SEC MEMORANDUM CIRCULAR NO. 11
Series of 2022

TO	**:**	**INVESTMENT COMPANIES** **FUND MANAGERS** **OTHER ENTITIES DEALING WITH AN INVESTMENT COMPANY**
SUBJECT	**:**	**RULES ON SUSTAINABLE AND RESPONSIBLE INVESTMENT FUNDS**

WHEREAS, the Commission recognizes the global trend and continuous growth of sustainable and responsible investing in recent years;

WHEREAS, the Commission is aware of the measures taken by various regulators to enhance the transparency of and disclosures related to sustainability-related products to improve comparability between funds which incorporate Environmental, Social, and Governance (ESG) into the investment process;

WHEREAS, the Commission is also aware of the initiatives adopted by various regulators to protect investors from greenwashing and assist them in making better-informed investment decisions;

WHEREAS, the Commission promotes sustainable business practices, investments in sustainability-related products, and expansion of its market;

WHEREAS, Section 35(a) of Republic Act No. 2629, or the Investment Company Act (ICA), and Section 72 of Republic Act No. 8799, or The Securities Regulation Code (SRC), vest upon the Commission the authority to make, issue, amend, and rescind rules and regulations and orders, which are necessary or appropriate to the exercise of the powers conferred upon it in the ICA and the SRC;

WHEREAS, to provide guidance on the disclosures and reporting of investment companies classified as Sustainable and Responsible Investment (SRI) Funds and their Fund Managers, the Commission deems it necessary to issue the subject rules;

IN VIEW OF THE FOREGOING, the following rules are promulgated:

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Manila Bulletin, 3 January 2023
Business World, 3 January 2023

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Section 1. Applicability - These rules shall apply to the following:

a. A newly formed or existing investment company that seeks to qualify, or has qualified, as a Sustainable and Responsible Investment (SRI) Fund, including any sub-fund of an umbrella fund, which adopts sustainability considerations or environmental, social, and governance (ESG) factors as its key investment focus; and

b. A non-SRI investment company that incorporates or seeks to include sustainability or ESG factors or considerations in its investment objective and discloses such information in its Registration Statement.

Section 2. Minimum Requirements to qualify as an SRI Fund - A newly formed or existing investment company, including any sub-fund of an umbrella fund, seeking to qualify as an SRI Fund must comply with the following:

a. It must adopt one or more sustainability principles or considerations or ESG factors as its key investment focus and appropriately reflect such focus in its investment objective and/or strategy in its Registration Statement;

b. As part of its investment objective, the expected exposure or minimum asset allocation percentage that is consistent with the SRI Fund's sustainable investment objective should account for at least two-thirds (2/3) of its net asset value (NAV) at all times;

c. The name of the SRI Fund must accurately and fairly reflect the sustainability or ESG factors set out in its investment objective and/or strategy, subject to the following conditions:

   i. An explanation must be submitted to the Commission as to how the proposed name is proportionate to the ESG features of the SRI Fund as a whole, and will neither mislead investors as to the role of ESG in its overall investment objective and strategy nor over-emphasize or overstate the SRI Fund's ESG features; and

   ii. No investment company other than an SRI Fund shall use the term "ESG," "sustainability" or words of similar import in its name and/or its marketing materials, unless otherwise permitted by the Commission.

   Guidance: The requirement above is in addition to the recommendation under Rule 4.2 (a) of the Implementing Rules and Regulations of the ICA (ICA-IRR) that an investment company must indicate its classification in its name, i.e., Equity Fund, Bond or Fixed Income Fund, Balanced Fund, Money Market Fund, Index Fund, Feeder Fund, Fund-of-funds, Co-Managed Fund, Multi-asset/Asset Allocation funds, etc.

   Moreover, no clearance over the application for primary registration or amendment of the Articles of Incorporation shall be issued unless the Commission is satisfied that the name of the SRI Fund complies with Section 2 (c) these Rules.

d. The Registration Statement of an existing investment company seeking to qualify as an SRI Fund or the Main Prospectus and/or Sub-Fund Supplement (in case of an umbrella fund), must be amended to reflect the requirements provided in these Rules;

   Guidance: The Commission shall not issue the Order on the Amended Registration Statement unless the existing investment company or a sub-fund (in the case of an umbrella fund) has demonstrated compliance with Section 2 (b) of these Rules

by submitting a schedule of investments/portfolio duly certified by its custodian, except those which cannot be placed in the custody of the custodian as provided under Rule 5.1.2. of the ICA-IRR, as amended by SEC Memorandum Circular No. 33, Series of 2020. In such case, a document providing for the list of those assets subject to the Fund Manager's record-keeping obligation must be submitted to the Commission.

