

# Water Fund

**High Risk**



**SFDR Classification:  
Article 8 Fund**

## Fund Objective

Bank of Ireland Life's fund invests in the KBI Water Fund (the Fund). This Fund aims to generate long-term capital growth by investing in a range of water infrastructure, water technology and utility water companies.

## Fund Facts

- ▶ **Asset Mix\*:** Equities.
- ▶ **Underlying Fund Managed By:** KBI Global Investors Limited.
- ▶ **Key Fund Risks:** Market risk, single asset class risk, sector risk & currency risk.
- ▶ **Recommended Investment Time Frame:** Medium to long-term (at least 5-7 years).
- ▶ **Risk Rating:** High Risk



The above risk categories have been determined by Bank of Ireland Life. Separately European Union (EU) law requires that a risk indicator be applied to the fund if certain products are held (excludes pensions), and it may differ from the Bank of Ireland Life risk category. The EU indicator is stated in the Fund Information Sheets and can be found on our website at [fundcentre.bankofireland.com/#KIDS](https://fundcentre.bankofireland.com/#KIDS). Please see the Smart Funds or Target Saver brochure for further details.

- ▶ **Sustainable Finance Disclosure Classification: Article 8 Fund**

Article 8 Funds are funds which promote environmental or social characteristics (although not exclusively) and which invest in companies that follow good governance practices ("Light Green or Article 8 funds"). Please read the separately available document 'How KBIGI assesses the environmental, social and governance ("ESG") profile of issuers' for more information. This is available from your Advisor or [click here](#).

## Investment Manager



KBI Global Investors (KBIGI) is a global investment manager, headquartered in Dublin with an office also in Boston.

- ▶ Multi-product boutique with two core areas of expertise – Global Equity strategies and Natural Resource Equities.
- ▶ Part of Amundi, a leading European asset manager.

**Signatory to UN Principles of Responsible Investing Since\*:** 5 January 2011.

\* The investment manager may use equities in this fund for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it provides an opportunity to increase the investment return.

† In 2005, the United Nations established a body that developed the Principles for Responsible Investing ("PRI"). The Principles for Responsible Investment are a set of six principles that set a global standard for responsible investing.

**Warning: Past performance is not a reliable guide to future performance.**

**Warning: The value of your investment may go down as well as up.**

**Warning: This fund may be affected by changes in currency exchange rates.**

**Warning: If you invest in this fund you may lose some or all of the money you invest.**

## Reasons to Invest in the Water Industry

Water is essential to everything we do and there is no substitute for it. There is a worrying shortage of water on the planet today – 99% of it is either in salt-water form or frozen in glaciers, leaving less than 1% freshwater available. This in turn is being depleted by pollution and climate change. The global population is set to increase from 7 billion to 9 billion people by 2050 and, historically, water use has increased at twice the rate of population growth (Source: KBIGI).

Agricultural water use typically accounts for 70% of overall water supply while industrial use accounts for 20%. This far outstrips domestic water use of 10%. It is estimated that 2 billion people lack safely managed drinking water. To provide enough water for the world's freshwater needs to be met by then, the World Health Organisation estimates that \$1 trillion per year will need to be invested to improve water conservation, water infrastructure and sanitation (Source: KBIGI).

The water supply problems facing many regions in the world will provide profitable projects for the companies best placed to provide solutions to these problems for years to come.

## KBIGI on the Water Fund

KBIGI believe there are five **compelling** investment opportunities in companies providing solutions to resource scarcity across water, food and energy driven by five long term trends:

1. Inadequate supply of water, cleaner energy and arable land for farming.
2. Increasing demand for resources, driven by population growth, industrialisation and urbanisation.
3. Increasing regulation and government support.
4. Increasing investment in infrastructure to address urgent global requirements.
5. Increasing investment in technology to create solutions and facilitate the more efficient use of resources.

The **Water Fund** gives investors the opportunity to gain exposure to companies that generate a significant portion of their revenues from exciting areas across the water cycle.



