models. Or to put it in more technical terms, when using a discounted cash flow valuation calculation, the assumptions behind the terminal value calculation are more likely to be robust.

We currently have five Natural Resource Equity products, all with the same ESG philosophy and processes:

- Water,
- Energy Solutions,
- Agribusiness
- Global Natural Resources (a blend of the three other strategies).
- Global Sustainable Infrastructure (launched 2017)

Our Global Equity strategies have a strong emphasis on the Social and Governance elements of sustainable investing, both of which we believe to be long-term sources of alpha and are embedded into our investment thesis. The demographic of an ageing population is an important Social trend and one that we give a great deal of focus to. We also identify the payment of a dividend as an important element of the social contract and the strongest way to recognise the shareholder covenant. Our research also shows that high quality companies with high payout commitments demonstrate a higher level of corporate Governance. Simply put, we believe that shareholder (rather than management) interests are given a higher priority when compared to low or non-dividend payers. The products listed below screen out controversial industries and companies with poor ESG scores, and incorporate ESG scores/ratings into the portfolio construction process. The systematic nature of the investment process and their intrinsic focus on value creation for shareholders allows for a seamless integration of ESG screens and scoring without compromising the integrity of the existing global equity investment process.

- Global ESG equity strategy
- Global Emerging Markets equity strategy

<u>Resources:</u>

All ESG issues are under the remit of our internal Responsible Investing Committee, which is jointly chaired by two executive directors of the firm (including the CIO) and includes six other high level staff such as the Head of Responsible Investing, Head of Compliance, and product specialists. It has responsibility for deciding all ESG policies, and also oversees operational issues relating to the implementation of ESG factors.

Externally, we employ the services of two leading industry research companies in this area; Institutional Shareholders Services (ISS), and MSCI ESG Research Inc. ISS is the leading provider of corporate governance research, proxy advisory and voting services. ISS carry out all stock-specific governance research on our behalf and provide us with voting recommendations, based on criteria discussed at annual review meetings with ISS. MSCI ESG Research provides us with in-depth research, ratings and analysis of the environmental, social and governance-related business practices of companies in which we invest or consider investing and provide an overall quantitative score for each company, taking into account all ESG factors. This research is also used, where required, to exclude companies from our portfolios where those companies are involved with certain sectors.

In addition, we are members of various industry bodies and initiatives, including the United Nations Principles of Responsible Investing, the UK Social Investment Forum (UKSIF), the Carbon Disclosure Project, the CERES Invstor

Network on Climate Risk, the CDP Water Initiative, and the UK Stewardship Code (Tier 1 status). These industry bodies in many cases provide valuable input through peer discussion of relevant issues as well as specific research on certain topics.

• Briefly describe the SRI fund range (number, assets under management, strategies...)

See also the answer to the previous question and to question 1e below.

Global Equity Strategies:

Strategy	**AUM in EUR as at 31/12/2017**
Emerging Markets ESG	€21,716,974
Global ESG	€67,043,719
Total	**€88,760,693**

Natural Resource Strategies:

Strategy	**AUM in EUR as at 31/12/2016**
Water	€569,559,546
Agribusiness	€9,575,527
Energy Solutions	€39,391,949
Global Resource Solutions	€69,845,261
Global Sustainable Infrastructure	€8,758,885
Total	**€697,131,169**

• Describe/Detail the resources allocated by the fund management company (organisation, ESG research internal/external, dedicated portfolio management team…) and indicate where this information is available.

All ESG issues are under the remit of our internal Responsible Investing Committee, which is jointly chaired by two executive directors of the firm (including the CIO) and includes six other high level staff such as the Head of Responsible Investing, Head of Compliance, and product specialists. It has responsibility for deciding all ESG policies, and also oversees operational issues relating to the implementation of ESG factors.

Externally, we employ the services of two leading industry research companies in this area; Institutional Shareholders Services (ISS), and MSCI ESG Research Inc. ISS is the leading provider of corporate governance research, proxy advisory and voting services. ISS carry out all stock-specific governance research on our behalf and provide us with voting recommendations, based on criteria discussed at annual review meetings with ISS. MSCI ESG Research provides us with in-depth research, ratings and analysis of the environmental, social and governance-related business practices of companies in which we invest or consider investing and provide an overall quantitative score for each company, taking into account all ESG factors. This research is also used to implement negative ESG/SRI screens.

We do not have a 'dedicated' ESG portfolio management team as we believe that an integrated approach is preferable to having a separate team.

In addition, we are members of or signatories to various industry bodies and initiatives, including the United Nations Principles of Responsible Investing, the US Social Investment Forum (USSIF), the Carbon Disclosure Project, the CDP Water Initiative, the CERES Investors Network, and the UK Stewardship Code. These industry bodies in many cases provide valuable input through peer discussion of relevant issues as well as specific research on certain topics.

