Veritas
— Asset
Management

Real Return
Investing

Task Force on Climate-related Financial Disclosures 2023

Veritas Asset Management LLP | Introduction

Veritas Asset Management LLP ("Veritas" or "Firm") is a long only equity asset manager that seeks to invest in high quality companies at the right price. Rather than compartmentalising environmental, social and governance ("ESG"), these factors are used alongside financial metrics when evaluating the quality of a business.

Veritas has been investing in public equity markets since 2003 and as at the end of 2022, had two main investment strategies, Global Equity and Asian Equities. There are four funds run within the global franchise. These include the Veritas Global Focus Fund ("VGFF"), Veritas Global Real Return ("VGRRF"), Veritas Global Equity Income ("VGEIF") and Veritas Izoard Fund ("VIF"). Within Asia, there are two funds, the Veritas Asian Fund ("VAF") and the Veritas China Fund (VCF"). A third strategy, the Veritas Third Eye Emerging Market Fund ("VTEF"), was closed at the beginning of 2023, but is included in all Firm level data throughout this report.

ESG has been considered as part of our assessment of quality since the inception of the Firm but in the last few years there has been increased focus on climate change and associated risks and opportunities.

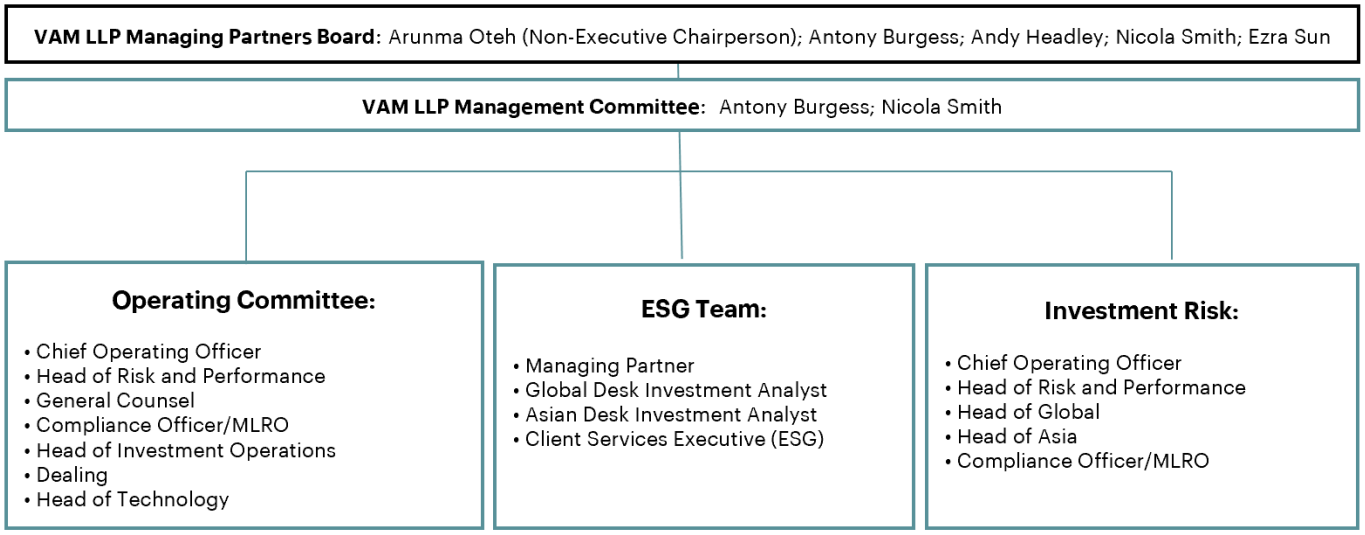
In 2021, Veritas signed up to the Net Zero Asset Managers Initiative ("NZAMI") and the Science Based Targets initiative ("SBTi"). The Firm is committed to align 100% of invested assets to Net Zero by 2050. This commitment entails producing verified interim targets which act as one measurement of impact from the policies that have been implemented and the actions that result from those polices. As a long only equity manager, managing daily dealing concentrated funds, stewardship is taken seriously, and Voting and Engagement is used to encourage investee companies to adhere to the Taskforce on Climate related Financial Disclosure ("TCFD") framework for disclosures.

Pillar 1

Governance: Disclose the organization's governance around climate-related risks and opportunities

Firm Level Governance

The Firm has a flat structure with three broad areas to the business: investment, clients, and operations. Each is headed by a Managing Partner that sits on the Managing Partners Board ("MPB"). The MPB consists of five Managing Partners: Arunma Oteh (Non-Executive Chairperson), Antony Burgess (Head of Clients and Investment Specialists), Nicola Smith (Chief Operating Officer, COO), Andy Headley (Fund Manager and Head of Global), and Ezra Sun (Fund Manager and Head of Asia). The MPB has ultimate responsibility for the consideration and approval of key initiatives which affect the business, including those related to ESG. All members of the MPB hold a range of financial related qualifications and an average of over 25yrs. of industry experience. Whilst the oversight of ESG rests with the MPB, its integration within the investment process rests with the investment teams and overseen by the two investment Managing Partners. The COO presents the annual Internal Capital Adequacy and Risk Assessment (ICARA) which documents the comprehensive risk management strategy, including those related to ESG. Risks within the Firm are monitored via an Operating Committee, which reports to the Management Committee, which in turn reports to the Managing Partners Board. An ESG 'dashboard' is maintained and reported to the Operating Committee monthly. An annual Business Plan is approved by the MPB, which includes a summary of the key risks. ESG and in particular climate change is listed as a key risk.

