

COUTTS MANAGED DEFENSIVE FUND

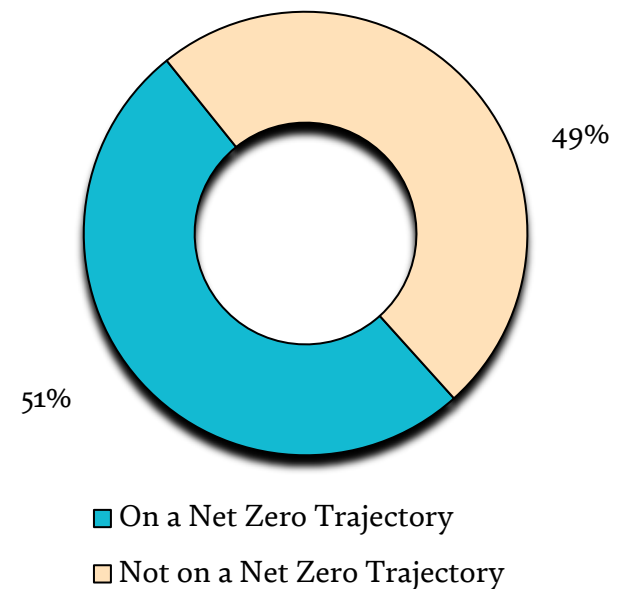
The Investment Manager’s Report on ESG Data Q3 2023

as of 29th September 2023

Responsible Investing is a key pillar of the Investment Manager’s (Coutts & Co.) investment process and embedded into their discretionary managed funds and portfolios. They use their influence as an asset manager to encourage the companies that they are invested in to have strong corporate governance practices and to manage environmental and social risks as these are important drivers to the creation of long-term shareholder value. As a member of the Net Zero Asset Managers Initiative, Coutts Asset Management has an ambition to achieve Net Zero by 2050 or sooner and support the goals of the Paris Agreement to limit global warming to 1.5°C.

Net Zero Trajectory

As part of the Investment Manager’s ambition to achieve net zero across their assets under management they have set targets for the proportion of portfolios that will be on a net zero trajectory. For this proposition they committed that at least 20% of the fund will be on a net zero trajectory.



Exposure Analysis

The fund is managed in line with our ESG Exclusions policy which means the Investment Manager screens out investments that have material exposures to certain business activities. For certain activities, such as tobacco and gambling, exposure is considered material where holdings derive more than a certain percentage of revenue from that activity. These thresholds are detailed in the accompanying glossary. As the ESG exclusions policy doesn’t currently apply to all the fund’s investments, the table below aims to provide transparency on where the top 10 investments still have exposure to certain business activities. Whilst some investments are not subject to the ESG exclusions policy, the Investment Manager actively engages with the external fund managers. It is strongly recommend that you also read the [Investment Managers cautionary note on climate data](#) and [ESG-Related Exclusions Policy](#) which provides helpful context for interpreting and using the data provided in this factsheet.

| Top 10 Investments | Portfolio Weight | UN Global Compact | Human Rights | Labour Rights | Thermal Coal | Controversial Weapons | Nuclear Weapons | Adult Entertainment | Civilian Firearms | Gambling | Tobacco |
|--|------------------|-------------------|--------------|---------------|--------------|-----------------------|-----------------|---------------------|-------------------|----------|---------|
| Coutts US and Canada Enhanced Index Govt Bond - C GBP Dist | 18% | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey |
| Coutts Actively Managed Global Investment Grade Credit GBP -C- | 16% | Orange | Orange | Blue | Blue | Blue | Blue | Blue | Blue | Orange | Orange |
| Coutts Europe Enhanced Index Government Bond -C- GBP | 13% | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey |
| Coutts Japan Enhanced Index Govt Bond Fund - C GBP | 8% | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey | Grey |
| Coutts Actively Managed US Equity Fund | 7% | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Orange |
| Coutts Actively Managed UK Equity | 4% | Orange | Orange | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Orange |
| Federated Hermes Unconstrained Credit GBP-X2- | 4% | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue |
| Vanguard Emerging Market Stock GBP-Ins Plu- | 3% | Orange | Orange | Blue | Blue | Blue | Blue | Blue | Blue | Orange | Orange |
| Blackrock iShares UK Corporate Bond Index GBP-L- | 3% | Orange | Orange | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Orange |
| Twentyfour Corp Bd GBP -I- Inc | 2% | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue | Blue |

■ Exposure
 ■ No Exposure
 ■ No Coverage Available – we do not hold data on this fund and cannot provide an assessment, or the type of securities are not in scope of exclusions.