This information is available to interested parties via our marketing materials, and in particular our publication, "Our Commitment to Responsible Investing" which is available at this link.
http://www.kbiglobalinvestors.com/responsible-investing/kbi-global-investors-commitment-to-responsible-investing-.1579.html

1d Describe the content, frequency and resources allocated/used by the fund management company to inform investors about the ESG criteria taken into account.

At a firm level, we produce an annual Responsible Investing report where we update our clients on our responsible investing developments and initiatives at the firm, our proxy voting and engagement activities over the year which includes our collaborative engagement activities, which is mainly via our membership in various global Responsible Investing initiatives.

At a portfolio level, we produce a quarterly client report where our Global ESG characteristics, scores and commentary are integrated into our standard client report.

For pooled vehicles, we produce a commentary on our firm's responsible investing developments and initiatives in the Fund's Annual Audited Financial Statements, as well as commentary on the individual ESG strategies.

As noted elsewhere, our website has a Responsible Investing section where various policies and disclosures are available, see http://www.kbiglobalinvestors.com/about-us/responsible-investing.1292.html

The SRI Fund(s)

1e Provide the name of the fund(s) to which this Code applies and its main characteristics.
Describe the main characteristics of the fund(s): geographical focus, asset class, SRI strategy used (use the classification provided by Eurosif/EFAMA).

The name of the fund is the KBI Institutional Global ESG Equity Fund, an open-ended umbrella type Irish Collective Asset-Management Vehicle ("ICAV") with limited liability and segregated liability between Funds registered with and authorised by the Central Bank of Ireland to carry on business as an ICAV, pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act, 2015 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended).

There are a number of share classes with differing currencies and share classes. The ISINs for the various share classes are IE00BD6GBM18 and IE00BD6GBR62.

The inception of this fund was on November 30th 2016.

More detail on each share class including Key Investor Information Documents (KIIDs) is available at this link: http://www.kbiglobalinvestors.com/ucits-key-investor-information-documents-kiids-other-languages/key-investors-information-documents-kiids.467.html

Under the Eurosif classification scheme, we believe that this fund is classified as both Integration of ESG Factors in Financial Analysis and Exclusion of Holdings from Investment Universe.

In summary, our approach uses negative screening and active ownership. We also use positive screening, though not in the same way as most competitors, as we construct a portfolio which has environmental, social and governance ratings which are well above benchmark. Below we explain our approach to each in more detail.

Negative screening: from an exclusionary perspective, we exclude investments in certain controversial activities as determined by our Responsible Investing Committee, e.g. thermal coal, biochemical and nuclear weapons, and we also exclude investments in companies that score the worst overall ESG grade ("CCC") from MSCI ESG Research regardless of sector. We also have the capability to tailor screens on a client by client basis but only on a separate account basis.

Positive screening: environmental considerations are explicitly integrated into our Global ESG Strategy. Our Global Equity Strategies are managed using a systematic investment process and for this purpose we use ESG ratings supplied by MSCI ESG Research, the leading provider of such information, worldwide. We directly integrate ESG scores as one of the key valuation and quality factors we use for stock selection and portfolio construction. We also target a significant minimum of at least one extra unit of ESG relative to the benchmark when optimising our portfolio (i.e. we aim to ensure that the overall ESG 'rating' of the portfolio is substantially above that of the benchmark).

In addition, while our strategy is not deliberately structured to address climate change, we have analysed our portfolios to determine whether they are structured to meet the COP 21 target of an increase of temperatures of no more than two degrees as a result of climate change. Relative to a portfolio designed to be consistent with achieving that goal, our Global ESG portfolio was shown to have a significant overweight to renewable energy (+34%) and underweight in gas production (-51%) and oil production (-52%). Forward looking data concludes that based on current production plans, our portfolio will continue to have well above target exposure to renewable energy out to 2020.

More generally, below we show an example of the preferred characteristics of our portfolio at a point in time. These characteristics are targeted at each optimisation of the portfolio. This is what we want to deliver for our clients and it is the combination of these characteristics at a portfolio level that we strive to achieve.

Global ESG integration

Aims: at least 25% more ESG than the benchmark, & above-benchmark dividend yield, dividend growth, & valuation characteristics

Outcome: better total return, better value & risk, better ESG & better quality & balance sheet

	Global ESG Strategy	MSCI World Index	
Dividend Yield (%)	3.5	2.3	Better Total Return
Dividend Payout (%)	54.7	44.6	
Dividend Growth (%)	10.8	8.3	
Total Payout Yield (%)	4.2	1.8	
ESG Score	7.1	5.6	Better ESG and Lower Carbon
Carbon Emissions	65.9*	124.3*	
P/E	15.7	21.6	Better Value & Risk
Price/Book	3.6	4.2	
Price/Cashflow	11.9	15.4	
Weighted Avg. Mkt. Cap $ (bn)	90.0	119.0	
ROE (realised, %)	22.4	16.0	Better Quality Management & Balance Sheets
ROIC (realised, %)	13.1	10.3	
Net Debt/Equity (%)	33.8	38.1	
Accruals (%)	1.3	1.6	

