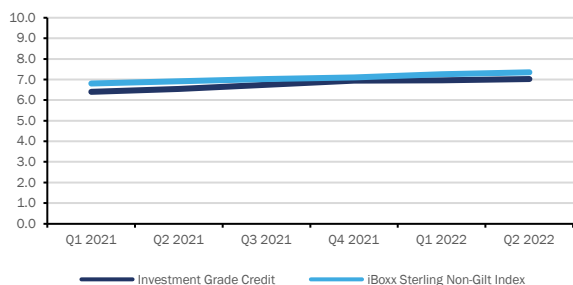


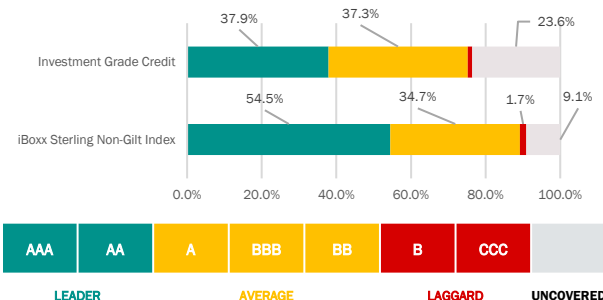


	Q2 2022 Position <sup>1</sup>			Key
	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark	
<b>Investment Grade Credit</b>	AA <sup>1</sup>	7.0 <sup>1</sup>	[Yellow Box]	Fund has an equal or better <i>Weighted ESG Score</i> than the benchmark.
<b>iBoxx Sterling Non Gilt Index</b>	AAA <sup>1</sup>	7.4 <sup>1</sup>		Fund has a <i>Weighted ESG Score</i> within 0.5 of the benchmark.
				Fund has a <i>Weighted ESG Score</i> more than 0.5 below the benchmark.

**MSCI Weighted Score Trend<sup>1</sup>**



**MSCI ESG Weightings Distribution<sup>1</sup>**



Highest ESG Rated Issuers <sup>1</sup>				Lowest ESG Rated Issuers <sup>1</sup>			
	% Portfolio Weight	% Relative Weight	MSCI Rating		% Portfolio Weight	% Relative Weight	MSCI Rating
European Investment Bank	2.5%	-2.3%	AAA <sup>1</sup>	America Movil	0.5%	+0.1%	B <sup>1</sup>
KFW	0.9%	-3.4%	AAA <sup>1</sup>	Volkswagen International Finance	0.3%	-0.1%	B <sup>1</sup>
Legal & General Group	0.6%	+0.1%	AAA <sup>1</sup>	Pfizer	0.2%	-0.1%	B <sup>1</sup>
Enel Finance International	0.6%	-0.1%	AAA <sup>1</sup>	Volkswagen Financial Services	0.2%	-0.5%	B <sup>1</sup>
IBRD	0.6%	-2.0%	AAA <sup>1</sup>	AT&T	0.2%	-1.0%	BB <sup>1</sup>

**Quarterly ESG Commentary**

- The ESG Weighted score was stable over the quarter, being marginally below that of the benchmark index overall.
- The lower scoring relative to the benchmark is driven by active positioning, with the Fund holding fewer companies considered to be 'Leaders'. Despite this the Fund retains its very high rating of AA, which is classed as 'Leader'.
- While the availability and quality of ESG data has been improving in recent years, there can still be material gaps across the fixed income market. This is particularly prevalent where a debt-issuing entity does not also issue publicly-listed equity, which, in most cases, the fixed income issuer maps to.

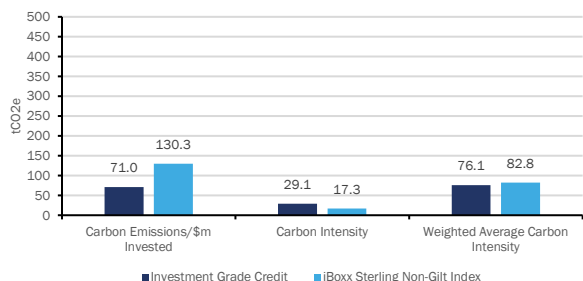
**Feature Stock: America Movil**

America Movil provides telecommunications services in Latin America and internationally. The company offers wireless and fixed voice services, including local, domestic, and international long-distance services; and network interconnection services. The company continues to look attractive from a fundamental credit perspective and there are expectations that the company will bring down its debt levels to its long-term target once the spinoff of its tower business is completed in Q3 of this year. Management has guided that a significant portion of its net debt obligations (13.2%) would be transferred to the spin off company.