## Fund Overview

- ▶ The underlying fund is a high-conviction global equity portfolio investing in approximately 35-50 global companies providing solutions to water scarcity. The strategy has been investing in companies active across all parts of the water cycle including Water and Wastewater Utilities, Water Infrastructure and Water Technology since 2000.
- ▶ This underlying fund provides exposure to a number of dominant and persistent themes:
  - ▶ Global growth.
  - ▶ Natural resource scarcity.
  - ▶ Infrastructure spending.
  - ▶ Emerging market growth.
  - ▶ Mergers and acquisitions.
- ▶ Water brings new sources of potential return to an investment portfolio. KBIGI believe that active management is the best way to capture this type of return, carefully qualifying a universe of stocks to ensure exposure to the water theme and then identifying companies with strong fundamentals, leading products, and attractive valuations.

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## Environmental, Social & Governance (ESG)

KBIGI implement Responsible Investing (RI) principles because they believe that the use of Environmental, Social and Governance (ESG) factors has positive effects on the risk and return of investments. They also believe the use of RI principles in managing investments can help to achieve ESG goals which are worthy of achievement in their own right, and which are also in the best interests of long-term investors. ESG considerations have been embedded in all of KBIGI's underlying investment processes for over 10 years and longer for their Natural Resource Equities (Water, Alternative Energy). As a firm, KBIGI has been a member of United Nations Principles of Responsible Investing (UNPRI) since 2011.



**Environmental:** KBIGI actively monitors portfolios for climate-related risks and opportunities. As well as using their own judgment and expertise they use the PACTA tool ("Paris Agreement Capital Transition Assessment"), provided by the PRI, and carbon footprint data from an external supplier. Furthermore, they engage directly with companies to assess climate-related risks and opportunities for specific companies.

In terms of risks, KBIGI have for some time concluded that the climate-related risk associated with thermal coal extraction is too large to merit investment, and so they exclude large-scale investment in thermal coal extraction and generation from all portfolios.



**Social:** KBIGI's primary activity in relation to monitoring the impact on society of portfolio companies is via active ownership. They engage constructively with the management of companies to address their impact on society through direct conversations, collaborative initiatives with other investors and industry groups.



**Governance:** The primary activity to monitor good governance within KBIGI's portfolio companies is via active ownership. They engage constructively with the management of companies to address their governance practises through direct conversations, collaborative initiatives with other investors and industry groups where it is merited as well as active use of proxy voting\*\*.

For more information about **KBIGI's** approach to ESG and how we work with our investment managers to protect investors' future [click here](#).

\*\*Proxy voting is when a vote is cast by one person or firm on behalf of another.

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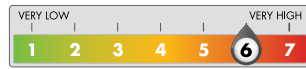
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## Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (at least 5-7 years) to give the underlying assets time to grow in value. However, even long-term investing involves risk as values will fluctuate over time.

## Risk Rating – High Risk



Bank of Ireland Life has rated its **Water Fund** a high risk investment fund. Funds categorised as high risk funds have the following characteristics:

- ▶ The potential return from high risk investments is much higher than deposits or inflation.
- ▶ The focus is on maximising the potential return to investor, rather than minimising risks.
- ▶ Some high risk funds may consist almost entirely of one asset class or be concentrated in one geographic region or sector.
- ▶ Investors' capital is not secure and may fluctuate significantly. Investors may get back substantially less than they originally invested.

## Key Fund Risks

**Market risk** (value can fluctuate in line with market movements), **single asset class risk** (exposure to just one asset type), **sector risk** (exposure to only one industry) and **currency risk** (exposure to changes in currency exchange rates) are risks that arise from investing in this fund that investors should be aware of.

This fund has exposure to non-euro assets and this brings the additional risk of how changes in currency exchange rates can impact the value of the fund. For more information, please ask your Advisor about our "Investing & Risk" document.