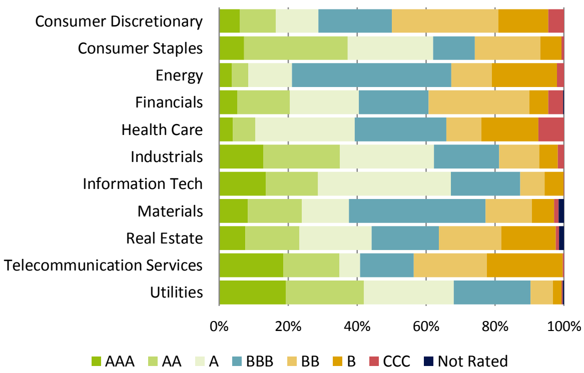
*Source: KBI Global Investors, 31st December 2017 (using representative strategy data). Index data sourced from Datastream. Accruals and ESG scores are for Global ESG Portfolio and MSCI World index. See disclaimers for description of index information. *tCO2e/$m. Based on an investment of $33,753,939. As at 30th September 2017. Carbon data is released annually. Portfolio externally verified by MSCI.*

Furthermore, the chart below shows the very significant impact our process has on the ESG profile of our portfolio versus the market.

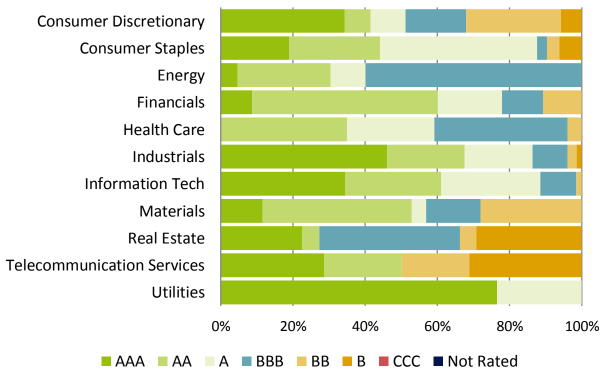
Global Strategy ESG rating distribution

Sector	ESG Score	Portfolio Weight (%)	AAA (%) 8.6-10	AA (%) 7.1-8.6	A (%) 5.7-7.1	BBB (%) 4.3-5.7	BB (%) 2.9-4.3	B (%) 1.4-2.9	CCC (%) 0-1.4	Not Rated (%)
Consumer discretionary	6.4	16.5	5.7	1.2	1.6	2.8	4.3	0.9	0.0	0.0
Consumer staples	7.4	5.5	1.0	1.4	2.4	0.2	0.2	0.3	0.0	0.0
Energy	6.1	6.9	0.3	1.8	0.7	4.1	0.0	0.0	0.0	0.0
Financials	7.2	20.8	1.8	10.7	3.7	2.4	2.2	0.0	0.0	0.0
Health care	6.5	6.2	0.0	2.2	1.5	2.3	0.2	0.0	0.0	0.0
Industrials	8.0	10.8	5.0	2.3	2.0	1.0	0.3	0.2	0.0	0.0
Information technology	8.1	19.6	6.8	5.2	5.4	1.9	0.3	0.0	0.0	0.0
Materials	6.6	4.8	0.6	2.0	0.2	0.7	1.3	0.0	0.0	0.0
Real estate	5.2	3.8	0.9	0.2	0.0	1.5	0.2	1.1	0.0	0.0
Telecommunication services	6.1	3.8	1.1	0.8	0.0	0.0	0.7	1.2	0.0	0.0
Utilities	8.8	1.3	1.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0

Index ESG Ratings within Sectors



Strategy ESG Rating within Sectors



Source: MSCI ESG Research and KBI Global Investors, as at 15th January 2018. Index MSCI World. See disclaimers for description of index information.

We believe that a better ESG score is crucially important to achieving a stable return pattern and building a durable and robust portfolio that can withstand shocks and changes to the economic environment. Companies that manage the ESG risks are more likely to be able to sustain their dividends and less likely to lose valuation (all other things being equal)

Active Ownership: the firm has a strong commitment to Active Ownership, and our policy is to vote all securities that we are entitled to vote on behalf of our client portfolios. A Proxy Voting Policy is in place and is reviewed once a year. We employ the services of Institutional Shareholder Services (ISS), the leading provider of proxy voting services, who provide voting recommendations to us based on a pre-agreed set of principles. Those principles are formulated to align our corporate governance philosophies and investment objectives with our proxy voting activities. The RI committee formally reviews the Policy annually. We disclose our full proxy voting record on our website with details of all votes.

Recommendations are made using ESG risk indicators to identify moderate to severe ESG risk factors at public companies, and holding culpable board members accountable for failure to sufficiently oversee, manage, or guard against material ESG risks. Those risk indicators cover several topics including the environment, human rights and impacts of business activities on local communities, labour rights and supply chain risks, consumer product safety, bribery and corruption, and governance and risk oversight failures. The guidelines are generally supportive of shareholder proposals that promote greater disclosure and transparency with regard to corporate environmental and social policies, and reporting on sustainable business practices.