e. In addition to Sec 2 (b) of these Rules, when a feeder fund or a fund-of-funds seeks to qualify as an SRI Fund, the target fund/s must be aligned with the sustainable investment objective of the SRI Fund, and the total ESG investments of each target fund/s should account for at least two-thirds (2/3) of the SRI Fund's NAV;

Guidance: There is no need to re-apply as an SRI Fund if the target fund/s is changed, provided that the new target fund/s complies with Section 2 (e) of these Rules. The Commission must be notified of the new target fund/s within five (5) business days through a Current Report (SEC Form 17-C) from the Board of Directors' approval of the change. The notification must explain the change in the target fund/s. Within the same period, such information must also be provided on the SRI Fund's website to inform the investing public.

In addition, the Registration Statement must be amended to reflect the change in the target fund/s as well as other relevant information.

Section 3. Sustainability Principles/Considerations **-** The following sustainability considerations, principles, or ESG factors may be considered by an SRI Fund:

a. **United Nations Sustainable Development Goals (SDGs)**[1] pertaining to the seventeen (17) sustainable development goals adopted by the United Nations in 2015;

b. **United Nations Global Compact Principles**[2] on the ten (10) principles relating to sustainability adopted by the UN Global Compact;

c. **Common Principles for Climate Mitigation Finance Tracking**[3] regarding the tracking and reporting of climate change mitigation finance which was developed by the Joint Climate Finance Tracking Group of multilateral development banks (MDBs) and a group of representatives of the International Development Finance Club (IDFC) member banks;

d. **Green Bond Principles of the International Capital Market Association (ICMA)**[4] which recommend transparency and disclosure and promote integrity in the development of the Green Bond market;

e. **Climate Bonds Taxonomy of the Climate Bonds Initiative**[5] which identifies the assets, activities, and projects needed to deliver a low carbon economy; and

f. Any other nationally or globally acceptable ESG or sustainability principles or criteria.

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[1] https://sdgs.un.org/goals
[2] https://www.unglobalcompact.org/what-is-gc/mission/principles
[3] https://www.eib.org/attachments/documents/mdb_idfc_mitigation_common_principles_en.pdf
[4]https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/
[5] https://www.climatebonds.net/standard/taxonomy

Section 4. Sustainable Investment Strategies - The SRI Fund may adopt one or more of the following strategies to achieve its investment objective relating to sustainability or ESG:

a. **Negative or Exclusionary Screening** which excludes companies, sectors, activities (e.g., alcohol, tobacco, gambling, nuclear power or energy, military weapons, fossil fuels, etc.) or countries (e.g., repressive regimes specified by internationally recognized governing bodies or organizations) from the investment universe or portfolio of the SRI Fund based on a particular ESG factor/s, or are deemed to conflict with national or international agreements, such as the Universal Declaration of Human Rights or Rio Declaration on Environment and Development;

b. **Best in Class/Positive Screening** which prioritizes investing in companies with higher ESG scores or those that outperform its peers in terms of ESG performance;

c. **ESG Integration** which incorporates ESG data in the investment selection process and analyzes the environmental, social, and governance qualities of a company together with the traditional financial analysis;

d. **Active Ownership** which involves engagement with investee companies, voting at meetings regarding ESG matters, or influence in the investee's behavior, policies, and practices relative to ESG;

e. **Thematic Investment** which involves the identification and selection of companies that aligns or falls under a particular theme related to sustainability;

f. **Impact Investing** which is aimed at generating positive and measurable impact with respect to a particular social or environmental objective or benefit (e.g., providing employment in an under-developed community or promoting access to low carbon energy alongside a financial return); and

g. Other sustainable investment strategies practiced nationally or globally.

Guidance: Multiple strategies may be adopted by a single SRI Fund to achieve its investment objective/s. However, an investment company shall not qualify as an SRI Fund if the adoption of negative or exclusionary screening or ESG integration is only for financial returns and not accompanied by any other sustainable investment objective.