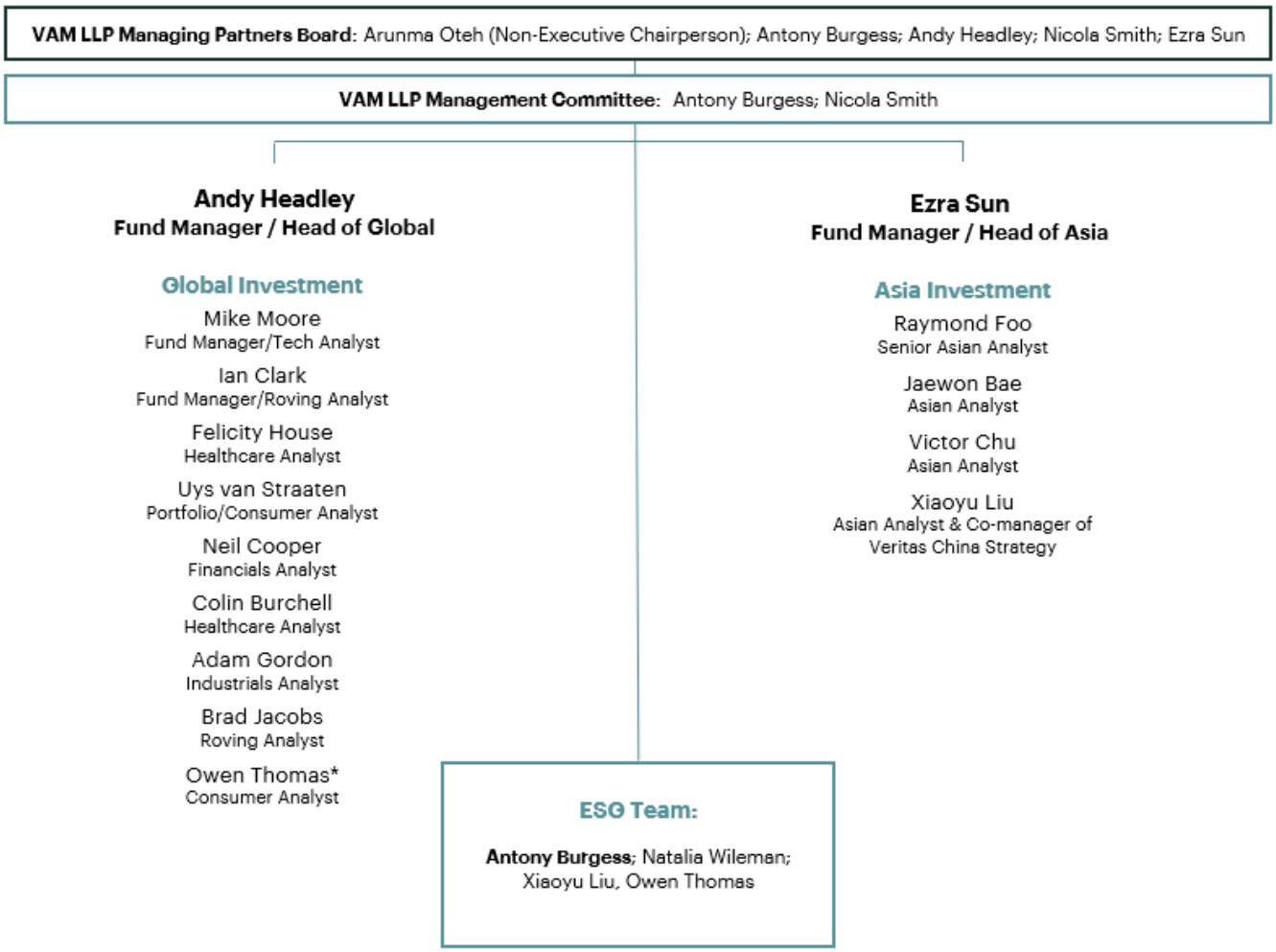


The Environmental, Social and Governance ("ESG") Team

The ESG team consists of four individuals across departments:

- Antony Burgess (Head of Clients and Investment Specialists, and Managing Partner)
- Owen Thomas (Analyst - Global Team)
- Xiaoyu Liu (Co-Manager, Veritas China strategy, and Analyst - Asian Team)
- Natalia Wileman (Client Services Executive-ESG)

The team has two areas of focus. The first is to consider new initiatives that may be additive to the investment process, specifically related to stewardship but also to consider enhancements to client reporting, adjusting for regulation and data reliability. The second area of focus is the oversight of specific processes, ESG databases and logs, again ensuring compliance with regulation and ESG education within teams throughout the business. There is clear accountability and oversight. Before anything is endorsed, it will be signed off by the MPB, which includes one member of the ESG team who will present any proposition to the MPB. If the action is agreed, e.g., the introduction of a new policy, this will be communicated to the various teams by the appropriate team leaders, e.g., the Head of Global Investments will inform the analysts within the Global team. Having both a Managing Partner and Investment professionals involved ensures oversight of all business areas. By having a client service executive in the team, any impact on reporting can be assessed. There are quarterly meetings at which the ESG team evaluates new initiatives. Members also attend relevant conferences/ webinars.



Corporate Social Responsibility ("CSR") Team

Veritas has a Corporate Social Responsibility ("CSR") Team that brings together the various CSR initiatives and has oversight of firm entity level climate risk management.

- Veritas is committed to Net Zero as an organisation. The Firm is a signatory of NZAMI and SBTi. Alphacello Ltd, a third-party organisation, has been appointed to independently calculate and verify carbon emissions of the Firm. During early 2022, emissions were netted off (based on 2019 levels) by helping fund a small hydro power project in India and a biomass cookstoves project in Malawi.

- During 2022, the Firm introduced a questionnaire that was sent to third party providers on their own CSR efforts. This was a consequence of obtaining feedback from our investors and concluding that a more robust way of assessing third party providers was necessary.

Pillar 2

Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.