It invests in both Developed and Emerging Market securities.

Vehicles available include separately managed accounts and a UCITS fund.

1f What is this fund trying to achieve through taking into account ESG criteria?

• For instance, financing a specific sector, reducing risks, support better CSR practices, develop new value creation opportunities, other objectives.

• If part of the fund(s) assets is invested in unlisted organisations with high social, community or impact investing relevance, please specify.

The fund takes ESG criteria into account in order to generate superior financial performance. We believe that excluding investments with very poor ESG credentials, and favouring investments with good ESG credentials, will enhance risk-adjusted returns over the long-term. This is because we believe that companies with strong governance and whose products and services enhance social or environmental goals should meaningfully outperform. Such companies are more likely to have long, durable, sustainable business models. Or to put it in more technical terms, when using a discounted cash flow valuation calculation, the assumptions behind the terminal value calculation are more likely to be robust.

This in turn contributes to the overall objectives of the fund which are to:

- Outperform the benchmark with less risk
- Achieve above-average ESG-rated portfolio
- Generally avoid sectors and business activities which are precluded by *US Conference of Catholic Bishops* guidelines
- Avoid companies with lowest ESG scores

Section 2. Approach to ESG Evaluation of Companies

2a What fundamental principles underlie the ESG research methodology?
Describe the principles, standards or norms on which the ESG analysis is based for each of the environmental, social/societal and governance dimensions. Include brief comments about how stakeholders are consulted, as appropriate.

We do not believe that ESG investing is a static process. In contrast, it constantly evolves to take account of changing investor preferences, and societal norms. We are continuously striving to enhance our ESG policies, practices and products and we expect change to continue to be a constant feature of ESG investing in the years ahead.

In general, ESG can be incorporated into the investment process in three ways. *Screening* involves excluding stocks that 'fail' ESG criteria. A *Thematic* ESG approach means investing in certain industries or sectors that have strong ESG credentials throughout the sector. *Integration* is where ESG information about a company is directly built into the investment process. Our Global ESG strategy uses both screening and integration ESG investment methods, and so our ESG research process is an absolutely integral part of the investment process.

Our fundamental belief/principle is that companies with good governance and whose products and services enhance social or environmental goals are likely to materially outperform. This directly benefits investors while also producing gains for society and the environment.

When conducting ESG research, at the highest level we are seeking to answer the questions below.

Governance: does the board of the company sufficiently represent the interests of shareholders, particularly minority shareholders? If not, can it be changed?

Environmental and Social: do the company's products enhance society's environmental and/or social/sustainable goals?

These are of course broad principles, and each question can be and is broken down into more elements, but these are the fundamental principles that underlie our ESG research.

Stakeholder consultation, given our relatively small size as investors, is generally carried out via our membership of various Responsible Investing organisations and initiatives. We are signatories to the UN Principles for Responsible Investing (since 2008), and members of organisations such as the Institutional Investors Group on Climate Change, the US Social Investment Forum, the Investor Network on Climate Risk (part of CERES), and CDP (formerly the Carbon Disclosure Project). Through our involvement in these groups, including involvement in project groups and steering committees, we liaise with civil society in various ways on many policy issues.

More detail on our approach to Responsible Investing is available at http://www.kbiglobalinvestors.com/responsible-investing/kbi-global-investors-commitment-to-responsible-investing-.1579.html

2b What internal and external resources are used to carry out this research?
Describe the general information used to carry out the ESG research: internal analysis, ESG rating agencies, other external sources of information.

We do not have a 'dedicated' ESG portfolio management team as we believe that an integrated approach is preferable to having a separate team.

Externally, we employ the services of two leading industry research companies in this area; Institutional Shareholders Services (ISS), and MSCI ESG Research.

MSCI ESG Research provides us with in-depth research, ratings and analysis of the environmental, social and governance-related business practices of all companies in which we invest or consider investing and provide an overall quantitative score for each company, taking into account all ESG factors. This research is also used to exclude companies from our portfolios where those companies are involved with certain controversial sectors. MSCI ESG Research is the leading provider of ESG ratings, worldwide, and has excellent coverage, providing a rating for every stock in the MSCI World and MSCI Emerging Market indices. It also has an extremely comprehensive database of relevant data, and a large team of specialised analysts.

Note that our firm has recently been majority-acquired by Amundi, which has significant ESG research resources.

2c Which ESG analysis criteria are used?
Indicate what the main criteria for each of the environmental, social/societal and governance dimensions are. Specify if these criteria differ according to sectors, the geographical zones, the type of company,… If appropriate, provide an example.

Please see 2d which gives a detailed description of the criteria and analysis.

2d What is your ESG analysis and evaluation methodology (how the investment universe is built, rating system…)?

Describe the ESG evaluation/rating system and how it is built by explaining how the various ESG criteria are articulated. If appropriate, provide an example.

We use the evaluation process and rating system developed by MSCI ESG Research.

