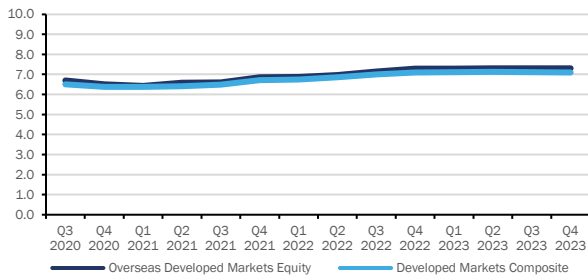


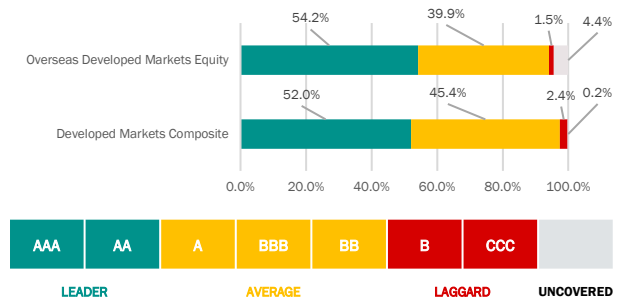


	End of Quarter Position <sup>1</sup>			Key
	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark	
Overseas Developed Markets Equity	AA <sup>1</sup>	7.3 <sup>1</sup>	[Green Box]	Fund has an equal or better <i>Weighted ESG Score</i> than the benchmark.
Developed Markets Composite	A <sup>1</sup>	7.1 <sup>1</sup>		Fund has a <i>Weighted ESG Score</i> within 0.5 of the benchmark.
			[Red Box]	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
Microsoft	3.3%	+0.5%	AAA <sup>1</sup>	Hyundai Motor	0.3%	+0.2%	CCC <sup>1</sup>
Novo Nordisk	1.8%	+0.6%	AAA <sup>1</sup>	HPSP	0.2%	+0.2%	CCC <sup>1</sup>
NVIDIA	1.7%	+0.5%	AAA <sup>1</sup>	Meta Platforms	0.6%	-0.2%	B <sup>1</sup>
ASML	1.5%	+0.4%	AAA <sup>1</sup>	Koninklijke Philips	0.2%	+0.1%	B <sup>1</sup>
Schneider Electric	0.8%	+0.4%	AAA <sup>1</sup>	Hyundai Mobis	0.1%	+0.0%	B <sup>1</sup>

**Quarterly ESG Commentary**

- The weighted ESG score remained consistent over the quarter and remains above the benchmark. This is due to the Fund holding a higher weighting of companies considered to be 'Leaders' and a lower weighting to 'Laggards'.
- During the quarter Hyundai Motor was downgraded to 'CCC' while Meta Platforms was upgraded to 'B'. HPSP rated CCC is a new holding in the Fund and is this quarters' Feature Stock.

**Feature Stock: HPSP**

HPSP Co Ltd is a Korean company which specialises in high pressure heat treatment semiconductor equipment increasingly used in the production of smaller logic nodes and memory chips. HPSP has technology (protected by over 30 patents) and expertise in handling high-density hydrogen in high pressure environments, where the risk of explosion is high and rigorous safety standards are needed. This provides high barriers to entry and makes costs high for HPSP's customers (the largest semiconductor foundries and memory makers) to switch to other suppliers.

MSCI initiated coverage of HPSP in April 2023 with an ESG rating of "CCC", being below peers on Environment and Governance. This can be typical of small Korea companies which are growing rapidly and have not yet made improvements according to their new status. MSCI's "formulaic" approach tends to penalise smaller companies with fewer resources in terms of ESG-dedicated teams and specialists. Expectations are for HPSP to improve some of its labour and governance practises as it develops, sets up better systems and improves disclosure. Whilst the criticism in terms of corporate governance practices is deserved and improvement desirable and to be demanded, in recent years HPSP has delivered great shareholder value and risen to prominence in a very competitive industry with a strong IP prowess led by a professional management team.

