Product name:
Stewart Investors Worldwide Leaders Fund

Legal entity identifier:
5493003C0PDCQZH4VL30

Sustainable investment objective

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.

Does this financial product have a sustainable investment objective?

●● ☒ **Yes**	●○ ☐ **No**
☒ It will make a minimum of **sustainable investments with an environmental objective: 40%**	☐ 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
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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.	☐ With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ With a social objective
☒ It will make a minimum of **sustainable investments with a social objective: 90%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

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.

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

What is the sustainable investment objective of this financial product?

The sustainable objective of the Fund is to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental sustainable outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes.

To achieve the sustainable objective each investment will be assessed for and meet the Investment Manager's sustainability assessment criteria as defined in the investment policy.

Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars, by reference to, amongst other things, the UN Human Development Index. The pillars are described in more detail in response to the sustainability indicators question below.

Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching drawdown – i.e., the point in the future when emissions stop increasing and start to steadily decline. The solutions are described in more detail in response to the sustainability indicators question below.

- ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

Sustainability frameworks

The Investment Manager seeks to identify and invest in companies which it believes has prospects of long-term positive financial returns and also contribute to, and benefit from, sustainable development. The Investment Manager considers that a company contributes to, and benefits from, sustainable development if its activities lead to positive social outcomes (as defined below) and may also contribute to positive environmental outcomes (as defined below).

The contribution of the Funds' investments to the social and environmental outcomes are assessed by reference to two framework indicators – Stewart Investors' human development pillars and Project Drawdown's climate solutions.

In assessing whether a company 'contributes to, and benefits from' sustainable development, Stewart Investors will consider whether:

- there is either a direct[1] or enabling[2] link between the activities of the company and the achievement of a positive social or environmental outcome;
- the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture e.g. for equity and diversity; and
- the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes (e.g., a company that sells affordable nutritious food products in plastic packaging, but is investigating alternative packaging options).

Positive social outcomes

The Investment Manager will only invest in a company if Stewart Investors believe its activities lead to a positive social outcome.

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars, by reference to, amongst other things, the UN Human Development Index.

- Health and well-being – improved access to and affordability of nutrition, healthcare and hygiene, water and sanitation.
- Physical infrastructure – improved access to and affordability of energy and housing.
- Economic welfare – safe employment offering a living wage and opportunities for advancement, access to finance and improved standards of living.
- Opportunity and empowerment – improved access to and affordability of education and information technology.

Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown[3], a non-profit organisation that has mapped, measured and modelled over 90 different climate solutions that it believes will contribute to reaching 'drawdown', i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of climate solutions together with corresponding examples the Investment Manager believes lead to positive environmental outcomes:

1. Food system: Sustainable farming, food production and distribution of food-related products and services

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2. Energy: adoption of renewable energy and other clean energy and related technologies
3. Circular economy and industries: improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes
4. Human development: Advancement of human rights and education that drive environmental conservation and sustainable use of resources
5. Transport: efficient transport technologies and growth in fossil fuel free transportation options
6. Buildings: products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials.
7. Water: less energy intensive methods for treating, transporting and heating water.
8. Conservation and restoration: supporting deforestation free and environmentally regenerative supply chains, operations and end of life impacts.

Not every company will necessarily map to an environmental solution.

There is no set weighting given to the quality indicators, human development pillars or climate solutions as part of the respective quality of sustainability assessments, as the relevance of each will vary on a company-by-company basis according to the relevant company's business model, industry, and/or geography and, in some cases, a given factor may not be materially relevant and therefore may not be assessed in full.

Further information about the contributions investee companies are making to sustainable development is available on the Investment Manager's website and Portfolio Explorer tool.

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 sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold. In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website – https://www.stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services.html

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

Adverse impact indicators, relevant to each Fund investee company, are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Sustainability Indicators (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, Stewart Investors will not invest or will exit the Funds' position in the company in an orderly manner having regard to the best interest of investors (as applicable).

Additionally, the Investment Manager will also include product level data on PAI indicators in the Fund's SFDR periodic reports.

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

The Investment Manager continually monitors the companies owned to understand any changes to their strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider these as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

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

☒ ***Yes,*** Principal adverse impacts on sustainability factors, relevant to each Fund investee company, are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to company quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

The Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

This information is incorporated into the Investment Manager's company analysis, team discussion and engagement programme.

☐ **No,**

What investment strategy does this financial product follow?

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

The Investment Manager's investment strategy is founded on the principle of stewardship. Stewardship relates to the ability and desire of the owners and leaders of companies to make good long-term decisions on behalf of the businesses they run while effectively and ethically balancing the interest of all stakeholders. The Investment Manager takes a bottom-up (i.e. analysing individual companies rather than countries or sectors) and qualitative approach to finding and investing in companies which it believes are both of (a) good quality and (b) contribute to, and benefit from, sustainable development on the basis that its activities facilitate or encourage the realisation of positive social or environmental outcomes.

The Investment Manager has a strong conviction that such companies face fewer risks and are better placed to deliver positive long-term, risk-adjusted returns (i.e. investment returns that take into account the associated risk taken in making them). The Investment Manager believes that this approach will help to preserve client capital in volatile and falling markets allowing for the steady compounding of returns through economic cycles.

The Investment Manager does not set quantitative thresholds for incorporating sustainability or ESG considerations, but rather evaluates a company's track record and business model against quality and sustainability frameworks and makes qualitative judgements.

The hallmarks of the investment strategy are an exclusive focus on companies that contribute to, and benefit from, sustainable development; a research-driven, fundamental, bottom-up approach to the selection and ongoing analysis of investments; a focus on the quality and sustainability attributes of every company; a focus on company stewardship and sound governance; a long-term investment horizon; and a commitment to engagement in order to address sustainability concerns and issues.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The Investment Manager assesses every company it is considering for investment in terms of its contribution to sustainable development, and will only invest in companies that are contributing positively to sustainable development. The Investment Manager does not set quantitative thresholds in these areas, but rather looks for evidence based on the company's track record, business model and by reference to credible sustainable development frameworks.