## Product Availability

The **Water Fund** is available to investors through the following Bank of Ireland Life products:

- |                    |  |                                  |
|--------------------|--|----------------------------------|
| ▶ Smart Funds      | ▶ Navigator Master Trust – Executive (SP Pensions) | ▶ Personal Retirement Bond       |
| ▶ Target Saver     |  | ▶ Approved Retirement Fund (ARF) |
| ▶ Personal Pension | ▶ Navigator Master Trust – Executive (RP Pensions) | ▶ PRSA (non-standard)            |

## Charges

Charges vary per product type. For the **Water Fund**, a management charge of 0.25% p.a. applies in addition to the standard charge. For details of the charges that apply please talk to your Advisor.

## Next Steps

To find out more about the **Water Fund**, talk to the Advisor available in your local Bank of Ireland branch, or visit:

**Fund Centre** 

**Sustainable Investing Hub** 

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Bank of Ireland Life reserves the right to review the risk categorisation of its funds at any time. Terms and conditions apply. Where relevant, exit tax (up to 41% currently) applies to gains on life assurance investment policies. A Government levy (currently 1% of the premium amount) applies to all premiums paid to a life assurance policy.

While great care has been taken in its preparation, this document is of a general nature and should not be relied on in relation to specific issues without appropriate financial, insurance, investment or other professional advice. The content of this document is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment or to subscribe to any investment management or advisory service. While the information has been taken from sources we believe to be reliable, we do not guarantee their accuracy or completeness and any such information may be incomplete or condensed. All opinions and estimates constitute best judgement at the time of publication and are subject to change without notice. Please note that mention of specific stocks/shares or investments is not a recommendation to trade in those stocks/shares or investments. In the event of any changes in taxation or legislation, Bank of Ireland Life may amend the terms and conditions of the relevant contract to take account of any such changes. The details shown above relating to this fund and its composition are as at the date of this document unless otherwise stated and may change over time. If there is any conflict between this document and the policy conditions, the policy conditions will apply.

KBI Global Investors Ltd. (KBIGI) is regulated by the Central Bank of Ireland.

Life assurance and pension products are provided by New Ireland Assurance Company plc trading as Bank of Ireland Life. New Ireland Assurance Company plc trading as Bank of Ireland Life is regulated by the Central Bank of Ireland. Member of Bank of Ireland Group. Bank of Ireland Life may hold units in the funds mentioned on its own account.

Advice on Bank of Ireland Life products is provided by Bank of Ireland. Bank of Ireland trading as Bank of Ireland Insurance & Investments, Insurance & Investments or Bank of Ireland Premier, is regulated by the Central Bank of Ireland. Bank of Ireland is a tied agent of New Ireland Assurance Company plc for life assurance and pensions business. Member of Bank of Ireland Group.

## ANNEX

Pre-contractual disclosure for the financial products referred to in Article 8 , paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Product name:** KBI Water Fund (the “product”)

**Legal entity identifier:** 635400J1NOTKSMNKNU98

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

☒ ☒ ☐ **Yes**

☒ ☐ ☒ **No**

☐ 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 **50%** 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**

#### 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.

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

*The environmental and social characteristics promoted by this product are the provision of clean water, sanitation services and irrigation solutions. The provision of clean water, sanitation services and irrigation solutions is, in the opinion of the Investment Manager, a benefit to the environment and to society.*

*This is achieved by investing in a portfolio of companies which, in the opinion of the Investment Manager, on an aggregate portfolio basis generate a substantial proportion of their turnover from and operate on a sustainable basis in the water solutions sector.*

*No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the product.*

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

The Investment Manager monitors a range of sustainability indicators to measure the environmental and social characteristics of the product, including:

- The percentage of revenues earned on an estimated basis by investee companies which are from the water solutions sector.
- The weighted average ESG rating of the portfolio, as determined by the use of ESG ratings of companies, supplied by an external data provider of ESG research and ratings.
- The carbon intensity of the portfolio measured by an external provider of carbon footprint measurement services.