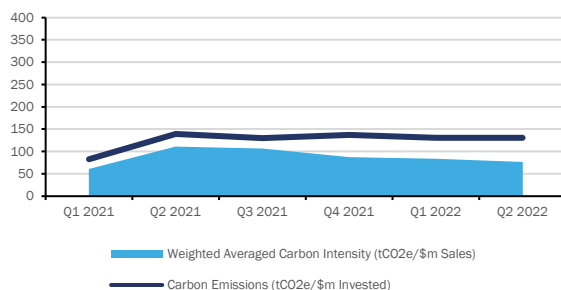
The labour-intensive nature of the company's operations exposes it to potential labour management challenges. On the governance front, the company has also been flagged for board entrenchment, lack of gender diversity, and limited disclosure on executive compensation. Engagement has been held with the company's investor relations and sustainability teams, focusing on corporate governance. It was noted that while the company scores relatively poorly it is working towards improvements with respect to gender diversity and board members' broader experience and tenure. The company conducted its first overview of the board's practices and membership in November 2021 and will share results with investors, along with annual sustainability report.



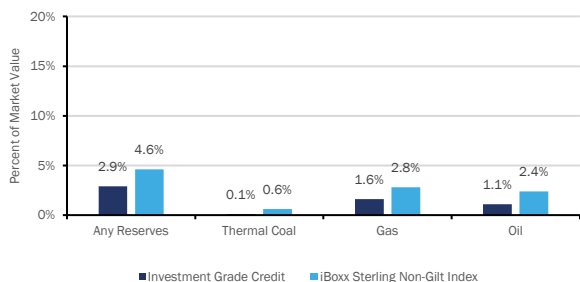
**Carbon Emissions and Intensity<sup>1</sup>**



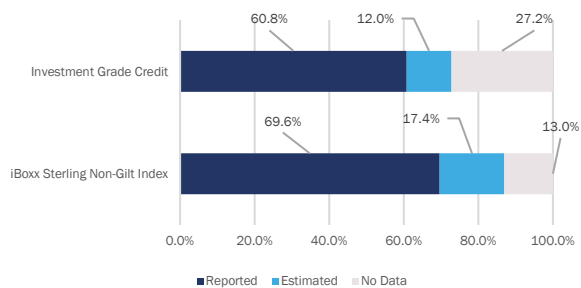
**Weighted Average Carbon Intensity Trend<sup>1</sup>**



**Weight of Holdings Owning Fossil Fuel Reserves<sup>1</sup>**



**Availability of Carbon Emissions Data (% of Market Value)<sup>1</sup>**



**Largest Contributors to Weighted Average Carbon Intensity<sup>1</sup>**

Company	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
London Power Networks	0.5%	+0.4%	6.8% <sup>±</sup>	No	N/A
Enel Finance International	0.6%	-0.1%	6.7% <sup>±</sup>	Yes	4
EDF	1.1%	-0.2%	6.5% <sup>±</sup>	Yes	4
South Eastern Power Networks	0.4%	+0.2%	4.9% <sup>±</sup>	No	N/A
Transport for London	1.0%	+0.5%	4.5% <sup>±</sup>	No	N/A

**Quarterly Carbon Commentary**

- The Fund is currently below the benchmark for weighted average carbon intensity (WACI). The largest contributor, London Power Networks, is an overweight position relative to benchmark and the company is discussed in more detail below. No single position dominates the portfolio WACI.
- Exposure to companies owning fossil fuel reserves is lower relative to the benchmark. The largest contributors include BP (via their financing vehicle), Equinor and Centrica.

**Feature Stock: London Power Networks**

London Power Networks, which is owned by UK Power Networks, transmits, generates and distributes electricity to domestic, commercial, and industrial customers. UK Power Networks is the 2nd largest operator of electricity distribution assets in the UK, with a stable outlook due to strong cash flow visibility and a track record of strong operational performance.

Electricity distribution is one of the core sectors in the transition towards low carbon energy. Increasingly major industries are switching from fossil fuels to electricity, and UK power networks is actively working with industry and policymakers to facilitate the change. UK Power networks launched its Green Action Plan in 2019, addressing areas where it impacts on the environment. Green Action Plan gives a framework on ambitions to reduce waste, water usage, carbon emissions and air and noise pollution, while increasing the biodiversity of many sites. UK Power Networks has also become the first electricity network operator to achieve the Carbon Trust Standard for carbon.

<sup>1</sup>Source: MSCI ESG Research 30/06/2022

**Issuers Not Covered <sup>1</sup>**

Reason	ESG (%)	Carbon (%)
Company not covered	18.5%	22.1%
Investment Trust/ Funds	5.1%	5.1%

<sup>1</sup>Source: MSCI ESG Research 30/06/2022

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