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

Product name:
FSSA ASEAN All Cap Fund

Legal entity identifier:
5493009FP6QE07BQYA98

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?

●● ☐ **Yes**

●○ ☒ **No**

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

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

- ☐ In economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

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

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

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

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

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

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

The environmental characteristic promoted by the Fund is climate change mitigation, through exclusion of companies with material generating activities linked to thermal coal mining and processing.

The social characteristics promoted by the Fund are the enhancement of better health and human rights, through the exclusions of certain companies with activities linked to tobacco, controversial weapons and gambling.

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

Environmental Indicators	
Fossil fuel exposure	• Number of companies with material exposure to thermal coal defined as revenues from thermal coal mining in excess of 10% monitored on a retrospective rolling 3-year average.
Social Indicators	
Human health and safety	• Number of companies with tobacco production. Revenue tolerance is 0%.
Adverse social impacts	• Number of companies which primarily operate in the gambling industry defined as revenues from gambling in excess of 10% monitored annually. Number of companies involved in the production and distribution of pornography or adult entertainment. Revenue tolerance is 0%. Exposure is monitored thereafter and checked annually.
Human rights	• Number of companies involved in the production or development of cluster munitions, anti-personnel mines, small arms, biological weapons and chemical weapons, depleted uranium and white phosphorus munitions. Revenue tolerance is 0%.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

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



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

☒ ***Yes,*** The Fund considers principal adverse impacts on sustainability factors through the Investment Manager's assessment of each company through its investment process and its consideration of those principal adverse impact indicators set out in the SFDR Regulatory Technical Standards that it believes to be relevant to the company. The Investment Manager uses external data1, where available, and may rely on information directly from the company or its own research and knowledge of the relevant industry to assess those principal adverse impacts. Where material adverse sustainability impacts are identified, the Investment Manager will seek to engage with the company in accordance with the commitments made under its group Responsible Investment and Stewardship Policy and Principles.

The annual report of the Company will include information on how the Fund has considered the principal adverse impacts on sustainability factors in respect of the relevant financial year.

☐ **No,**



What investment strategy does this financial product follow?

The Fund invests primarily (at least 70% of its Net Asset Value) in equity securities or equity-related securities of companies that are, at the time of investment, listed, or have their registered offices in, or conduct a majority of their economic activity in member countries of ASEAN.

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

Companies held by the Fund are subject to ongoing monitoring using the Investment Manager's exclusion policy, threshold limit checks, and bottom-up research performed by the Investment Manager augmented with information from external data providers. The exclusion policy and threshold limits are described in the next section regarding the Fund's binding elements. The bottom-up research consists of fundamental research and analysis based on direct company meetings and which incorporates ESG risk assessments in determining the quality of each company that the Investment Manager invests in.

The Investment Manager believes the relevance of specific ESG issues and factors differs from company-to-company and as such, it does not follow a checklist-style approach to assessing investee companies against a defined set of ESG criteria outside the revenue tolerance thresholds described above.

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

Coal exposure – the Fund will not invest in companies with, at time of initial purchase, a materially large exposure to thermal coal mining and processing where it is a key part of the business. Materiality is defined as companies with revenues in excess of 10% from thermal coal. Initial investments will not be made in companies with revenues in excess of 10% from thermal coal. If subsequent reassessments of an existing investment identify thermal coal revenues in excess of 10% on a retrospective, rolling 3-year average, there will be further engagement with such companies, however the Fund is not obliged to sell the relevant stock and may purchase further stock (e.g., in order to maintain a consistent level of exposure to it in the portfolio). Coal exposure is checked annually by the Investment Manager.

Gambling – the Fund will not invest in companies whose primary business, at time of initial purchase, is gambling. Initial investments will not be made in companies with revenues in excess of 10% from gambling. This applies to companies that own or operate gambling facilities and those that produce gambling products or provide support services to the gambling industry. If subsequent reassessments of an existing investment identify gambling exposure in excess of

1 such as ISS and Sustainalytics, for further information on our sources, please visit our website www.firstsentier.com

10% annually on direct revenues, there will be further engagement with such companies however the Fund is not obliged to sell the relevant stock and may purchase further stock (e.g., in order to maintain a consistent level of exposure to it in the portfolio). Gambling exposure is checked annually by the Investment Manager.

Pornography – the Fund will not invest in companies involved, at time of initial purchase, in the production and distribution of pornography or adult entertainment, with an effective 0% revenue threshold. This applies to companies that are involved in the production or distribution or own any product categories of pornographic or adult entertainment content. Existing companies held by the Fund are screened initially and exposure is checked annually thereafter by the Investment Manager. Should a subsequent analysis by the Investment Manager identify a revenue exposure to the contrary then an orderly sale of such investments will be initiated with a reasonable timeframe.

Tobacco – the Fund will not invest in companies involved in, at time of initial purchase, the production of traditional cigarettes and other tobacco products (including cigars and chewing tobacco), with an effective 0% revenue from production threshold. This applies to companies that own more than a 50% interest in entities that derive any revenue directly from the manufacture of tobacco products. Companies are screened initially and monitored throughout the year by the Investment Manager. Should a subsequent analysis by the Investment Manager identify a revenue exposure to the contrary then an orderly sale of such investments will be initiated with a reasonable timeframe.