Philosophy and Approach

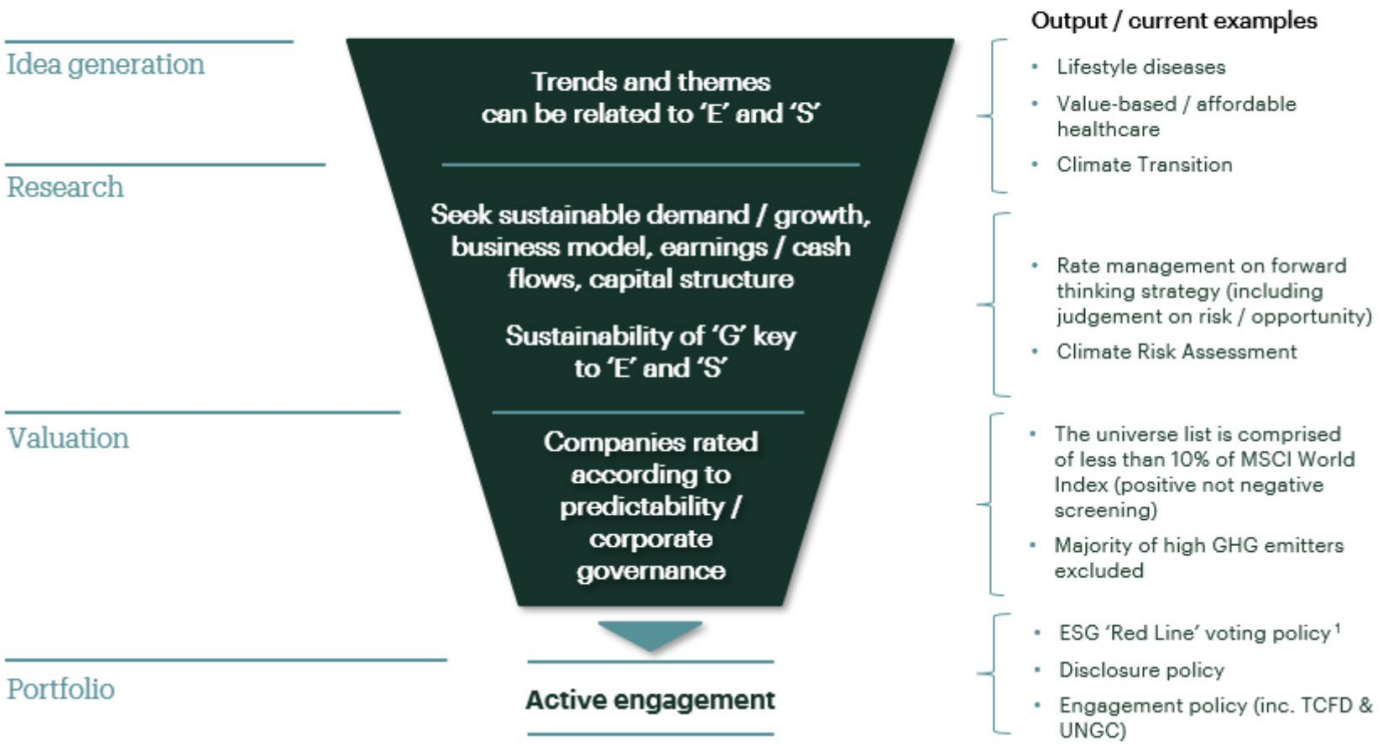
High quality sustainable businesses

Veritas' aim is to identify high quality companies and remain patient to buy these companies at the right entry point. High quality companies are those which are more predictable and reliable in terms of generating free cash. Since future valuations are determined by capitalizing cash flows, the highest quality companies are those that make a high return on capital, can convert returns into high free cash flows, have significant barriers to protect those cash flows, benefit from enduring trends and run by forward thinking management that can pivot the business according to future risks and opportunities.

- **Climate integration**

ESG factors, including climate risks and opportunities, offer the most valuable insight when considered alongside fundamental analysis and is fully integrated throughout the investment process. The diagram below illustrates the integration of ESG throughout the investment process:

ESG Integration | Veritas Global Strategy



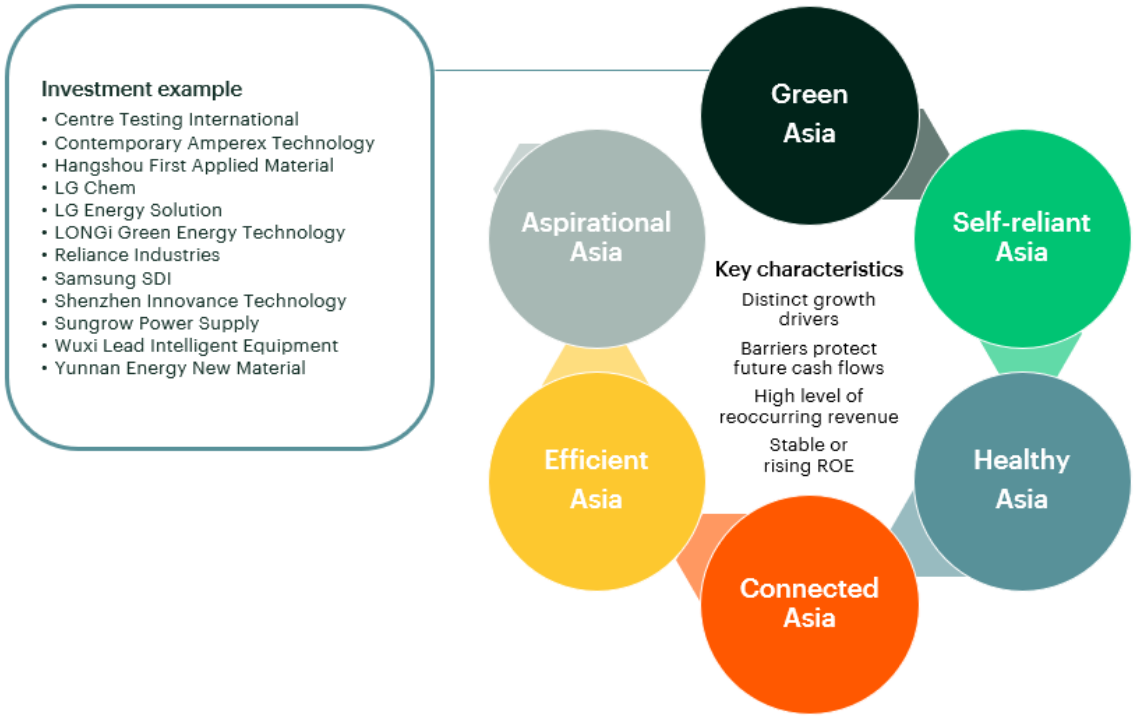
[1] *The Red Lines are a set of tightly drawn voting instructions covering a wide range of environmental, social and governance issues, developed by the Association of the Member Nominated Trustees (AMNT) to enable pension schemes to take a more active asset ownership role and to become more responsible investors. For further information on sustainability related aspects please visit https://www.vamllp.com/sustainability/*

