

Close Sustainable Select Fixed Income Fund

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Sustainability Approach

The Close Sustainable Select Fixed Income Fund aims to generate income while maintaining its capital over the medium term. The Fund also seeks to maintain a weighted average carbon intensity (tonnes of Scope 1 and 2 CO₂e per US\$m of revenue) below a benchmark of the ICE BofA Global Corporate Index, targeting a level 50% below this benchmark by 2030 from 2019 baseline, and net zero by emissions by 2050.

Sustainable investment labels help investors find products that have a specific sustainability goal. This fund does not have a UK sustainable investment label. The fund is currently going through the FCA approval process to obtain a sustainable investment label.

Responsible Investment Process

- 1 Research**
Reviewing ESG factors in our investment research can provide a more holistic view, from which the sustainable case may be considered
- 2 Screening**
Screening allows for the identification and possible exclusion of any companies from investment which may be deemed harmful to society or the environment
- 3 Carbon Emissions**
Evaluating the carbon emissions of companies supports the creation of portfolios that contribute to our lower emissions and net zero objectives
- 4 Engagement**
Using our influence as investors to encourage change and more sustainable practices within companies where appropriate

The Investment Adviser evaluates a range of environmental and social factors, such as carbon emission targets, supply chain practices, and the impact of products and services on challenges like climate change, education, and healthcare. Instead of adhering to a single sustainability theme, the focus is on what is most relevant to each company and its stakeholders. Engagement with company management is pursued to drive positive change or enhance sustainability insights when material. Screening criteria apply to corporate bond issuers, while other investments (e.g., collective schemes and government bonds) are assessed to ensure alignment with the Fund's sustainable objective.

Avoiding Environmental and Social Harm

The Sustainable Select Fixed Income Fund employs inclusion and exclusion criteria to ensure alignment with sustainability objectives. The fund excludes companies that derive more than 10% of their revenues from the following sectors.



Thermal
Coal



Tobacco
Manufacture



Gambling



Adult
Entertainment



Controversial
Weapons



Civilian
Firearms

Additionally, companies in violation of the UN Global Compact principles or responsible for significant environmental harm are excluded. Companies no longer meeting these criteria are divested within 90 days.

Sustainability Metrics and Progress

Sustainability is measured using the carbon intensity compared to the relevant benchmark. Carbon intensity is the volume of carbon emissions (tons) per million dollars of revenue. Weighted Average Carbon Intensity (WACI) measures a portfolio's exposure to carbon intensive companies. Calculating a portfolio's WACI is achieved by calculating the carbon intensity (scope 1 and 2 emissions/\$M Sales) for each portfolio company and calculating the weighted average by portfolio weight. Carbon Intensity of the fund against the relevant benchmarks is presented below.

Carbon Intensity against Fixed Income Benchmark

	Fund	ICE BofA Global Corporate Index 31/10/2024	ICE BofA Global Corporate Index 31/12/2019
Intensity*	59.94	214.32	318.00

*Data as at 31/10/2024

Risks

In addition to financially material sustainability risks that can impact any investment, the financial return of the Fund may be affected by the constrained investable universe created by our screens and demanding carbon intensity thresholds for inclusion in the fund.

Useful Links: [Further fund information](#) | [TCFD Product Report](#) | [TCFD Entity Report](#)