

SUSTAINABILITY-RELATED DISCLOSURES

GENERATION IM ASIA FUND (the "Fund") - a sub-fund with limited liquidity of Generation IM Fund plc (the "Company")

The Fund is a financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics. On this basis, for the purposes of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**"), the alternative investment fund manager appointed to the Fund (the "**AIFM**") has classified the Fund as a financial product which is subject to Article 8 of SFDR. Pursuant to Article 10 of SFDR, the AIFM is required to publish certain information on its website as set out in that Article.

The following information is provided in accordance with Article 10(1)(a) to (c) of SFDR.

Investment objective

The Fund's investment objective is to generate long term capital appreciation by investing in a long-only concentrated portfolio of equity securities of Asian Companies.

Investment strategy

The Fund's investment strategy integrates sustainability research within a rigorous fundamental equity analysis framework. Generation Investment Management LLP (the "**Investment Manager**") believes long term equity research requires a broad, systemic view of future business risks and opportunities by recognising social, economic and environmental ("**ESG**") challenges facing companies. Central to the Investment Manager's investment philosophy is its belief that ESG factors directly affect long-term business profitability.

ESG dynamics are considered as an intrinsic part of the implementation of the Fund's investment strategy. The Investment Manager generally does not adopt "screens" or "filters" as part of its investment process. Rather, it believes that its portfolio process embeds an ESG analysis into each investment decision and, as a result, that process naturally indicates away from those stocks that are typically filtered out by a list-based approach. Such a list-based approach would typically involve the use of a benchmark and exclusions from it whereas the Fund is not managed to any benchmark.

Because the Investment Manager considers ESG factors to be closely linked to long-term value, separating such analysis from its financial models is considered counteractive to its investment philosophy and instead integrating ESG research with fundamental equity analysis is inherent to that philosophy and underpins its investment process.

As an alternative to the widespread investment strategy of extrinsic screening of investments, the Investment Manager's process includes the steps summarised below. ESG dynamics are considered throughout the investment process. It follows from this that there are no tactical or strategic allocations to specific countries/regions, industries/sectors or currencies and that any positions taken are a result of a "bottom-up" stock selection process. The Investment Manager's process, as set out below, illustrates the manner in which the Investment Manager assesses the environmental and social characteristics promoted by the Fund and how the good governance practices of companies are assessed. It also demonstrates how the identification of sustainability risks are integrated into the investment decision-making process of the Investment Manager. This operates in the following manner:

- (i) Roadmaps - The Investment Manager develops "Roadmaps" which initiate the investment process and provide an opportunity for analysts and the broader team to investigate factors driving sector and global trends while deepening their understanding of the investment landscape. Roadmaps may have a broader focus, on regions and countries or ESG themes, but more typically focus on sectors and sub-sectors. Regardless, Roadmaps allow the Investment Manager's team to identify ESG issues (including risks) that are relevant and material to particular sectors. In constructing a Roadmap in this way, the investment team is

able to establish a template for what it believes would be a high quality business and management team for their particular sector, and is hence guided towards the parts of the market where it thinks such a robust set of companies are likely to exist. Through their Roadmap research, the Investment Manager's analysts generate a list of potential company names for further analysis;

- (ii) Focus List - Detailed company research then follows until either the analyst determines the business under investigation will not meet the quality thresholds or the analyst is ready to present a comprehensive investment thesis on that company to his or her fellow investment team members. This is known as a "Focus List" presentation, where the "Focus List" is the list of companies maintained by the Investment Manager as part of its bottom up selection process and consideration of ESG characteristics as described herein. This stage is guided by the robust criteria set for "Management Quality" (or "**MQ**") and "Business Quality" (or "**BQ**"), which metrics are applied by the Investment Manager to guide it in determining admission, retention and removal of Focus List companies;
- (iii) Buy Decision - When a company is admitted to the Focus List, it is then capable of being selected by the Investment Manager's portfolio managers for inclusion in the portfolio if they consider in their absolute discretion that there is sufficient "upside" in that stock. The Investment Manager seeks to invest only in companies which have been admitted to the Focus List. For the avoidance of doubt, any admission to the Focus List does not necessarily result in the purchase of a company's securities. It is possible that a company is admitted to the Focus List and is never purchased for the portfolio. This could occur where the portfolio managers consider that, although it is a company they would like to own, it is does not in their opinion represent good value. The composition of the Focus List is reviewed periodically and companies that are no longer considered to meet the criteria determined for admission to the list are removed. Upon removal from the Focus List, positions not previously sold will be sold in the Investment Manager's discretion having regard to the best interest of shareholders in the Fund;
- (iv) Portfolio Construction - the sizing of positions is determined by the Investment Manager's portfolio management team;
- (v) Risk Management - the Investment Manager's goal is for stock selection to be the key driver of Fund performance. Although the Investment Manager develops its own processes to track risk in a more general fashion, it primarily relies on risk analysis tools supplied by third party vendors to more systematically track exposures; and
- (vii) Sell Decision - a number of the key outputs from the portfolio management process are actively monitored to ensure the stocks contained in the Fund's portfolio are both the best ideas of the Investment Manager and appropriately sized. Most important of these is the modelled target returns of each investment expressed as a range of values and the BQ and MQ scores. Changes in the quality assessment normally result in the expected return and/or the position size being reassessed. If the Investment Manager believes it has made a mistake in the investment case, it will undertake such a reassessment with a bias towards selling. Investments that rise above the top end of the valuation range will be reviewed with a strong bias to sell them. In addition, as noted above, companies that are no longer considered to meet the criteria determined for admission to the Focus List are removed and will be sold in the Investment Manager's discretion having regard to the best interest of the shareholders of the Fund. Such sale will not necessarily take place immediately upon removal of the relevant security from the Focus List.