We do this because we need a process which:

- is standardised across industries, i.e. allows a fair comparison of the ESG rating of one company with another, even where the companies operate in entirely different industries,
- takes into account not only the ESG risks that companies face, but also the mitigation measures that management has put in place to manage those risks, and
- considers the *materiality* of ESG risks.

We believe that the service provided by MSCI ESG Research comprehensively addresses all three considerations above.

We directly integrate these ESG scores as one of the key valuation and quality factors we use for stock selection and portfolio construction. We do this in two main ways:

1. We exclude from the portfolio all stocks which have the lowest ["CCC"] ESG rating
2. We construct the portfolio (using an optimisation process) with the aim of ensuring that the portfolio as a whole has a weighted average ESG rating which is a significant minimum of at least one extra unit of ESG relative to the benchmark (i.e. we aim to ensure that the overall ESG 'rating' of the portfolio is substantially above that of the benchmark).

Rating Methodology

MSCI ESG Research provides us with in-depth research, ratings and analysis of the Environmental, Social and Governance (ESG) related business practices of companies in which we invest or consider investing and provide an overall quantitative score for each company, taking into account all ESG factors. This research is an important input to our investment process and is directly integrated into our Global Equity investment process. It is also used to exclude companies from our portfolios where those companies are involved with certain controversial activities, either at client request or arising from a policy decision by our firm.

MSCI ESG Research focuses its research on the intersection between a company's core business and the industry issues that can create material risks and opportunities for the company. Companies are rated on an AAA-CCC scale relative to the standards and performance of their industry peers. Data is collected from company disclosures, and academic, government and NGO datasets. Moreover, companies are invited to participate in a formal data verification process.

We choose to collaborate with MSCI ESG Research because their philosophy and approach complements as well as enhances our investment process. We see MSCI ESG Research as being particularly strong in risk assessment and mitigation analysis, and on the full range of broad ESG issues, not just Governance.

MSCI ESG Research calculates each company's exposure to key ESG risks based on a granular breakdown of a company's business: its core product or business segments, the locations of its assets or revenues, and other relevant measures such as outsourced production.

The analysis then takes into account the extent to which a company has developed robust strategies and demonstrated a strong track record of performance in managing its specific level of risks or opportunities.

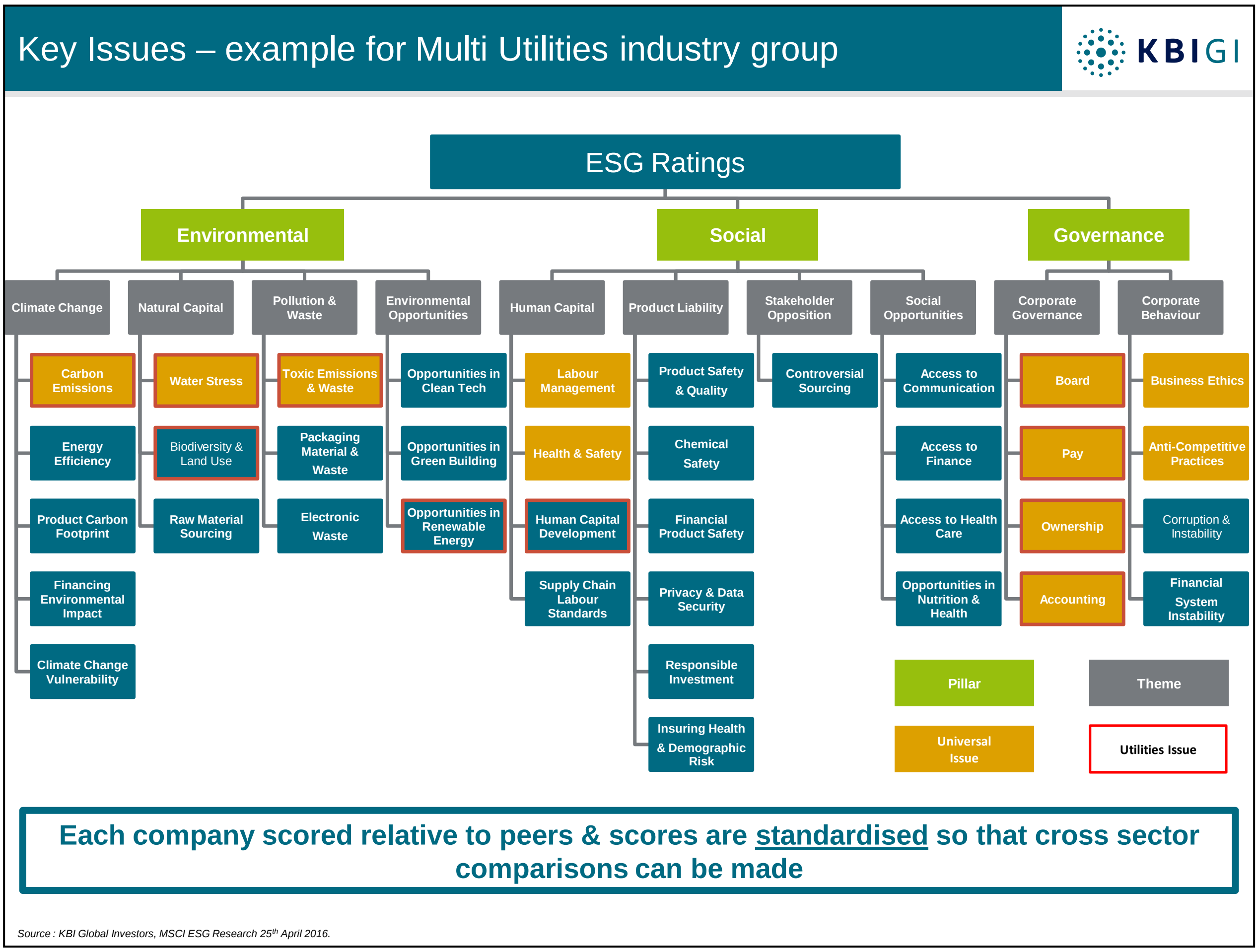
Companies are monitored on a systematic and ongoing basis, including daily monitoring of controversies and governance events. New information is reflected in research reports on a weekly basis and formal in-depth quality review processes take place at each stage of analysis.

