

Premier Miton Diversified Sustainable Growth Fund

Sustainable Investing Policy

The fund's investment objective

The objective of the fund is to achieve capital growth over the long term, being five years or more.

The minimum recommended holding term is at least five years. This does not mean that the fund will achieve the objective over this, or any other, specific time period and there is a risk of loss to the original capital invested.

The approach to sustainable investing

The fund managers will select investments across different asset classes (fixed income, equities (company shares), property company shares and alternative investments) with a strong Environmental, Social and Governance (ESG) profile and those that are part of long term sustainable growth themes. The managers will analyse an investment on a wide range of factors including specific ESG criteria and use that information to ensure it meets the required standards, and monitor the ESG position on an ongoing basis. The fund will not be invested in companies believed to have a negative societal or environmental impact.

The ESG criteria

The analysis of companies may include the following ESG criteria;

- Corporate governance
 - female representation on boards
 - remuneration structure
 - efficacy of auditors
 - disclosures
- Management
 - tenure
 - capability
 - clarity of strategy and policies
- Environmental and social impact of business
 - carbon emissions
 - resource usage and intensity
 - supply chain management
 - business ethics
- Sustainability of business
 - barriers to entry
 - risks to assets
 - regulatory risk
 - innovation

These criteria may evolve over time. Various sources of information are used in assessing these criteria, including:

- Meetings with company management
- Proprietary analysis (including company report & accounts and other disclosures)
- Third party analysis



Long term sustainable growth themes

The fund managers will focus on selecting fixed income, equities, property company shares and alternative investments that are aligned with long term sustainable growth themes;

- **Food productivity and safety;** companies that enhance food standards and increase agricultural productivity, thereby helping to feed the world's growing population in a sustainable and environmentally friendly manner.
- **Health and wellbeing;** companies whose products and services help increase the health and wellbeing of the global population.
- **Education;** companies that seek to enable greater access to secondary and tertiary education through online learning and education technology.
- **Energy transition;** companies whose activities contribute to the transition away from fossil fuels towards affordable and clean energy.
- **Financial inclusion;** companies that provide the financial services that are essential to achieve sustainable economic development on a global scale.
- **Infrastructure;** companies that are enabling the advancement of society and increasing business efficiency through the improvement of physical and digital infrastructure.
- **Circular economy;** companies that aim to reduce the amount of waste within society, increase levels of recycling and therefore decrease the negative environmental impact that results from the use of virgin materials.
- **Sustainable cities and communities;** companies that help make human settlements safe, resilient and sustainable

Investments across a wide range of industrial sectors can have businesses that drive or benefit from these themes, which may evolve over time.

The United Nations Sustainable Development Goals (SDGs) are a recognised set of global standards to reference and the fund managers will seek to align the investments in the fund with those standards.

In order to construct a diversified portfolio of investments, the alignment of some asset classes with the SDGs may be less clear and a different approach will be taken to assess their suitability;

- Government bonds; a country's approach to factors including democracy, civil liberties and corruption will be assessed
- Alternative investments;
 - aimed at diversifying the portfolio and to be lowly correlated to bonds and equities.
 - derivatives; which may be used for the purposes of efficient portfolio management including hedging.
 - hedge funds; factors such as being a signatory to the United Nations supported Principles for Responsible Investing would be expected to be in place.

Excluding companies with negative impacts

The fund managers will not invest in companies that they believe have a negative societal or environmental impact including those companies:

- with major tobacco interests
- with major business in gambling
- with a major business involvement in coal mining
- that contravene human rights
- involved in banned weapons



Reporting on sustainable investing

At least 90% of the fund's assets will meet the ESG criteria and be part of the long term sustainable growth themes.

Up to 10% of the fund's assets (excluding deposits, cash or near cash) may be in investments that do not meet the ESG criteria or are not part of the long term sustainable growth themes.

Investments, such as hedge funds, which may have strong governance and other characteristics, but not be aligned to an SDG, will be included.

If a company has ceased to meet the necessary standard, we would engage with the management to discuss a route to meet the criteria within a reasonable timeframe. If this engagement did not result in the investment regaining the necessary standard, it would ultimately be sold. Similarly, an investment may be made in anticipation of it meeting the required criteria within a period of 9 months. The investment would be sold if the criteria were not met.

A Non-Financial Objectives Report will be published twice a year on the Premier Miton website that will detail the alignment of the fund's investments to the sustainable growth themes and SDGs, report on the ESG criteria and proxy voting and provide other information on the sustainable investing approach.

More information

Before investing, you should first read the fund's Key Investor Information Document and the Supplementary Information Document. These documents contain important information that you should carefully consider before investing, such as the charges you will pay and specific risk factors. You can get copies of these documents from your financial adviser, by contacting us directly, or from the Premier Miton website. Please consult your financial adviser in the first instance who can advise on the suitability of this fund for you.

For your protection, calls may be monitored and recorded for training and quality assurance purposes.

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