While the Investment Manager seeks, amongst other elements, to identify ESG factors relevant to the inclusion of companies within the Focus List, there remains a lack of relevant, comparable, reliable and publicly available data on companies in a number of areas and this represents an impediment to a comprehensive and accurate assessment of such factors. The assessment of ESG factors is therefore dynamic and will change over time as the data sources develop. Even where data is available its impact and/or interpretation may be disputed. There are multiple aspects of this, but the following example is illustrative of these broader methodological limits.

Data around carbon emissions and carbon footprint may not always be available and, in cases where it is, there remains extensive debate around its measurement. In a manufacturing process this could be measured as the emissions of the factory making the item or the carbon emissions across the entire supply chain into that factory and to the ultimate user of that product. More formally, these levels are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company's value chain. It will be appreciated that there remain significant hurdles to accurately calculating such numbers.

The Investment Manager is encouraged that recent regulatory efforts to standardise the approach to this and similar data collation, will lead to improvements in the availability, scope and accuracy of ESG data. Nonetheless these factors will remain a potential constraint on the methodology. Furthermore, such data relies on the efforts of third parties and interruptions or inaccuracies in that data supply will be beyond the control of the Investment Manager.

Quantitative and qualitative review of business practices and business models

The criteria specified above in respect of BQ and MQ also necessitate a deeper analysis of a company's positioning with regard to the material and relevant ESG factors within its sector. If the Investment Manager believes a company was not appropriately positioning its operations against the relevant and material ESG factors it faced, it will not be placed on the Focus List (even if it scored highly on other criteria). A detailed valuation is conducted by the relevant analyst for each company on the Focus List and a target price and range is established.

The Investment Manager adopts a selectivity approach. Admission of a company to the Focus List is therefore the product of the scoring of all (or substantially all in the case of absence) of the Investment Manager's investment team for this strategy. While no specific reduction percentage of the Fund is targeted, the number of securities selected for the portfolio is expected to be materially smaller than the Fund's potential investible universe based on the Investment Manager's process.

Engagement

The Investment Manager's investment analysts are responsible for monitoring all the companies on the Focus List by considering insights gathered from public data, from its own research and from discussions with the management of the companies. As appropriate, the Investment Manager then engages on topics identified through its monitoring that could, in its view, create material risks for the company or, in contrast, offer significant opportunities to enhance its performance. If a risk identified through its monitoring process reduces its assessment of BQ or MQ below the threshold for inclusion on its Focus List, this will tend towards removal of the company from the Focus List.

In addition to specific engagements with individual companies, the Investment Manager also engages with companies on the Focus List on topics such as diversity and the climate crisis that the Investment Manager views as material for all companies. As a sustainability-focused investment manager, it finds management teams are often particularly interested in discussing perspectives on how sustainability factors may materially affect the company and its sector.

SFDR

The Fund is a financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, as described above. As such, the AIFM has classified the Fund as a financial product subject to Article 8 of SFDR. The Fund's investment objective and policy are set out above and it should be understood that unless otherwise stated in that section, the Fund has no objective or commitment to invest in investments that qualify as 'sustainable investments' for the purposes of SFDR in addition to the disclosures set out above under "Investment Strategy".

The European Supervisory Authorities ("**ESAs**") have developed through the Joint Committee ("**JC**") draft Regulatory Technical Standards ("**RTS**") with regard to the content, methodologies and presentation of sustainability-related disclosures. Such standards were published on 2 February 2021 and contain a requirement to present certain pro forma disclosures for financial products referred to in Article 8(1) of SFDR (the Fund is such a product). This disclosure obligation formally comes into force on 1 January 2022. The Investment Manager considers that the foregoing description is substantially aligned with the requirements of the template required by the RTS. In view of the relatively short timeline between the publication of the RTS and the publication of this information on the Investment Manager's website, the Board of the Company, on advice of the Investment Manager, has determined that it will revise this content in advance of 1 January 2022 to formally comply with the specific format and content required by the RTS template. The intention is to take advantage of the time between formal introduction of SFDR (10 March 2021) and the date the Company is required to publish the template required by the RTS to ensure that it aligns fully with developing market practice.