MSCI ESG Research Ratings research aims to answer the following questions:

- Of the negative externalities that companies in an industry generate, which issues may turn into unanticipated costs for companies in the medium to long term?

- Conversely, which ESG issues affecting an industry may turn into opportunities for companies in the medium to long term?

Each industry group is reviewed in the context of the 37 factors with a view to tailoring the approach to each industry group based on the significance of the factor to that industry group. Below is an example of the Mining sector with the factors chosen boxed in red. These are the factors that have most significance to mining (other than Governance criteria as those are of course relevant to all industries) and therefore are the factors used when calculating all Mining company ESG ratings.



It is important to note that the choice of factors used for each industry group is not subjective, but is as a result of which industry groups are most affected by which controversies or issues. For example, Health and Safety will be included as a relevant factor for industry groups where the data shows the highest number of fatalities or enforcement actions by regulators, carbon emissions will be included for sectors which have the highest recorded emissions, etc.

Importantly, MSCI ESG Research standardise their ESG ratings across industry groups, so that (as a general rule) it is possible to compare the ESG rating of companies from different industry groups, because all companies are rated *relative to their peers.*

2e How frequently is the ESG evaluation reviewed?

Please briefly explain the methodology update process and who is involved. If appropriate, explain if the methodology has changed in the past 12 months and the nature of the key changes.

All ESG issues, including the ESG evaluation of securities, are the responsibility of the firm's Responsible Investing Committee, which is a high-level group with representation from across the business, and with three of the firm's five executive directors, two of whom co-chair the committee. This committee meets monthly and reviews all policies at least annually. ESG is a fast-evolving field, where continuous learning is the norm, and in practice our policies are usually amended at the time of review.

In the case of the ESG evaluation of securities, the investment team is also closely involved in the review, led by the firm's Chief Investment Officer and the Head of Responsible Investing (who is part of the investment team). Specific proposals for amendments may come – at the time of the formal annual review or at any regular monthly meeting - from individual members of the Responsible Investment committee on their own initiative, or from individual investment team members who believe that the process could be improved in certain ways based on their detailed knowledge of, and involvement with, the process, or from the CIO after discussion with the investment team. In any case, the Responsible Investment Committee has final responsibility for the development of the process. Changes may be made because they are expected to improve the investment outcome per se, or because of technological, policy or other developments in civil society which require responsible investors to adapt accordingly. For example, revelations with regard to aggressive tax planning by multinational corporations, or organised attempts by some auto manufacturers to distort emissions data, could lead us to review how best to integrate data on these issues into our investment process.

Within the past 12 months there have been minor changes to the process but no significant changes.

Section 3. Fund Management

3a How do you take into account ESG criteria when defining the universe of eligible investments?
If appropriate, describe the eligibility threshold and the resulting level of selectivity.

In summary, our approach uses negative and positive screening to define the universe (though we use positive screening not in the same way as most competitors, because we construct a portfolio which has environmental, social and governance ratings which are well above benchmark). Below we explain our approach to each in more detail.

Negative screening: from an exclusionary perspective, we exclude investments in certain controversial activities as determined by our Responsible Investing Committee, i.e. tobacco production, weapons manufacturing, involvement with abortion or contraception, adult entertainment, predatory lenders, certain stem cell research, gambling, animal testing for non-pharmaceutical purposes, improper promotion of breast milk substitutes, and thermal coal ownership, and we also exclude investments in companies that score the worst overall ESG grade ("CCC") from MSCI ESG Research regardless of sector.

Positive screening: environmental considerations are explicitly integrated into our Global ESG Strategy. Our Global Equity Strategies are managed using a systematic investment process and for this purpose we use ESG ratings supplied by MSCI ESG Research, the leading provider of such information, worldwide. We directly integrate ESG scores as one of the key valuation and quality factors we use for stock selection and portfolio construction. We also target a significant minimum of at least one extra unit of ESG relative to the benchmark when optimising our portfolio (i.e. we aim to ensure that the overall ESG 'rating' of the portfolio is substantially above that of the benchmark).