Key strategic points

- **Enduring themes/trends**

The first part of the process, idea generation, involves identifying high quality companies to add to the Universe List. One of the most important ways to reduce the number of companies on which to focus is via themes. These are enduring trends that are likely to exceed an investment horizon of more than 10 years. Some of the themes/trends focus on clear environmental and social impacts which have been recognised by the management teams of investee companies. Examples include Affordable Healthcare and Climate Transition. The diagram below highlights the six themes relevant to the Asian strategies. Green Asia has been an investment theme for nearly 10 years. At its peak the companies identified and invested within the portfolio represented more than 20% of Asian equity AUM. Likewise, among the Global equity themes is Climate Transition and impact of Net Zero targeting. Increasingly, under regulatory and shareholder pressure, companies are setting Net Zero targets. As the pressure continues to increase, including having targets independently verified, these companies will require assistance to achieve those targets. Against a geo-political backdrop that is not helpful, this presents both risks and opportunities.

Veritas Asian Strategy | High conviction investment themes[2]



[2] *The positions above illustrate important subsector trends within the portfolio and does not include all securities held within the portfolio. In addition, we may not necessarily hold all the securities referred to above. The securities listed have been selected in an objective and nonperformance-based way and serve as an example of investment style over an annual cycle. The above does not constitute a recommendation or endorsement to buy or sell any referenced security or other financial instrument. Source: Veritas Asset Management LLP*

- **Quality Rating of Companies**

The resulting short list of companies are those that at first sight look as if they may be attractive long-term investments and warrant further analysis. The appropriate analyst(s) will analyse the company in further depth and at this stage, include any consideration that may affect the sustainability of the business. Within the global equity portfolios, the company is assigned a quality rating made up of a Business Quality rating, a Management Quality Rating and an ESG rating. The research process is purposely iterative in nature with portfolio managers and analysts involved in meeting/ rating management. Any material risk is likely to lead to a poor rating and the company will be removed from further consideration. Relevant to climate related factors, all companies are monitored pre-investment for compliance with relevant international frameworks including the TCFD disclosure framework.

- **Positive Screening**

The Universe List that results are composed of less than 10% of the relevant equity index. Within the Global franchise, approximately 250 names and 75 within the Asian equity Universe List. This integrated approach has meant low representation of carbon-intensive sectors such as oil and gas, coal, mining, cement, and steel, on the Universe Lists. By way of illustration, of the 568 companies covered to date by the Transition pathway Initiative ("TPI"), only 2 companies appear in portfolios (both with high management quality scores). As a result, the carbon intensity of portfolios are significantly lower than the equity benchmarks.

- **Portfolio Construction**

The Universe List of approved quality companies will have a rating from 1 to 3 highlighting the overall predictability/ quality of the business. A '1' rated company has the greatest predictability. For these businesses, a 12% IRR is sought, i.e., accepting a lower margin of safety due to lower risk factors. For those companies rated '2', a 15% IRR is sought and companies with a '3' rating are those whose corporate governance may leave some concerns, e.g., a Chinese internet company, which results in seeking a 20% IRR.

- **Stewardship**

Once a position is held, there are policies covering Voting and Engagement (covered in the next section) to challenge management on climate transition disclosure.

Climate Scenario analysis

Investment Risk | Climate

Veritas considers all risks and opportunities over a 10-year time horizon, with the aim of holding companies for at least five years. Much of the process involves assessing management over these time periods and examining key performance indicators and incentives to ensure alignment with shareholders. Systemic risks such as climate change are considered prior to initiating an investment in a company by mapping companies against TCFD guidelines.

Where it is deemed to be a material risk to the business, individual company scenario analysis is important. The Global franchise considered buying Vail resorts, the number one North American Ski Resort company. The investment team carried out scenario testing to underwrite climate risk. Assumptions were made of varying greenhouse gas concentration pathways, e.g., no-levelling off GHG emissions and an aggressive increase and effect on resorts of different altitudes. Vail are trying to

exploit greater risk from climate change by focusing on resorts at high altitude, introducing summer holidays at its resorts and allowing flexibility to switch from one resort to another. Any company deemed to be at significant risk from climate change will not be added to the Universe List.

That said, the impacts of climate are widespread, and whilst carbon intensity is to a large degree a gating consideration during the assessment of quality, most sectors will be impacted. Scenario analysis is therefore undertaken on both Global and Asian Equities products but also on Firm assets, given the commitment of 100% of AUM aligned with Net Zero.

It is difficult to ascertain the actual and potential impacts of climate-related risks aggregated to the firm level due to the duration of which these risks will play out. Providing accurate forecasts over a 5yr time horizon is challenging, let alone a forecast to 2050. Furthermore, multiple variables must be considered in scenario analysis models, many of which require more accurate data points if this information is to be relied upon. Value-at-risk (VAR) scenario analysis is still in its infancy. Therefore, the outputs of the following scenario analysis are not relied upon, it is simply a tool to provide a high-level assessment of the potential impact of climate-related risks across the entire business.

[3]Climate Scenario Analysis Model

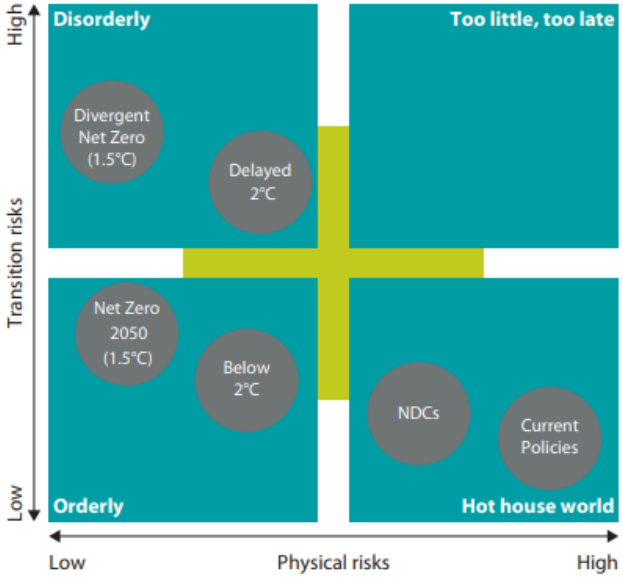
Veritas has used the NGFS ("Network for Greening the Financial System") scenarios, which encompass a comprehensive set of six scenarios aligned with the NGFS framework, to conduct the firm level assessment. These scenarios cover various dimensions related to climate change:

- **Orderly scenarios:** These two scenarios assume the early implementation of climate policies, gradually becoming more stringent. Both physical and transition risks associated with climate change are limited in these scenarios. The results of the two scenarios are illustrated below under 1.5°C Remind NGFS Orderly (aligned with NGFS Net-Zero 2050 model) and 2°C scenario Remind NGFS Orderly (aligned with NGFS Below 2°C scenario).