### ● **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? ?**

This product will invest partially in sustainable investments. The objectives of these sustainable investments are the provision of clean water, sanitation services and irrigation solutions. The provision of clean water, sanitation services and irrigation solutions is, in the opinion of the Investment Manager, a benefit to the environment and to society. The sustainable investments contribute to these objectives by *increasing water supply and access, improving water quality, increasing the availability of arable land through irrigation solutions and reducing water wastage across the industrial, agricultural and household sectors.*

**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?***

The sustainable investments of the product are assessed to ensure that they do not cause significant harm to any environmental or social objective. This assessment makes use of Principal Adverse Impact Indicators ("PAI Indicators"), where applicable and where data is sufficiently available, and ensures that certain minimum standards are reached for each applicable PAI Indicator. The PAI Indicators relate to a number of potential negative impacts, including but not limited to greenhouse gas emissions, social and employee matters, respect for human rights, involvement with fossil fuels, gender balance on boards, whether a company is in breach of the Principles of the UN Global Compact, and anti-corruption and anti-bribery matters.

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

The indicators for adverse impacts on sustainability factors are taken into account by applying certain exclusion strategies aligned to the PAI Indicators and by monitoring the PAI Indicators in the following manner:

1. As explained above, the Investment Manager makes use of the PAI Indicators when ensuring that a sustainable investment does not cause significant harm to any environmental or social objective and the Investment Manager ensures that certain minimum standards are reached for each applicable PAI Indicator.
2. The product does not invest in any companies materially engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
3. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high adverse impact (as measured by the PAI Indicators and by other factors), with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

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

The product does not invest in any company which violates, repeatedly and seriously, one or more of the ten principles of the UN Global Compact. To implement this, the Investment Manager uses data from data providers which rely on international conventions such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as sources of data to determine risk exposure of companies' geographies of operation and business segments.

*Sustainable investments align with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights*



*through the use of environmental and UNGC (UN Global Compact) controversies screening as an indication for alignment with OECD guidelines / UN guiding principles along with other tools including ESG scores and research as part of the investment.*

*The EU Taxonomy sets out a “do not 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 remaining 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  
☐ No

This product considers principal adverse impacts on sustainability factors. This is done in a number of ways.

1. A minimum proportion of the investments held in this product must be sustainable investments. In determining whether an investment is a sustainable investment, the PAI Indicators of the investment are considered, and where the adverse impact is considered to be excessive, in the judgement of the Investment Manager, based on whether the adverse impact breaches certain thresholds set by the Investment Manager, such investments are not deemed to be sustainable investments.
2. The Investment Manager's decision on whether to make an investment in a company, and the size of that investment, takes into account a wide range of PAI Indicators relating to the social, environmental and governance characteristics of that company, including the adverse impact that the company is having on sustainability.
3. The product does not invest in any companies materially engaged in certain activities which, in the opinion of the Investment Manager, are associated with a particularly adverse impact on sustainability. These include but are not limited to companies involved in the manufacture of tobacco products, companies with any involvement in certain types of controversial weapons, and companies with a high degree of involvement in coal extraction or coal-fired electricity generation.
4. The Investment Manager engages with companies in which it invests on a range of issues, including engagement with companies which have high

adverse impact, with a view to influencing the company to change its activities in a manner which will reduce the adverse impact.

The product's annual financial statements will disclose how principal adverse impacts have been considered on sustainability factors.



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

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

## What investment strategy does this financial product follow?

Please see response in the next section below.

- ***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?***

The Investment Manager identifies companies which operate in the water solutions sector and integrates an analysis of such companies' Environmental, Social and Governance ("ESG") performance into its investment analysis and investment decisions.

The Investment Manager carries out its own assessment of the environmental and social performance of companies in which it invests, based on its own research and knowledge of the companies, public information and information (including specialised ESG information) and ratings from external data providers.

The portfolio construction process excludes holdings deemed inconsistent with the Investment Manager's Responsible Investment Policy or that are involved with certain controversial sectors, as determined by the Investment Manager's Responsible Investing Committee. The product does not invest in any company which is not involved in the water solutions sector. The water solutions sector includes, but is not limited to, water supply and access, improving water quality, increasing the availability of arable land through irrigation solutions and reducing water wastage across the industrial, agricultural and household sectors, (but excludes the consumer bottled water sector). Further, the product cannot invest in companies which are involved in certain activities including tobacco manufacturing, coal extraction and coal-fired electricity generation, in excess of certain thresholds. Full details of the exclusions and thresholds can be found at the link below under the question "Where can I find more product specific information online".