<sup>1</sup>Source: MSCI ESG Research 30/12/2023

# BORDER TO COAST OVERSEAS DEVELOPED MARKETS EQUITY FUND

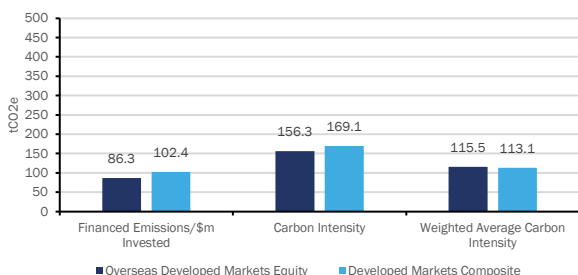
ESG & CARBON REPORT

Q4  
2023

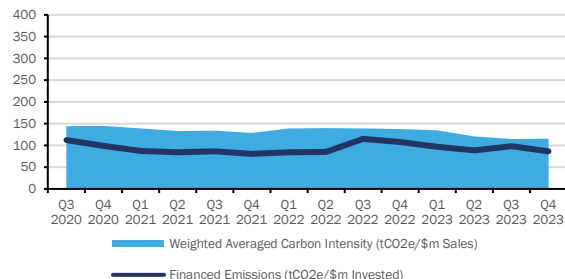
MSCI ESG  
RATING  
AA



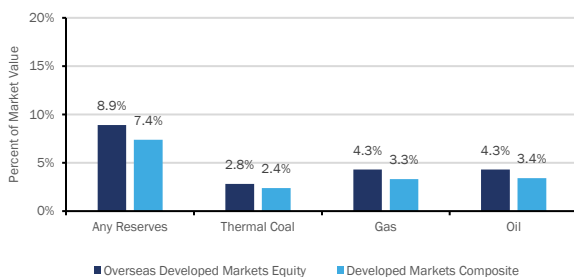
## Carbon Emissions and Intensity<sup>1</sup>



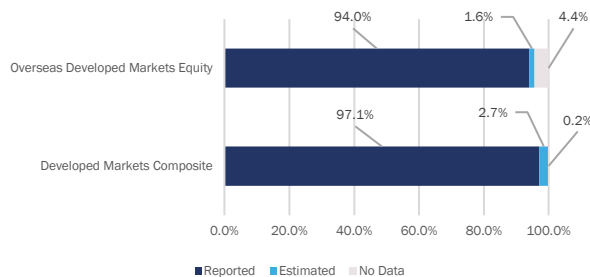
## Carbon Trends<sup>1</sup>



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



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



## Largest Contributors to Financed Emissions<sup>1</sup>

Company	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
RWE	0.4%	+0.2%	12.3% <sup>1</sup>	Yes	4
POSCO	0.3%	+0.1%	8.3% <sup>1</sup>	Yes	4
ArcelorMittal	0.1%	+0.0%	8.0% <sup>1</sup>	Yes	4
Holcim	0.3%	+0.2%	6.9% <sup>1</sup>	Yes	4
Kansai Electric Power Company	0.2%	+0.2%	3.8% <sup>1</sup>	No	3

## Quarterly Carbon Commentary

- The Fund is currently below the benchmark for financed emissions and carbon intensity, but slightly above for Weighted Average Carbon Intensity (WACI).
- Financed emissions decreased in the quarter. This was largely driven by strong performance in some of the higher emitting companies such as RWE, Holcim and ArcelorMittal. The slight increase in WACI was driven by a net increase in portfolio weight of the top 5 contributors. RWE is covered below as this quarter's Feature Stock.

### Feature Stock: RWE

In November 2023, RWE outlined a €55bn investment plan to 2030 to expand its green portfolio to more than 65 gigawatts (GW) by 2030, adding net capacity of >30GW between 2024-30. RWE's goal is to be carbon neutral by 2040 and to achieve this it is increasing the pace of its transformation and aiming to reduce its emissions in line with the 1.5°C reduction path across all corporate activities and all greenhouse gases. This includes the construction of renewable energy plants based on offshore and onshore wind power, solar energy, and battery storage as well as investments in hydrogen-ready gas-fired power plants. RWE has a goal to phase out the use of coal as an energy source by 2030 and is decommissioning coal power plants as soon as their utilisation is no longer required. To achieve the goal of net zero by 2040, the decarbonisation of fossil-fueled power plants is another key element. The Company is converting its Dutch power plants to run on biomass and is currently developing carbon capture and storage projects in the UK and the Netherlands.

The investment thesis for owning RWE remains; it has one of the strongest balance sheets in the sector and will be looking at the renewable space to grow its earnings. It is at a valuation discount to its peers, which is mainly due to coal-fired power generation exposure. As the exposure to coal/lignite reduces, RWE should re-rate to be in line with its peers.

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

Reason	ESG (%)	Carbon (%)
Company not covered	0.3%	0.3%
Investment Trust/ Funds	4.1%	4.1%

**Important Information**

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