- **Disorderly scenarios:** These two scenarios explore higher transition risks resulting from delays or divergence in the implementation of climate policies across countries and sectors. For instance, carbon prices tend to be higher to achieve a specific temperature outcome. The results of the 2°C Remind NGFS Disorderly scenario (aligned with NGFS delayed transition model) are illustrated below.

- **Hot house world scenarios:** These two scenarios consider the implementation of climate policies in certain jurisdictions; however, global efforts are deemed insufficient to effectively curb significant global warming. These scenarios present severe physical risks, including irreversible consequences such as sea-level rise. The results of the 3°C Remind NGFS Sscenario (aligned with NDCs model) are illustrated below.

NGFS scenarios framework



[3] *Source: Network for Greening the Financial System (NGSF), NGFS Scenarios, 2022*

The following assumptions are made for each scenario:

	1.5°C Remind NGFS Orderly	1.5°C Remind NGFS Disorderly	2°C Remind NGFS Orderly	2°C Remind NGFS Disorderly	3°C Remind NGFS NDC
Population					
World Population Peak	2070	2070	2070	2070	2070
World Population in 2100 (million)	9,019	9,019	9,019	9,019	9,019
GDP					
Real GDP Growth 2020-2100 (CAGR)	2.0%	2.0%	2.0%	2.0%	2.0%
Electricity generation by fuel source					
2030 fuel mix					
%renewables	72%	71%	58%	41%	46%
%nuclear	6%	6%	6%	6%	5%
%gas	17%	18%	22%	26%	25%
%coal	4%	5%	14%	28%	23%
2050 fuel mix					
%renewables	94%	93%	92%	94%	80%
%nuclear	3%	4%	4%	4%	3%
%gas	3%	3%	3%	3%	16%
%coal	0%	0%	0%	0%	1%
Carbon sequestration (MtC02/yr)					
Year Uptake surpasses 5000 Mt/yr	2037	2045	2050	2050	2090
Carbon sequestration (Mt/yr)	8,779	7,645	7,498	5,926	5,342
Low carbon fuel sources in transport					
2050 low carbon fuel sources (%)	26%	46%	18%	26%	14%
GHG Emissions					
Peak year	2020	2020	202	2030	2025
90% reduction achieved by	2045	2045	2055	2049	N/A
Zero Emissions achieved by	2055	2055	2100	2060	N/A
Annual change -2020-2030 (CAGR)	-7.1%	-7.1%	-3.5%	+0.7%	+0.2%
Annual change -2020-2050 (CAGR)	-11.7%	-10.6%	-4.7%	-8.1%	-1.2%
Global warming temperature					
Global warming temperature 2100	1.66°C	1.63°C	1.90°C	1.84°C	2.63°C
Carbon Price (US$2010/tC02)					
2020 Carbon Price	2.99	2.99	2.99	2.99	2.99
2030 Carbon Price	184.07	278.40	57.89	2.49	9.97
2050 Carbon Price	672.71	783.16	193.37	621.92	34.05
Annual change – 2020-2030 (CAGR)	51%	57.4%	34.5%	-1.8%	12.8%
Annual change – 2020-2050 (CAGR)	6.7%	5.3%	6.2%	31.8%	6.3%

*Source: Faigle, Nathan. *Introduction to Climate Scenarios: Introduction to the Integrated Assessment Models and Shared Socioeconomic Pathways Used in the MSCI Climate Value-at-Risk Model (March 2022).*

VAM LLP | Climate Scenario Analysis Overview

	1.5° REMIND NGFS Orderly			1.5° REMIND NGFS Disorderly			2° REMIND NGFS Orderly			3° REMIND NGFS NDC		
	Portfolio	Benchmark	Active	Portfolio	Benchmark	Active	Portfolio	Benchmark	Active	Portfolio	Benchmark	Active
Policy Climate Var (Scope 1, 2, 3)	-3.0%	-10.6%	7.7%	-4.8%	-15.0%	10.2%	-0.7%	-3.2%	2.5%	-0.4%	-2.4%	2.0%
Technology Opportunities Climate VaR	0.4%	1.2%	-0.8%	0.8%	2.1%	-1.3%	0.1%	0.4%	-0.3%	0.1%	0.3%	-0.2%
Physical Climate VaR Aggressive	-2.3%	-3.2%	0.8%	-2.3%	-3.2%	0.8%	-3.1%	-4.2%	1.1%	-4.2%	-6.3%	2.1%
Aggregated Climate VaR	-4.9%	-12.6%	7.7%	-6.4%	-16.1%	9.7%	-3.7%	-7.0%	3.3%	-4.4%	-8.4%	3.9%

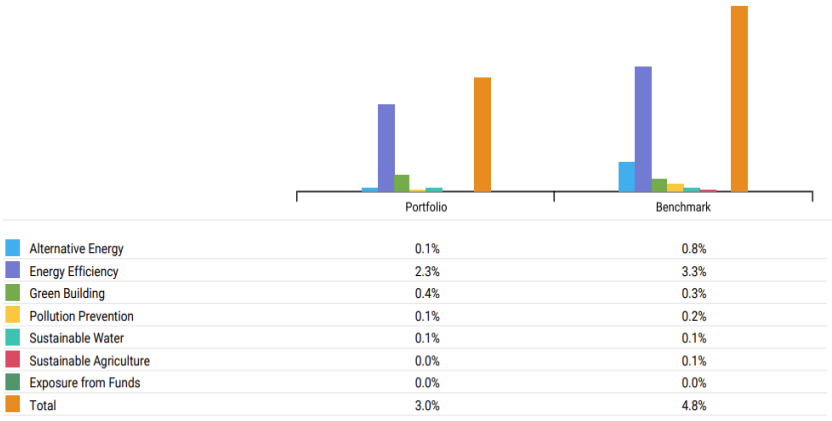
Impact of climate scenarios

The table above indicates, the invested Firm assets would be impacted less than the benchmark by the various climate scenarios. The most positive relative impact is seen under the 1.5-degree scenario, which may be expected given the data becomes increasingly unpredictable with increases in temperature. The table also indicates that invested assets are less exposed to technology -related climate opportunities. To better understand climate-related opportunities, the green revenues were considered in both Global and Asia portfolios and for Firm assets as a whole.