Controversial weapons – the Fund will not invest in companies that are involved, at time of initial purchase, in the production or development of cluster munitions, anti-personnel mines, small arms, biological and chemical weapons, depleted uranium, white phosphorus munitions and nuclear weapons produced in support of the nuclear weapons programs of non-nuclear weapon State Parties and non-signatories to the Treaty on the Non-Proliferation of Nuclear Weapons. This applies to all companies that manufacture controversial weapons and entities that own more than 50% of controversial weapons manufacturers, with an effective 0% revenue threshold. Companies are screened initially and monitored throughout the year by the Investment Manager. Should a subsequent analysis by the Investment Manager identify a revenue exposure to the contrary then an orderly sale of such investments will be initiated with a reasonable timeframe.

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

  The Fund has no committed minimum rate by which the scope of investments are reduced prior to applying the Fund's investment strategy.

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

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

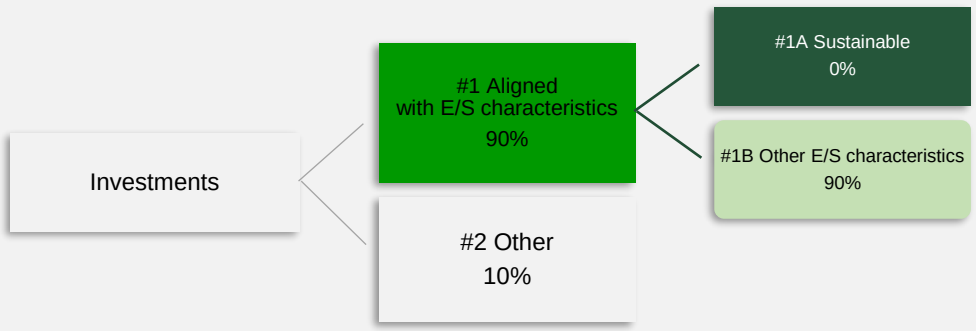
  The Investment Manager assesses and monitors investee companies relevant ESG risks including corporate governance risks, practices and issues as outlined in its Responsible Investment and Stewardship Policy. The Investment Manager adopts a principles-based assessment of good corporate governance practices which is guided by four governance pillars - Accountability, Independence, Transparency and Stewardship. Each pillar is described in the Responsible Investment and Stewardship Principles adopted by the Investment Manager's corporate group and are aligned with the broader stewardship approach taken by the Investment Manager. Assessment of good governance may include, for example, taking into account indicators such as ownership profile, board structure, board independence, and remuneration of staff. Where the Investment Manager is in a position to engage with a company's management and board, they will endeavour to do so with a view to making clear any expectations or preferences for improvements in the company's corporate governance practices.

Asset allocation describes the share of investments in specific assets.

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

What is the asset allocation planned for this financial product?

At least 90% of the Fund's assets are aligned with the environmental and social characteristics promoted by the Fund and the Fund may also invest up to 10% of its assets in cash and near-cash assets.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
The Subcategory **#1A Sustainable** covers sustainable investments with environmental or social objectives
The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

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

  The Fund may only use derivatives for purposes of hedging and efficient portfolio management. It is not intended that the Fund will use derivatives to attain the environmental or social characteristics promoted by the Fund.

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

    ☐Yes

    ☐In fossil gas ☐ In nuclear energy

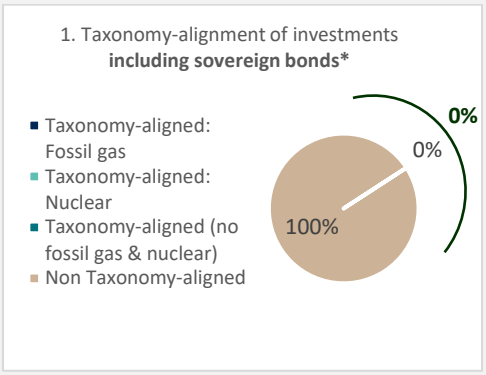
    ☒No

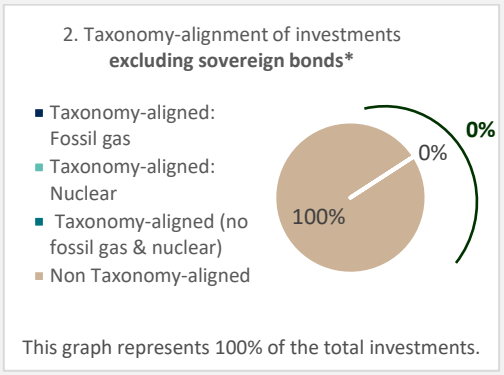
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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

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





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

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

The Fund will not seek to make any sustainable investments . Accordingly, there is no minimum share of investments in transitional and enabling activities.

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

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

The Fund will not seek to make any sustainable investments. Accordingly, there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund will not seek to make any sustainable investments. Accordingly, there is no minimum share of socially sustainable investments.

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

The "#2 Other" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Due to the nature of these assets, no minimum environmental or social safeguards are applied.

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

No specific index is designated as a reference benchmark to determine whether the Fund is aligned with the environmental and/or social characteristics promoted.

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

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

  Not applicable.

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

  Not applicable.

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

  Not applicable.

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

  Not applicable

Where can I find more product specific information online?

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

https://www.firstsentierinvestors.com/uk/en/institutional/responsible-investing/regulatory-disclosures.html