The product is managed with the aim of progressively reducing net carbon emissions of investee companies and of eventually reaching net zero emissions by 2050.

The Investment Manager monitors the carbon intensity of companies in which the product invests. Carbon intensity is a measure of greenhouse gas emissions, in tonnes, relative to the revenue of the company or portfolio. The Investment Manager obtains carbon intensity data from the Data Provider.

**While the product is managed with the aim of progressively reducing net carbon emissions of investee companies and of eventually reaching net zero emissions by 2050, investors should be aware that this product does not have reduction of carbon emissions as its objective within the meaning of Article 9(3) of SFDR.**

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

There is no committed minimum rate.

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

The Investment Manager assesses the governance practices and governance performance of all companies in which the product invests. This assessment is based on (i) the Investment Manager's own research and knowledge of the company based on its direct interactions with companies and its analysis of the financial statements and related materials of companies; and/or (ii) information including specialised governance information and ratings from at least one external data provider, in order to satisfy itself that the relevant issuers follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

When assessing the governance practices of investee companies, the Investment Manager (and/or its data provider, as applicable), has regard to a range of issues including but not limited to:

- Corporate governance: the impact that a company's ownership, board and other corporate governance practices (including the pay of senior management) have on investors.
- Corporate behaviour: the extent to which companies may face ethics issues such as fraud, executive misconduct, corruption, money laundering, or tax-related controversies.
- Staff remuneration: the extent to which pay of the CEO exceeds average pay per employee.
- Labour management: the relationship between management and labour.
- Tax compliance: a company's revenue-reporting transparency and involvement in tax controversies.

**Asset allocation** describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:

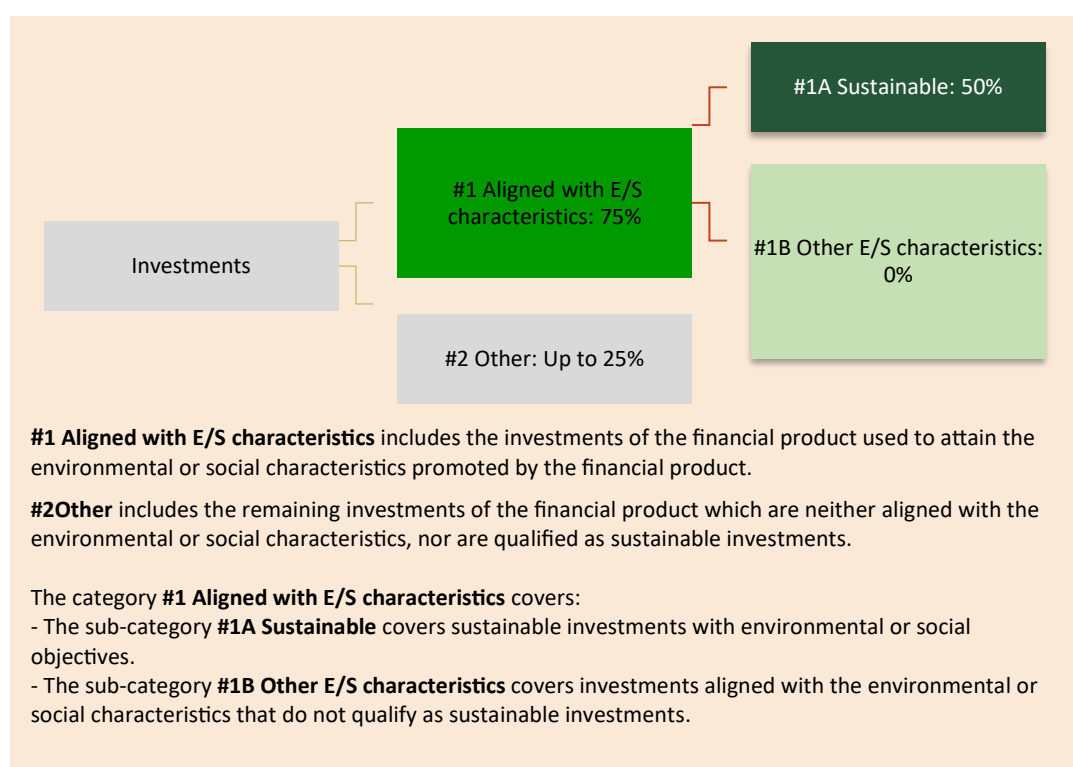
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities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

## What is the asset allocation planned for this financial product?

A minimum of 75% of the investments of the product are used to meet the environmental and social characteristics promoted by the product in accordance with the binding elements of the investment strategy.