Climate Transition Efforts

Climate Investment Opportunities | Green Revenue Exposure[4]

The diagram to the right illustrates Veritas' investments in companies whose products and operations are well positioned for the transition (e.g., renewable-energy producers and electric-vehicle manufacturers) that will see increased demand for their products and services in the low-carbon transition.



- **Veritas Fund level assets | Top 5 Companies with Highest Proportion of Green Revenues**

Company	Green Revenue Theme	Green Revenue
Wuxi Lead Intelligent Equipment Co., Ltd	Energy Efficiency	75.3%
SAP SE	Energy Efficiency	22.7%
Microsoft Corporation	Energy Efficiency	21.7%
LG Chem Ltd	Alternative Energy, Energy Efficiency, Sustainable Water	21.7%
Shenzhen Inovance Technology Co., Ltd	Energy Efficiency	17.6%

[4] *Data provided under this section is sourced from MSCI ESG Research LLC.*

- **Veritas Global Focus Fund | Top 5 Companies with Highest Proportion of Green Revenues**

Company	Green Revenue Theme	Green Revenue
Microsoft Corporation	Energy Efficiency	21.7%
Vinci SA	Alternative Energy, Energy Efficiency, Green Building, Pollution Prevention, Sustainable Water	14.3%
Amazon.com, Inc.	Energy Efficiency	6.9%
Alphabet Inc.	Energy Efficiency	2.4%
BAE Systems Plc	Energy Efficiency	2.3%

- **Veritas Asian Fund | Top 5 Companies with Highest Proportion of Green Revenues**

Company	Green Revenue Theme	Green Revenue
Wuxi Lead Intelligent Equipment Co., Ltd.	Energy Efficiency	75.3%
LG Chem Ltd.	Alternative Energy, Energy Efficiency, Sustainable Water	21.7%
Shenzhen Inovance Technology Co., Ltd.	Energy Efficiency	17.6%
Tencent Holdings Ltd.	Energy Efficiency	10.6%
Nari Technology Co.,Ltd.	Alternative Energy, Energy Efficiency	10.5%

Energy Efficiency is the primary driver of Green Revenue exposure in Veritas' investment portfolio. Wuxi Lead designs and manufactures electric capacitors, solar energy equipment and lithium battery equipment (70% of total sales). The company commands a 20% share in China's lithium battery equipment market. Driven by vehicle electrification across the globe, EV battery demand continues to surge, hence EV battery makers worldwide plan to aggressively expand their production capacity. Given the massive expansion, the global lithium battery equipment market is estimated to grow at a CAGR of 25% over the next 3 years and to reach $42bn by 2025. Wuxi Lead is a one-stop solution provider for battery manufacturers, offering a full range of equipment that covers the entire production process. Furthermore, Wuxi Lead can also supply clients with an in-house developed manufacturing execution system that enables clients to digitalize and run a smart factory. Its customer base includes leading global cell makers such as LG Energy Solution and Panasonic, emerging international cell makers like Northvolt, Chinese cell makers like CATL, and global OEMs like Volkswagen. Wuxi Lead's largest customer CATL, approximately 40% of total sales is the world's number one battery maker with 50% market share in China and 32% globally.

Microsoft Corporation, with its strategic focus on clean technology development, plays a significant role in this area. Its efforts extend to various products, such as Cloud Computing Services, integrated system design, and consumer software. While digital technologies already contribute to a reduction in environmental impact by consuming less energy, the physical datacenters that house cloud computing operations require innovation to reduce emissions.

To mitigate the environmental impact of datacenters, Microsoft is committed to supporting renewable energy technologies, improving performance, enhancing efficiency, and reducing power consumption. Several innovative approaches have been applied to enhance the environmental benefits of data centers, including:

1. Liquid Immersion Cooling: This method of server cooling not only reduces energy and water consumption but also increases processing power.
2. Cleaner Power Backup Fuels: Microsoft is adopting less carbon-intensive backup generators instead of traditional diesel ones. This transition helps decrease absolute emissions and promotes cleaner energy sources.
3. Grid-Interactive Batteries: These batteries are designed to reduce the strain on the electrical grid by enabling users to store energy and lower overall energy costs. This approach contributes to a more sustainable and efficient power management system.

By actively pursuing these innovations and sustainability measures, Microsoft aims to minimise the environmental impact associated with physical datacenters.

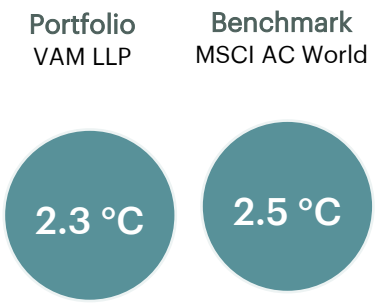
Forward Looking Analysis | Implied Temperature Rise (ITR)

The Implied Temperature Rise ("ITR") metric serves as an indicator of how effectively public companies align with global temperature goals. Expressed in degrees Celsius, it provides a forward-looking assessment of a company's alignment with the objectives set forth in the Paris Agreement. The Agreement aims to limit the global temperature rise this century to well below 2°C above pre-industrial levels and to pursue efforts to further limit the increase to 1.5°C.