Section 5. Disclosure Requirements - The following information must be provided in the Prospectus or Sub-Fund Supplement (in case of an umbrella fund) and Product Highlight Sheet of an SRI Fund:

a. Name of Fund which complies with Section 2 (c) of these Rules

b. Notification to the public on the qualification as SRI Fund

A statement on the cover page that the investment company or sub-fund (in case of an umbrella fund) has qualified as an SRI Fund under these Rules as well as a disclaimer that would read as follows:

> "*The Securities and Exchange Commission does not guarantee the ESG performance or effectiveness of the investment selection process, procedures, criteria, and strategies disclosed in the Prospectus to achieve the sustainable investment objective of the SRI Fund.*"

c. Key ESG Investment(s) or focus

A list and description of the sustainable or ESG investment focus of the SRI Fund (e.g., climate change, energy efficiency, human rights, board diversity), and other sustainability principles/considerations adopted.

d. ESG Criteria and Investment Selection Process

A list and description of the process and objective criteria used in selecting the underlying investments, such as ratings, labels or identified data sources, in relation to sustainable investment strategies to attain the SRI Fund's sustainable investment objective subject to Section 5 (n) of these Rules on the use of third-party verifiers or fund labeling agencies.

e. Asset Allocation

i. Expected exposure or minimum asset allocation percentage consistent with the SRI Fund's sustainable investment objective that should account for at least two-thirds (2/3) of the Fund's NAV at all times; and
ii. Estimated proportion or percentage of the SRI Fund's NAV that will be devoted to non-ESG investments, if any.

f. Reference Benchmarks and Indices

i. If the SRI Fund is tracking an ESG benchmark (e.g., an index fund) to attain its sustainable investment objective, information on the said benchmark must be disclosed including its characteristics and general composition; or
ii. If the SRI Fund aims to measure its sustainable investment objective against a designated reference benchmark, there must be a disclosure of how the designated reference benchmark is relevant to the SRI Fund. There shall also be disclosures where the benchmark index is only used for measuring the financial performance of the SRI Fund.

g. Sustainable Investment Strategy

i. A list and description of the sustainable investment strategy/ies adopted by the SRI Fund, including any exclusion or screening thresholds where applicable, and how each strategy will be continuously implemented in the investment process; and
ii. Disclosure of the strategy that is most reflective of the SRI Fund's sustainable investment strategies, if several are adopted.

h. Sustainable Investment Strategy-related risks

i. A list in the order of importance and a description of existing and emerging risks associated with the SRI Fund's sustainable investment objective, including unique risks arising from the investment being sustainability-related, an explanation on how the risk may impact the investment of the investor, and the corresponding risk management measures and procedures for each identified risk;
ii. Provide an overall risk management framework for the assets managed by the Fund Manager; and

iii. Description of the risks or limitations associated with the sustainable investment strategies of the SRI Fund, (e.g., subjective judgment in investment selection, reliance on third party sources, the concentration of investments).

i. Steps to ensure that the SRI Fund's overall impact is aligned with other ESG factors

Measures to be taken to ensure that the SRI fund's overall impact does not cause significant harm or inconsistency with any other sustainability considerations under Section 3 of these Rules.

j. Assessment methodologies to measure and monitor attainment of sustainable investment objective

A description or identification of the assessment methodologies including the required due diligence, adopted to measure and monitor the attainment of the sustainable investment objective throughout the lifecycle of the SRI fund.

k. Stewardship Policies

A description of the SRI Fund's stewardship policies (i.e. proxy voting and shareholder engagement) and how these policies take into account the SRI Fund's sustainable investment objective and strategies.

l. Policies and procedures on breach of ESG Investment Threshold or Inconsistency with sustainable investment objective

i. A description of the SRI Fund's policies and procedures on breach of ESG investment threshold or inconsistency with sustainable investment objective in relation to Section 9 of these Rules; and
ii. Procedures shall include specific processes to divest existing investments that were initially compliant but subsequently became ineligible.

m. Any other Information

A disclosure of other initiatives or activities of the SRI Fund to promote adherence to internationally recognized sustainability standards and practices or any additional information considered necessary by the SRI Fund and its Fund Manager, such as the use of third-party certification or fund label, if any.

In the event that third-party verifiers or fund labeling agencies are appointed, the verification report, which must include the pertinent credentials and experience of the third-party verifier or fund labeling agency, must be uploaded in the SRI Fund's website.

Guidance: In case a third-party verifier or fund labeling agency is appointed to review the SRI Fund's underlying investments to reflect the particular sustainable investment objective which the fund represents, investment selection and ongoing monitoring process, the Prospectus shall include the following statement: "The Commission does not license or regulate local or foreign third-party verifiers or fund labeling agencies. Further, the Commission does not verify nor endorse reliance on the contents of any report or finding made by such third-party verifier or fund labeling agency."