While the product does not have sustainable investing as its objective, the product seeks to invest a minimum of 50% of its assets in sustainable investments with an environmental and/or social objective.

The purpose of the remaining proportion of the investments, if any, that are not used to meet the environmental and social characteristics promoted by the product is investment growth, efficient portfolio management and/or to provide ancillary liquidity in accordance with the investment policy of the product. Minimum environmental and social safeguards continue to apply in the selection of these investments including ESG-related exclusions (more details on the Investment Manager's exclusions are included above).



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

Derivatives are not used to attain the environmental or social characteristics promoted by the product. As set out in the product's Supplement, derivatives may be used for the purpose of efficient portfolio management purposes.



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

**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.

As at the date hereof, it is expected that the minimum proportion of investments of the product in environmentally sustainable economic activities aligned with the EU Taxonomy shall be 0%. The Investment Manager will disclose the actual proportion of investments aligned with EU Taxonomy on an annual basis on its website and in the periodic reporting of the product.

In order to attain the environmental and social characteristics promoted by this product, the product invests in sustainable investments even though such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation.

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



Yes:



In fossil gas



In nuclear energy

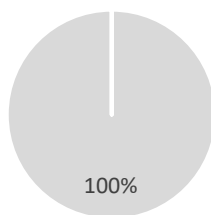


No

*The two graphs below show in green 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.*

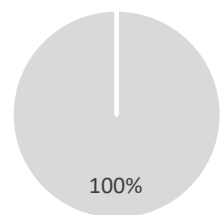
2. Taxonomy-alignment of investments including sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non-Taxonomy aligned



2. Taxonomy-alignment of investments excluding sovereign bonds\*

■ Taxonomy-aligned (no fossil gas & nuclear)  
■ Non-Taxonomy aligned



This graph represents 100% of the total investments.

\* 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 minimum share of investments in transitional activities is 0.0% of the product's assets.

The minimum share of investments in enabling activities is 0.0% of the product's assets.



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

The product commits to invest at least 50% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy. This means that the proportion of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy will vary. Minimum percentages are subject to change and updates can be found on the website as referred to in the last question of this Annex.

In order to attain the environmental characteristics promoted by this product, the product invests in sustainable investments which contribute to specific environmental objectives. However, such investments do not meet all of the detailed criteria for “environmentally sustainable investments” within the meaning of the Taxonomy Regulation. Further information on the objectives of the sustainable investments held by the product is provided under the heading “What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investments contribute to such objectives?”.



### **What is the minimum share of socially sustainable investments?**

The product commits to invest at least 50% of its assets in sustainable investments. Within this overall commitment, there is no minimum share of sustainable investments with specifically a social objective. This means that the proportion of sustainable investments with a social objective will vary. Minimum percentages are subject to change and updates can be found on the website as referred to in the last question of this Annex.



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

From time to time some investments may not be aligned with the environmental or social characteristics of the product. Examples include, but are not limited to, equity securities for the purpose of investment growth, instruments for efficient portfolio management and cash or cash equivalents to provide ancillary liquidity, in accordance with the investment policy of the product. Minimum environmental and social safeguards continue to apply in the selection of these investments including the exclusion of companies involved with certain controversial activities, and the exclusion of companies that violate, repeatedly and seriously, one or more of the ten principles of the UN Global Compact.

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



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

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

N/A

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

N/A

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

N/A

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

N/A

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



Where can I find more product specific information online?

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

<https://www.kbiglobalinvestors.com/sfdr-icavproduct-info/kbwat/>