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

The Investment Manager undertakes analysis of corporate governance practices, both at a boardroom level and in operational execution, as an essential part of the investment philosophy, strategy and process – from idea generation and research through to position sizing and engagement. The analysis focuses on whether company culture, ownership and incentives combine to create a governance approach which balances the interests of all stakeholders – labour, the environment, suppliers, local communities, customers and shareholders.

Areas of focus may include but are not limited to, independence and diversity of Board directors, remuneration structures, staff turnover rates, management longevity, supplier terms like accounts payable days, capital allocation policies and practices, tax policies and practices, and whether companies behave in ways that are more than adequate for them to retain their social license to operate.

Alongside desk research, conversations and meetings take place with company owners, leaders and independent directors in order to build conviction in investee companies' governance practices. Bespoke and independent research is commissioned on sustainability topics – ranging from hazardous chemicals in paint production to conflict minerals in electronics supply chains – in order to understand how companies are living up to their social and environmental responsibilities.

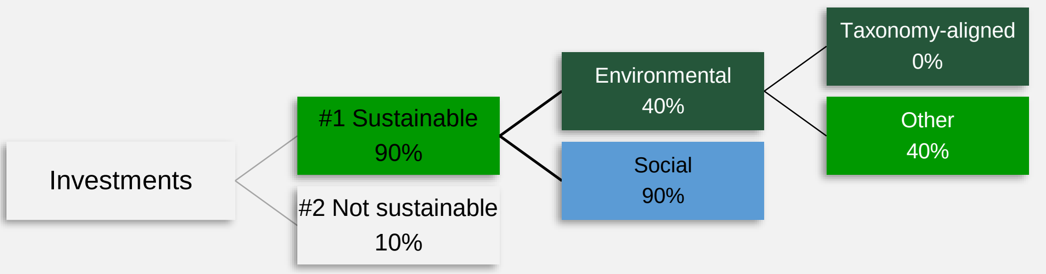
Analysis performed quarterly by third-party data providers is used to assess and monitor whether investee companies comply with standards around governance best practice, global norms and controversies, and to gauge whether companies meet expectations in relation to governance.

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

What is the asset allocation and the minimum share of sustainable investments?

The Fund invests primarily (at least 90% of its Net Asset Value) in companies that are positioned to contribute to, and benefit from, sustainable development.

Asset allocation describes the share of investments in specific assets.



#1 Sustainable covers sustainable investments with environmental or social objectives.
#2 Not sustainable includes investments which do not qualify as sustainable investments.

- ***How does the use of derivatives attain the sustainable investment objective?***

The Fund may only use derivatives for purposes of hedging and efficient portfolio management. It is not intended that the Fund will use derivatives for investment purposes.

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

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.

☐Yes

☐In fossil gas ☐ In nuclear energy

☒No

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

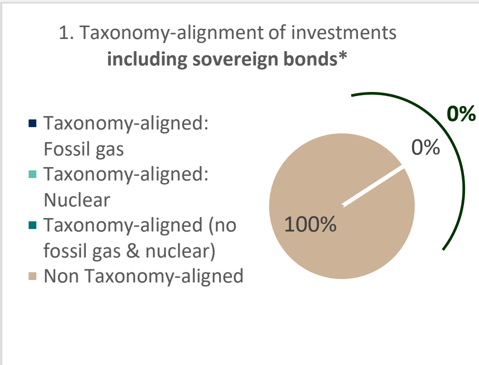
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

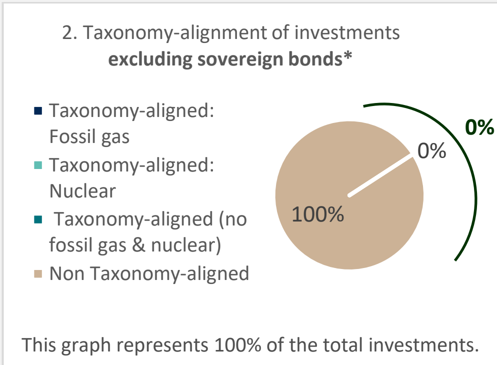
To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund does not explicitly seek to invest to a minimum extent in EU Taxonomy aligned assets.

Compliance with the requirements of the EU Taxonomy to determine alignment is not subject to an assurance provided by an auditor or reviewed by a third party. Disclosure of EU Taxonomy alignment is based on data received from a third-party provider. The degree of alignment with the EU Taxonomy is measured by turnover.

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 does not explicitly seek to invest to a minimum extent in EU Taxonomy aligned assets, and therefore the minimum share of investments in transitional and enabling activities is 0%.

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?

Each of the Fund's investments lead to positive social outcomes and may also contribute to environmental outcomes. Companies are selected for portfolio inclusion based on bottom-up analysis. The Fund will have a minimum proportion of 40% of sustainable investments with an environmental objective.
The Fund does not actively target EU Taxonomy aligned assets therefore the minimum amount can be zero.

What is the minimum share of sustainable investments with a social objective?

Each of the Fund's investments lead to positive social outcomes and may also contribute to environmental outcomes. Each investee company must be contributing in a tangible way to at least one of the Investment Manager's human development pillars described above such that at least 90% of the investments are aligned with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

The “#2 Not sustainable” 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. Cash is held by the depositary.
The Fund’s service providers for these assets are reviewed and assessed for compliance with FSI’s modern slavery policy.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

A sustainable benchmark has not been designated to compare the performance for this Fund.

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

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  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.stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer.html

https://www.stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services.html