Section 6. Marketing Materials and Website Disclosures - The following requirements apply to all information regarding the SRI Fund that will be included in the marketing materials, advertisements, publications, and communications, including website content:

a. It must present a fair, balanced, and consistent description of the SRI Fund;
b. Sustainability aspects should be consistent with regulatory documents filed with the Commission; and
c. Should not include untrue statements of material facts, or false or misleading statements (e.g., website of the Fund showing it has high ESG ratings when in fact it does not; claims that a negative screening is used to exclude those entities involved in oil and gas but the portfolio in fact holds securities of such companies, identifies real-world sustainability aims that are aligned with several of the United Nations Sustainable Development Goals, but does not provide quantifiable evidence of how, and how well the product is meeting those aims)

Section 7. Regular Assessment and Monitoring - In relation to Section 8 (d) of these Rules, the SRI Fund and its Fund Manager must regularly assess how the SRI Fund has attained its sustainable investment objective.

The Fund Manager must also continuously monitor and evaluate the underlying investments to ensure that the SRI Fund continues to meet the stated sustainable investment objective and other requirements provided in these Rules.

The Independent Oversight Entity (IOE) shall oversee the transactions and performance of functions by the Fund Manager to ensure compliance with the disclosures made in the Prospectus of an SRI Fund and the requirements provided in these Rules and any amendments thereto.

Section 8. Reportorial Requirements – The following information must be provided in the annual or quarterly reports, as the case may be, of an SRI Fund:

a. Confirmation of Compliance with SRI Rules

A statement that the SRI Fund has complied with the Rules on Sustainable and Responsible Investment Funds, including any amendments thereto, within the reporting period.

b. Description on how the SRI Fund has attained its sustainable investment objective during the reporting period, including, but not limited to:

i. Statement of the sustainability considerations adopted in the sustainable investment objectives and strategies employed;
ii. Description and list of each of the underlying investments that are consistent with the SRI Fund's sustainable investment objective, including the percentage of the total ESG investments over the SRI Fund's NAV and percentage over ESG portfolio;

Guidance: The presentation of investments vis-vis sustainable investment objective/s of the SRI Fund must be made in accordance with the template provided in Annex A of these Rules. The requirement under Section 8 (b) (i) shall be in addition to the requirement of Annex 68-G and Annex 68-J of the Revised SRC Rule 68 on the schedule of investments of mutual funds and financial assets.

In addition, a feeder fund or fund-of-funds must submit a presentation of investments of the target fund/s vis-a-vis sustainable investment objective of the SRI Fund to be made in accordance with the template provided in Annex B of these Rules.

iii. Brief description of actual non-ESG investments and their percentage of the SRI Fund's NAV;

iv. Description and list of sustainable investment strategies employed;

Guidance: The actual proportion of the investment universe that was eliminated or selected as a result of the SRI Fund's ESG-related screening must be disclosed. In case an impact investing strategy is utilized, an impact reporting must be incorporated in the SRI Fund's annual report which should provide, among others, for a comparison with the results of previous reporting periods for transparency and comparability purposes, if applicable.

v. Description of the strategy that is most reflective of the SRI Fund's sustainable investment strategies, if multiple strategies are used;

vi. Description of divested investments made during the reporting period and their percentage out of the SRI Fund's NAV, where applicable;

vii. A comparison of the SRI Fund's performance against the designated reference benchmark or index being tracked, if applicable;

viii. Descriptions on sustainability risk considerations and the inclusion of such risks in the SRI Fund's investment decision-making process;

ix. In the event that the SRI Fund's underlying investments are inconsistent with its sustainable investment objectives and strategies, descriptions on steps undertaken to rectify the inconsistency; and

x. Actions or initiatives taken by the SRI Fund to attain its sustainable investment objective, such as, but not limited to, the description of the SRI Fund's stewardship policies (i.e. proxy voting and shareholder engagement) and how these policies take into account the SRI Fund's sustainable investment objective and strategies.

c. Description of the basis of assessment

Description of the basis of the assessment performed relative to how the SRI Fund has attained its sustainable investment objective during the reporting period.

d. Comparison of periodic assessment

Comparison of the current and previous assessment period in a tabular format, where the SRI Fund has submitted a prior report on its assessment.