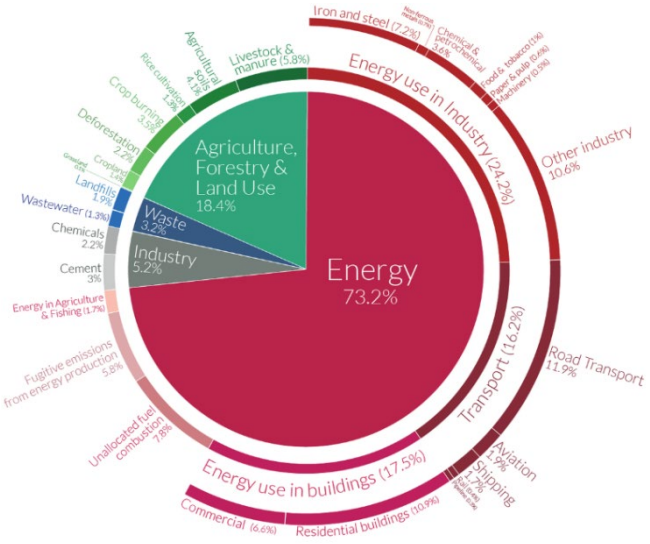
During the reporting period, MSCI ESG Research data was utilised to measure the ITR of each Global and Asian equity portfolio compared to their respective benchmark as well as a Firm level ITR.

The ITR compares the projected greenhouse gas ("GHG") emissions attributed to the "owned" holdings within the fund against the corresponding carbon budgets for those holdings. The difference between the portfolio's total estimated carbon budget overshoot or undershoot is then converted into a measure of temperature rise (°C) using the concept of the Transient Climate Response to Cumulative Emissions (TCRE). The ownership base used in determining "owned" emissions and carbon budgets is the Enterprise Value including Cash (EVIC).

- **Veritas | Portfolio & Top 5 Companies with Highest Implied Temperature Rise ("ITR")**



Company Name	Weight	ITR
Safran SA	4.5%	9.9°C
BAE Systems PLC	2.5%	6.0°C
Fisher & Paykel Healthcare Corporation Ltd	0.1%	3.9°C
Wuxi Lead Intelligent Equipment Co., Ltd.	0.3%	3.8°C
Nestle India Ltd	0.2%	3.6°C



The table illustrates the issues with relying on one set of data. Wuxi Lead is climate solution provider but is one of the highest carbon emitting investee companies. Similarly,[5] Safran has the highest ITR of all investments across the business. Safran is a French company that produces products related to Aerospace Propulsion, Aircraft Equipment and Aircraft Interiors. It also includes maintenance, repair, and overhaul (MRO) activities and the sale of spare parts, meaning it has a high level of reoccurring revenue, which is one of the key reasons for investment. Safran is at the forefront of looking for solutions to burning less fuel (the airlines biggest cost, as well as its biggest contributor to its carbon profile). Longer term, a hybrid engine is a possibility (especially for short haul aircrafts). In the meantime, Safran has developed an engine that is the most efficient for commercial short haul flights, the A321 XLR, which can fly further and, on less fuel, than any other engine in its class. Airlines are rapidly ordering new planes which are more energy efficient. Safran has been the big winner over its competitors such as Pratt and Whitney. Safran will not be recognised in green revenue figures but it's clear the company will be part of the solution to a low carbon economy, as they work on product innovation to ensure there is less reliance on carbon intensive fuels.

- **Veritas Global Focus Fund | Portfolio & Top 5 Companies with Highest Implied Temperature Rise ("ITR")**

Portfolio VGFF	Benchmark MSCI AC World
2.4 °C	2.5 °C

Company Name	Weight	ITR
Safran SA	5.8%	9.9°C
BAE Systems Plc	3.4%	6.0°C
Canadian Pacific Kanas City Ltd	6.1%	2.2°C
Airbus SE	3.8%	2.1°C
Becton, Dickinson and Company	3.4%	2.1°C

Global Investment Desk | Case Study

Investment analysts have been assessing companies that will benefit from the commitments of countries and companies to reduce emissions in the near term. Many companies have now set aggressive reduction targets, which in some cases are unlikely to be met without further assistance. Canadian Pacific Kansas City often penalized as burning fuel is the largest expense is one such beneficiary. These benefits are not captured by green revenues.

- **Canadian Pacific Railway Kansas City**

Canadian Pacific Railway Kansas City ("CPKC") is Class 1 freight railway that runs across Canada and into North America. The company transports everything from food crops, cars, imported finished goods and some oil and metallurgical coal

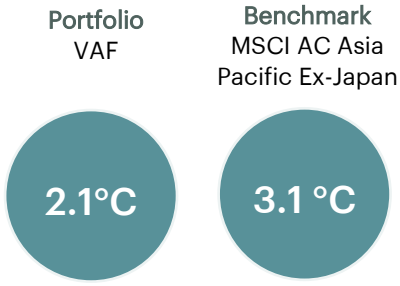
[5] *Source: Climate watch, the world resources institute (2020)*

(approximately 9%). Because it transports oil and coal, it has been classified as a Fossil Fuel company by Sustainalytics and seen as 'medium risk'.

The transportation sector accounts for the second most greenhouse gas emissions in both Canada (28%) and the United States (29%). Railways move approximately 70% of all freight on a tonne-kilometre basis in Canada but only account for 3.3% of the greenhouse gas emissions from the transportation sector. Railways are on average four times more fuel-efficient than trucks and CPKC offers shippers an opportunity to move their products with less greenhouse gas emissions. These goods must be moved somehow and CPKC is educating customers (and exploiting an opportunity) that transporting their goods by rail will help lower their carbon footprint.

CP completed its acquisition of Kansas City Southern in December 2021), creating the first rail network that spans Canada, the U.S. and Mexico. This provides the company with a competitive advantage in terms of market reach in evolving supply chains. Canadian Pacific analysed the freight markets connecting Mexico to the U.S. Midwest. Every day, an armada of trucks sets out to link auto parts and assembly plants spread across the Midwest and Mexico. These are long hauls that are naturally conducive to rail economics, but because no single railroad connects these regions, manufacturers are forced to rely heavily on trucks. A combined Canadian Pacific Kansas City network converts 64,000 truck shipments to rail shipments that clog publicly maintained highways and border crossings as they move between Mexico and the Great Lakes region. Canadian Pacific has many routes that provide direct, competitive transportation services, and the combination with KCS will significantly expand the ability to provide seamless links between major freight markets.