*Holdings as of 29th September 2023

Signatory of



Key Information

- **Net Zero Trajectory** – The Investment Manager (Coutts & Co) aims to achieve net zero emissions across its assets under management by 2050. To work towards this goal they invest a minimum portion of the fund into investments that are already on a net zero trajectory. The data on the previous page shows the progress they are making towards aligning the fund with the Paris Agreement and limiting global warming to 1.5°C. For further information on the Investment Manager’s approach to net zero and how they categorise their funds please see the [Responsible Investing Policy](#) (pg. 5-6)
- **Exposure Calculations** – The Investment Manager aims to apply exclusion screening to both direct investments and to certain investments in collective investment schemes in order to exclude companies which have a portion of their revenue exposed to, or derived from, certain sectors or activities (for example, controversial weapons, coal, tobacco, and gambling). However some collective investment schemes may not apply the same or similar exclusion screening as the Investment Manager’s exclusions policy. Further, investments that do not satisfy the exclusion list but are deemed suitable for the Fund by the Investment Manager may still be considered for inclusion in the Fund’s portfolio. For further information, visit the [ESG-Related Exclusions Policy](#).
- **UN Global Compact Exposure** – Exposure to companies in violation of the UN Global Compact principles.
- **Human Rights Exposure** – Exposure to companies in violation of international norms around human rights.
- **Fund Labour Norms Exposure** – Exposure to companies in violation of the International Labour Organization’s broader set of labour standards.
- **Thermal Coal Exposure** – Exposure to companies flagged for involvement in thermal coal. This factor identifies companies with a maximum percentage of revenue (either reported or estimated) equal to or more than 10% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.
- **Controversial Weapons Exposure** – Exposure to companies with ties to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- **Nuclear Weapons Exposure** – Exposure to companies with ties to nuclear weapons, including components of nuclear exclusive delivery platforms; nuclear dual-use and intended-use components; nuclear dual-use and exclusive delivery platforms; and nuclear weapons support services and warheads & missiles.
- **Adult Entertainment Exposure** – Exposure to companies flagged for involvement in adult entertainment. This includes adult entertainment producers that derive equal to or more than 5% of revenue and retailers and distributors if the total revenue is equal to or more than 15%.
- **Civilian Firearms Exposure** – Exposure to companies flagged for involvement in civilian firearms. This includes all civilian firearms producers as well as civilian firearms retailers if the revenue is equal to or more than 5%.
- **Gambling Involvement Exposure** – Exposure to companies flagged for involvement in gambling. This includes gambling facility operators that derive equal to or more than 5% of revenue and support products & services if the revenue is equal to or more than 15%.
- **Tobacco Exposure** – Exposure to companies flagged for involvement in tobacco. This includes tobacco producers that derive equal to or more than 5% of revenue and tobacco retailers, suppliers, and distributors if the combined revenue equal to or more than 15%.

Important Information

The following summary must be read in conjunction with the Investment Manager’s [cautionary note on climate data](#).

No Warranty; Limitation of Liability – To the extent permitted by law, the Investment Manager makes no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to the fairness, accuracy, reliability, reasonableness, correctness or completeness of any of the information, opinions or conclusions expressed in this document.

To the extent permitted by law neither the Investment Manager nor any connected company accepts responsibility for any direct or indirect or consequential loss, damage, liability or expense incurred or suffered by you or any other person as a result of your acting, or deciding not to act, in reliance upon this document even if the Investment Manager has been advised of the possibility of such damages.

Financial Promotion – Before investing in any investment fund or other investment product or service, you should review the relevant literature such as the prospectus and the key investor information document. Copies of these are available by clients of the Investment Manager from their Wealth Managers or online at www.coutts.com. Not all products and services offered by the Investment Manager are available in all jurisdictions and some products and services may be made available, performed through, or with the support of, different members of NatWest Group, of which Coutts & Co is a member.

Investments – The value of investments and any income from them, can go down as well as up, and you may not recover the amount of your original investment. There is no guarantee that the investment objective will be achieved. Where an investment involves exposure to a foreign currency, changes in rates of exchange may cause the value of the investment, and the income from it, to go up or down. In the case of some investments, they may be illiquid and there may be no recognised market for them and it may therefore be difficult for you to deal in them or obtain reliable information about their value or the extent of the risks to which they are exposed. Investments in emerging markets are subject to certain special risks, which include, for example, a certain degree of political instability, relatively unpredictable financial market trends and economic growth patterns, a financial market that is still in the development stage and a weak economy

Financial Services Compensation Scheme – The Investment Manager is a member of the Financial Services Compensation Scheme (FSCS) (the “Scheme”). Investment business undertaken with Coutts in the UK may be covered by the FSCS. In respect of investment business, the Scheme covers a claim up to a maximum of £85,000 per person. More details on the types of person and other entities who are or are not covered, and how eligible claims are calculated, can be found on the FSCS website at www.fscs.org.uk.