IFSL CAF ESG
FUND RANGE
IFSL CAF ESG Fund Range: Responsible Investment Policy

At CAF, we recognise that the world faces significant environmental and social changes.

The IFSL CAF ESG Fund\(^1\) range seeks to invest in companies and assets that are supporting the solutions to these challenges and uphold the highest standards of corporate governance.

1 Scope

THIS RESPONSIBLE INVESTMENT POLICY APPLIES TO THE FOLLOWING FUNDS, COLLECTIVELY KNOWN AS “THE FUNDS”

- IFSL CAF ESG Cautious Fund
- IFSL CAF ESG Income & Growth Fund
- IFSL CAF ESG Growth Fund

2 Overarching Statement

THE INVESTMENT MANAGER SHALL APPLY THIS RESPONSIBLE INVESTMENT POLICY TO THE ABOVE FUNDS, AS A TWO-STAGE PROCESS:

- Screening out certain excluded activities in line with section 4, and
- Ensuring that ESG considerations are taken into account when selecting and reviewing investments for the Funds.

3 The Investment Manager

LGT Wealth Management are providing discretionary investment management services and is the appointed investment manager of the funds.

LGT Wealth Management (LGT) is a UK-based wealth management firm and is part of the world’s largest private bank and asset manager owned by a single family. Through their efficient management and organisational structure, they are able to make decisions quickly and independently. LGT takes a long-term holistic approach, and are actively involved in promoting the sustainable development of society and the environment.
4 Screening

SCREENING SHALL BE USED TO AVOID INVESTING IN COMPANIES THAT GENERATE MORE THAN A DEFINED PERCENTAGE OF REVENUE FROM THE FOLLOWING ACTIVITIES:

- Tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms
  MAXIMUM 5% OF REVENUE

- Coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation
  MAXIMUM 5% OF REVENUE

- Pornography
  MAXIMUM 3% OF REVENUE

- Predatory lending, cluster munitions and landmines
  0% OF REVENUE

The Investment Manager shall review the revenue information of stocks held within the Funds on a quarterly basis. Any companies reporting revenue above these limits at the quarterly review must be investigated and sold if the number is confirmed as accurate and any remedial action from the company will not bring the number back below the limit within one month of identification of the breach.

5 ESG and Active Stewardship

ESG considerations must be integrated into the investment process of the Investment Manager. The Investment Manager shall select investments that they believe will lead to the Funds achieving a high ESG score as assessed by an independent ESG ratings agency. At launch and until further notice, the Funds are expected to achieve a AA or higher rating using the MSCI ESG Ratings (current range: CCC to AAA).

The Funds pursue an active engagement policy. The Investment Manager will engage with companies on a range of environmental, social and governance issues with the aim that good corporate behaviour is adopted by the companies in which the funds invest. Where engagement proves ineffective and concerns remain over corporate behaviour and oversight of these issues, they will disinvest from a company. It is the ambition that this active engagement will challenge and encourage companies in which the funds invest to improve their environmental, social and governance performance and practices.

The Investment Manager will exercise the shareholding voting rights of the funds to influence good ESG conduct and outcomes on an ongoing basis. The Investment Manager will routinely disclose their voting record.
Capital is at risk. The value and income from investments can go down as well as up and are not guaranteed. An investor may get back significantly less than they invest.

Past performance is not a reliable indicator of current or future performance and should not be the sole factor considered when selecting funds.

The Funds have an ESG focus which may limit or exclude the Fund’s exposure to companies, industries, or sectors as part of the Investment Manager’s responsible investment selection process. This may impact the Fund’s investment performance compared to other funds and may differ from an investor’s own view of responsible ESG selection.

CAF Financial Solutions Limited (CFSL) is authorised and regulated by the Financial Conduct Authority under registration number 189450.

CFSL Registered office is 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA. Registered in England and Wales under number 2771873.

CFSL is a subsidiary of Charities Aid Foundation (registered charity number 268369).

Investment Fund Services Limited (IFSL) is the Authorised Corporate Director (ACD) for the IFSL CAF Investment Funds. IFSL is registered in England No 06110770 and is authorised and regulated by the Financial Conduct Authority. Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP.

LGT Wealth Management UK LLP is authorised and regulated by the Financial Conduct Authority Registered in England and Wales: OC329392. Registered office: 14 Cornhill, London, EC3V 3NR.

LGT Wealth Management Limited is authorised and regulated by the Financial Conduct Authority, Registered in Scotland number SC317950 at Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP.

The CFSL team is available to discuss any questions you may have on 03000 123 444.

Telephone calls may be monitored or recorded for security/training purposes. Lines are open Monday to Friday 9am – 5pm (excluding English bank holidays).

Environmental, social and governance (ESG) investing is a strategy that puts your charity’s money to work with companies that strive to make the world a better place.