Guidance: Failure to disclose any of the abovementioned information in the Annual or Quarterly report shall render the report incomplete and subject the SRI Fund to the applicable penalty under SEC Memorandum Circular No. 6, Series of 2005 (Consolidated Scale of Fines), or any amendments thereto.

Section 9. Breach of ESG Investment Threshold or Inconsistency with sustainable investment objective - The Fund Manager shall inform the Commission within five (5) business days after it becomes aware of any of the following:

i. A breach of the ESG investment threshold where the SRI Fund's investments in ESG account for less than two-thirds (2/3) of the NAV of the SRI Fund, including a description of the actions taken or to be taken to rectify the breach; or

ii. Inconsistency of an underlying investment/s with the SRI Fund's stated sustainable investment objective, including any divestments made or any other action taken or to be taken to rectify the inconsistency.

The Fund Manager shall rectify such breach or inconsistency as soon as practicable, but shall not be more than thirty (30) business days from the date of discovery. The failure of the Fund Manager to rectify the breach or inconsistency within the said period may cause the disqualification of the investment company as an SRI Fund and the removal of its name in the dedicated SRI Funds webpage of the SEC.

The Fund Manager must also notify the Commission via a Current Report within five (5) business days from rectifying the breach or inconsistency, the completeness of such rectification, together with a presentation of investments vis-a-vis sustainable investment objective of the SRI Fund to be made in accordance with the template provided in Annex A of these Rules.

An investment company that has been disqualified under this Section may re-qualify and be reinstated in the list of SRI Funds, subject to the following:

a. A letter-request to requalify as an SRI Fund has been filed with the Commission which states, among others, the reasons why the disqualified investment company should be reinstated in the list of qualified SRI Funds;
b. The relevant filing fee has been paid by the Fund Manager[6] pursuant to SEC Memorandum Circular No. 3, Series of 2017, or any amendments thereto;
c. All outstanding monetary penalties have been paid; and
d. There has been compliance with any other directive(s) of the Commission.

Section 10. Uploading of Reports in the Company/Fund Website - The annual and quarterly reports must be made publicly available on a website designated by the SRI Fund or its Fund Manager, as the case may be.

Section 11. Dedicated SEC SRI Funds webpage - To enhance the visibility of SRI Funds, a list of qualified investment companies or sub-funds (in case of an umbrella fund) will be uploaded and updated regularly on the SEC website/microsite dedicated for investment companies, and/or social media accounts of the Commission. An SRI Fund that no longer qualifies under the requirements of these Rules and any amendments thereto will be removed from the list accordingly.

Section 12. ESG-Related Investments of Non-SRI Investment Companies - An investment company that intends to include sustainability or ESG factors or considerations in its investment objective and discloses such information in its Registration Statement and other marketing materials, without qualifying as an SRI Fund under these Rules, shall be subject to the following:

a. Additional Disclosures in Registration Statement

[6] Currently in the amount of Php2,000 pursuant to SEC M.C.3, s.2017

i. Information on ESG or sustainable investment objective including the percentage of the non-SRI Investment Company's NAV that is expected to be allocated to ESG investments;

ii. Description of the process and criteria used in selecting the underlying investments to attain the ESG or sustainable investment objective of the non-SRI Investment Company;

iii. Description of the sustainability investment strategy/ies adopted by the non-SRI Investment Company and how each strategy will be continuously implemented in the investment process;

iv. Description of existing and emerging risks associated with the non-SRI Investment Company's ESG or sustainability-related investments and sustainability investment strategies including the corresponding risk management measures and management procedure for each identified risk;

v. Policies and processes when the non-SRI Investment Company's investment(s) become(s) inconsistent with its ESG or sustainability-related investment objective as well as divestment procedures for existing investments that were initially compliant but subsequently became ineligible; and

vi. Description or identification of the assessment methodologies adopted to measure and monitor the attainment of the ESG or sustainability-related investment objectives of the non-SRI Investment Company.

b. Additional information in Annual or Quarterly Reports

i. Description on how the non-SRI Fund has attained its ESG or sustainable investment objectives during the reporting period which should provide, among others, for the information on each of the underlying investments that are consistent with the non-SRI Investment Company's sustainable investment objectives, including their actual percentage of the Fund's NAV;
ii. Description of the basis of the assessment performed relative to how the non-SRI Investment Company has attained its ESG or sustainability related investment objectives during the reporting period; and
iii. Comparison of the current and previous assessment period in a tabular format, where the non-SRI Investment Company has submitted a previous report on its assessment.