3b How do you take ESG criteria into account into the portfolio construction?
Describe how you link ESG selection with the financial analysis or with portfolio management.
More precisely, describe how the results of the analysis of each of the dimensions (E, S and G) are integrated into the investment / divestment process. If applicable, state where you provide information on divestments occurred in the past year on the basis of ESG criteria? If appropriate, explain how potential ESG weightings are defined and describe your treatment of companies that are not subjected to an ESG analysis.

ESG is hardwired into our portfolio construction through the application of a minimum excess rule of 25% greater than the benchmark as measured by MSCI IVA scores. From a stock selection perspective ESG (in the form of the IVA score provided by MSCI ESG Research) is one of our preferred financial characteristics and ALL stocks in our universe are measured on this basis, in tandem with our other preferred criteria (shown in the table below). Stocks are selected on the basis of how well they contribute to the combination of these characteristics at the overall portfolio level. The weights (or tilts) to each of these financial characteristics (including ESG) are then managed by the investment team during the portfolio optimisation. So the exact weights will be determined by the portfolio optimisation process. This is a combination of (1) the risk parameters used by the team (2) the desired characteristic tilts being targeted by the team (3) the stock universe and stock data that the team feeds into the optimiser. This is an iterative process that can take several attempts, as the team works through what weights/tilts are achievable given the current statistics on offer from the stock universe.

Global ESG integration

Aims: at least 25% more ESG than the benchmark, & above-benchmark dividend yield, dividend growth, & valuation characteristics

Outcome: better total return, better value & risk, better ESG & better quality & balance sheet

	Global ESG Strategy	MSCI World Index	
Dividend Yield (%)	3.5	2.3	Better Total Return
Dividend Payout (%)	54.7	44.6	
Dividend Growth (%)	10.8	8.3	
Total Payout Yield (%)	4.2	1.8	
ESG Score	7.1	5.6	Better ESG and Lower Carbon
Carbon Emissions	65.9*	124.3*	
P/E	15.7	21.6	Better Value & Risk
Price/Book	3.6	4.2	
Price/Cashflow	11.9	15.4	
Weighted Avg. Mkt. Cap $ (bn)	90.0	119.0	
ROE (realised, %)	22.4	16.0	Better Quality Management & Balance Sheets
ROIC (realised, %)	13.1	10.3	
Net Debt/Equity (%)	33.8	38.1	
Accruals (%)	1.3	1.6	

*Source: KBI Global Investors, 31st December 2017 (using representative strategy data). Index data sourced from Datastream. Accruals and ESG scores are for Global ESG Portfolio and MSCI World index. See disclaimers for description of index information. *tCO2e/$m. Based on an investment of $33,753,939. As at 30th September 2017. Carbon data is released annually. Portfolio externally verified by MSCI.*

Examples of divestments on the basis of a decline in ESG performance over the last year were:

1) Secom
2) Toyota Tsusho Corporation

3c Does (do) the fund(s) have a specific ESG engagement policy?

Please explain what you mean by engagement. Describe how you select the companies/ themes for engagement activities and the impact on the portfolio management of the fund(s). Who undertakes engagement on behalf of the fund (internal and/or service providers)?

Please see response related to engagement in question 1b.

KBIGI

3d Does (do) the fund(s) have a specific voting policy integrating ESG criteria?

As we have a relatively small number of strategies, and this firm has strong ESG principles that underlie our activity right across the business, we do not have a specific voting policy for this fund. The voting policy for this fund is as per the voting policy for the firm, outlined below and available at this link http://www.kbiglobalinvestors.com/responsible-investing/kbi-global-investors-proxy-voting-policy.1589.html

It is our policy to use proxy voting for all portfolios and for all votes, other than where we are not given this authority by our client, or in countries where voting is impossible or exceptionally difficult for logistical reasons. (For the last calendar quarter at the time of writing, we voted in excess of 98% of all ballots). We have taken the decision to use the services of an outsourced provider, Institutional Shareholder Services (ISS), the leading provider of proxy voting advice and administrative services, to assist us with this activity given their expertise in this area and the resources that they can devote to this issue. ISS make voting recommendations to us, based on a pre-agreed set of policy guidelines which are reviewed annually. We have adopted the "Sustainability" set of voting guidelines, developed specifically to at least meet the UNPRI principles. They have a particular focus on transparency and reporting, and we generally support shareholder initiatives insofar as they request enhanced transparency on ESG issues.

We typically follow the ISS recommendation but the final decision is ours in every case and our Proxy Voting Committee can overrule the ISS recommendation. We report quarterly, on our public website, on proxy voting activity. The report includes a summary of voting activity, such as the percentage of all votes where we voted against management, but also has full details of every ballot voted including the management recommendation and our voting instruction. This report is available at this link: http://www.kbiglobalinvestors.com/_fileupload/Q12016%20KBI%20-%20Voting%20Statistics%20-%20All%20Accounts.pdf

3e Does (do) the fund(s) engage in securities lending activities?