Guidance: Notwithstanding the additional disclosures required herein, a non-SRI Investment Company shall not be entitled to the benefits accorded to a qualified SRI Fund, such as the use of the terms "ESG," "sustainability," or words of similar import in its name and/or marketing materials, as provided in Section 2 (c) (ii), and shall not be included in the list of qualified SRI Funds in the Commission's website and/or social media accounts , as provided in Section 11 of these Rules or any amendments thereto.

Section 13. Administrative Sanctions - Violation of any of these Rules shall subject the investment company and/or its Fund Manager to the following penalties:

SRI MC	Description	Person Liable	First Offense	Second Offense	Third Offense
Sec. 2 (c)	Unauthorized use of SRI, ESG, or any other similar or associated terms in the name and/or marketing materials of an investment company, or making false statements as to its qualification as an SRI fund or over-emphasizing sustainability or ESG features in any communication or advertising materials	Fund Manager	Reprimand	P20,000 plus P400 per day of continuing violation	P40,000 plus P800 per day of continuing violation
Sec. 9	Failure to report or delay in reporting a breach of recited ESG investment threshold, or inconsistency with sustainable investment objective of the SRI Fund within five (5) business days from discovery	Fund Manager	Reprimand	P20,000 plus P400 per day of continuing violation	P40,000 plus P800 per day of continuing violation
Sec. 9 (i) (ii)	Failure to rectify or delay in rectifying a breach of recited ESG investment threshold or inconsistency with sustainable investment objective of the SRI Fund within thirty (30) business days from discovery	Fund Manager	Reprimand	P100,000 plus P600 per day of continuing violation	P200,000 plus P1,200 per day of continuing violation

The Commission may, after due notice and hearing, suspend or revoke the registration statement of an SRI Fund and the Investment Company Adviser License of the Fund Manager in case of a fourth or succeeding offense for the same violation.

The foregoing penalties shall be without prejudice to any other actions and sanctions that may be taken or imposed by the Commission, such as for making an untrue statement of a material fact, or omission to state any material fact required to be stated or necessary to make statements not misleading, in any report or document filed by an SRI Fund with the Commission, pursuant to the Revised Corporation Code, Securities Regulation Code, Investment Company Act, SEC Memorandum Circular No. 21, Series of 2019 (Rules on Independent Oversight Entity), SEC Memorandum Circular No. 6, Series of 2005 (Consolidated Scale of Fines), any amendments thereto, and all the rules and regulations that the Commission may subsequently issue in the exercise of its mandates.

Section 14. Applicability of SRC, ICA and Other Rules – The provisions of the Securities Regulation Code, Investment Company Act, their respective implementing rules and regulations, and any other rules promulgated by the Commission insofar as these rules are not inconsistent herewith shall apply suppletorily hereto.

Section 15. Separability Clause - If for any reason, any provision of these Rules or any portion thereof or application of such provision or portion thereof to any person, group or circumstance is declared invalid or unconstitutional, the remainder of these Rules shall not be affected by such decision.

Section 16. Effectivity -These rules shall take effect immediately after publication in two (2) newspapers of general circulation in the Philippines.

Makati City, Philippines, 20 December 2022.

For the Commission:

EMILIO B. AQUINO
Chairperson

Annex A

Presentation of Investments
relative to the Sustainable Investment Objective of the SRI Fund
For the period ended _____

	Current Year			Prior Year		
Investment	**Amount**	**% over NAV**	**% over ESG Portfolio**	**Amount**	**% over NAV**	**% over ESG Portfolio**
Sustainable Investment Objective A • Company X • Company Y • Company Z						
Sub-total						
Sustainable Investment Objective B • Company E • Company F						
Sub-total						
Total ESG Investments		**(should be at least 2/3 of NAV)*			**(should be at least 2/3 of NAV%)*	
Non-ESG			N/A			N/A
Grand Total						

Annex B

Presentation of Investments of the Target Fund/s
relative to the Sustainable Investment Objective of the SRI Fund
(Feeder Fund or Fund-of Funds only)
For the period ended _____

	Current Year		Prior Year	
Investment	**Amount**	**% over NAV**	**Amount**	**% over NAV**
Sustainable Investment Objective A • Company X • Company Y • Company Z				
Sub-total				
Sustainable Investment Objective B • Company E • Company F				
Sub-total				
Total **ESG** Investments		**(should be at least 2/3 of NAV)*		**(should be at least 2/3 of NAV)*
Non-ESG				
Grand Total				