Yes

If yes,

(i) is a policy to recall the securities in place in order to exercise the voting rights ?

(ii) does the counterparty selection process integrate ESG criteria ?

(i) Yes we have a policy which enables the recall of securities in order to exercise voting rights.

(ii) Our counterparty criteria do not currently integrate ESG criteria.

3f Does (do) the fund(s) use derivative instruments?

If yes describe,

(i) their nature

(ii) the objective(s)

(iii) the potential limits in terms of exposure

(iv) if appropriate, their impact on the SRI quality of the fund

We do not use derivative instruments.

3g Is a share of the fund(s) invested in unlisted entities pursuing strong social goals?
If yes, please provide a brief description of the objective(s) of this investment, in no more than one or two sentences.

We do not invest in unlisted entities.

Section 4. Controls and ESG

4a What internal/external control procedures are in place to ensure the compliance of the portfolio with the ESG rules defined in section 3 of this Code?
State who is carrying out the controls, their frequency and within which timeframe the fund(s) have to comply should a breach be detected.

The global equity process is a systematic process. ALL stocks in the universe are screened in a uniform way and we use an optimiser, with predefined portfolio and selection parameters for portfolio construction. So breaches are very unlikely.

Should a breach be detected (i.e. should a security be held in the fund that should not be in it), an instruction to sell the security would be given immediately when the breach is detected and verified, but the timing of the sale of the security could vary somewhat depending on the holding size and liquidity conditions, in investors' best interests. For large-cap liquid holdings we would expect the breach to be rectified in full within a business day, while less liquid holdings could take somewhat longer to sell, in order to minimise adverse market impact.

External assurance:
KBIGI's management of conflicts and voting activities are reviewed periodically as part of the firm's Compliance Monitoring program and will be subject to review by the firm's auditors. A SOC 1 (Type 1) report is prepared annually, and this report encompasses ESG controls, including the design and implementation of the controls, which are reviewed by an Independent Service Auditor. It is also envisaged that our Responsible Investing activity, or significant parts of it, will be reviewed by Internal Audit during 2017, however at time of writing this cannot be confirmed due to our recent change of ownership which means that the Internal Audit Plan for 2017 is under review.

4b Please list all public media and documents used to inform investors about the SRI approach to the fund, and include URLs. This should include a link to the detailed, no more than 6 months old, list of holdings of the fund(s).

- **Prospectus**
  http://www.kbiglobalinvestors.com/europe-products/regulatory-information.462.html
- **(Semi-) Annual report**
  http://www.kbiglobalinvestors.com/europe-products/regulatory-information.462.html
- **Addendums**
- **KIID**
  http://www.kbiglobalinvestors.com/europe-products/regulatory-information.462.html
- **Fund Fact Sheet**
  http://www.kbiglobalinvestors.com/_fileupload/Q32016factsheets/KBI%20Global%20ESG%20EUR%20Q3%2020016%20Factsheet.pdf

- **Dedicated SRI Web page(s) at company / fund level (if applicable)**
  http://www.kbiglobalinvestors.com/about-us/responsible-investing.1292.html
- **Engagement/voting policy/votes (if applicable)**
  http://www.kbiglobalinvestors.com/_fileupload/Q12016%20KBI%20-%20Voting%20Statistics%20-%20All%20Accounts.pdf
  http://www.kbiglobalinvestors.com/responsible-investing/kbi-global-investors-proxy-voting-policy.1589.html
- **Link to Web page of ESG Analysis provider(s) (if applicable)**
  https://www.msci.com/research/esg-research
- **URL to the research findings that are available to investors (if appropriate)**

  https://www.db.com/cr/en/docs/The_Socially_Responsible_Quant.pdf

  http://www.msci.com/resources/research/articles/2013/MSCI%20ESG%20Research%20Insight_Optimizing%20ESG%20Factors%20in%20Portfolio%20Construction%20February%202013.pdf

  http://www.tandfonline.com/doi/pdf/10.1080/20430795.2015.1118917

  http://www.calpers.ca.gov/eip-docs/investments/video-center/view-video/mercer-report-second-decade.pdf

  http://www.reprisk.com/from-the-stockholder-to-the-stakeholder/University of Oxford

- **Detailed fund holdings (no more than 6 months old)**
  Holdings as of 31/12/2016 attached
- **CSR Policy of the Company I (if applicable)**
- **Other (please list):**
  Investment Manager's Responsible Investment Activities in the Audited Financial Statements for the Qualifying Investor Fund
  http://www.kbiglobalinvestors.com/_fileupload/RegulatoryDocuments/KBI%20QIF/KBI%20QIF%20Signed%20FS.pdf

Additional

If applicable, specify what the amount of donations and the percentage of management fees that the fund gave to charities in the last year.

Not applicable.