- **Veritas Asian Fund | Portfolio & Top 5 Companies with Highest Implied Temperature Rise ("ITR")**



Company Name	Weight	ITR
Wuxi Lead Intelligent Equipment Co., Ltd.	1.3%	3.8°C
Nestle India Ltd	0.9%	3.6°C
Resmed Inc.	0.5%	3.4°C
LG Chem Ltd.	3.4%	3.2°C
Reliance Industries Ltd.	2.5%	3.2°C

Asian Investment Desk | Case Study

- **Reliance Industries**

Reliance Industries ("RIL") is s an incumbent player in an industry which causes huge environmental damage (Oil, Gas and Hydrocarbons) yet is part of the long-term solution to some of the damage the industry causes, as it transitions to become a global leader in New Energy, most notably Green Hydrogen.

Over the last 6 decades RIL has built itself from a small yarn trading business into the most valuable private company in India with a market capitalisation of c.$200bn and operations spanning Oil & Gas, Telecoms, Retail, Petrochemicals, Textiles and more recently New Energy. The leadership of RIL has consistently said that innovation is the key to growth and shown an

ability to identify long term trends early on coupled with a preparedness to commit material capital expenditure to capture the opportunities it sees. Reliance Jio is a good example, launched in 2016, it now has a 53% market share of wireless broadband in India accounting for over 60% of the data traffic and this is set to grow further as it expands its 5G network across the country with the associated social and commerce benefits this brings to communities.

Today RIL is transitioning from a traditional old energy company (FY17 100% of EBITDA came from fossil fuel energy) to a Retail (physical and e-commerce), Telecom and New Energy company. This requires massive capex, the source of which is revenues from the old energy business which is now on maintenance capex. RIL has chosen Jamnagar, the centre of its old energy business, as the location for its new 5000 acre green energy giga complex. This puts RIL on track to achieving its own energy transition goal of becoming net zero by 2035. For context RIL has committed an initial US$10bn capex to its new energy ambitions with the option for this to rise significantly as it sees a multi-trillion USD opportunity globally for which it wants to compete to gain a market share. One such area is Green Hydrogen, hydrogen is the most abundant natural resource available and is produced through several processes including water electrolysis, however, it is energy intensive, so the solution is to produce the energy needed from renewable sources such as solar i.e., use renewable energy to produce a high energy density carbon zero fuel.

RIL's New Energy Strategy is based on 4 pillars:

- **Backward Integration –** manufacturing of integrated solar photovoltaic, energy storage systems and electrolyzer
- **Utility Scale Solar Generation** – lower the cost for renewable business
- **Targeting External Markets** – total addressable market for electrolyzers c.US$74bn
- **Captive Setup** – electrolyzer capacity for captive consumption

Pillar 3

Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks.

Approach to risk

There are two critical areas of concern for asset managers like Veritas. Firstly, there is a significant risk within the investment industry of disregarding the growing recognition of climate change and tightening regulations. Clients are reluctant to invest in funds that lack clear climate policies, and companies may struggle to attract investment from fewer asset management firms, potentially hindering their capital-raising efforts. It is not a favorable outcome if the risk simply transfers "off balance sheet" to private companies. Furthermore, there is a pressing need for robust evidence to support the analysis of ESG risks and opportunities, driven by regulatory change. Veritas has been well prepared for these industry changes, as the integration of ESG factors has been a fundamental part of research since the inception of the investment strategies. As highlighted previously and detailed below, efforts specific to climate-related risk management have been enhanced over the last few years. This leads to the second risk which stems directly from investment activities and the companies held in the funds, which results in a thorough climate assessment of each company before making an investment.

For each strategy, the investment team track a range of climate related data and will use voting and engagement to address shortfalls or illicit change. Given the relatively small size of the organization, the greatest exposure to climate-related risk is with our investments. This is particularly pertinent given the long-term nature of the funds.

Data sources

Given the concentrated nature of portfolios, the analysts are responsible for in-depth analysis including a company's exposure to climate risk. To help assess risk, data is used from several sources including the Carbon Disclosure Project ("CDP"), Science Based Targets Initiative (SBTi), Transition Pathway Initiative ("TPI"), Bloomberg, and MSCI ESG Research, as well as information obtained directly from the business.

Climate | Pre-Investment Assessment

Prior to investing in a business, the team assesses the materiality of risks posed by climate change and, where necessary, the financial impact of physical risks.

Disclosure framework adopted by regulators and accounting bodies.	Disclosure framework that aids investment analysis.	Independent verification of targets that consider the global carbon budget.
TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	CDP DISCLOSURE INSIGHT ACTION	SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

More specifically the team are trying to identify how the business is positioned in their transition to a low carbon economy. This includes identifying the following:

- Does the board have oversight of the company's climate strategy?
- Irrespective of materiality, what risks and opportunities does the business face?
- Has the company reviewed their entire carbon inventory and are disclosures independently verified?
- Where in the value chain are the bulk of emissions produced and does the business have the ability to make meaningful changes to reduce emissions?
- Has the business identified carbon emission reduction targets that are science-based?
- What temperature trajectory are these targets aligned with?
- Does the business have the ability to achieve Net Zero or is further innovation required within the sector?
- Will carbon offsets play a significant role in the business's transition strategy?
- What progress has the business made in reducing absolute emissions year-on-year?

By implementing a process that assesses all companies held, the team are not only capturing material climate related risks from a bottom-up perspective during the initial research, but the team are also ensuring that companies that are not materially impacted by climate change are keeping abreast with any changes, irrespective of the business sector, activity, or location.

Each company is assessed against TCFD guidelines prior to investment and on an ongoing basis. The grid below gives a high-level summary of some of the criteria assessed for the Top 10 holdings within the Global Focus Fund as of 31 Dec 2022. If a company does not complete the CDP questionnaire, or if their targets are not science based etc., the analysts want to understand why and will use voting and engagement accordingly. This approach has been introduced to the Asian Strategy. There are additional headwinds when it comes to Asian equities as entities like the SBTi are not recognized in all jurisdictions.

Climate Risk Management | Net Zero & Carbon Management Oversight

SBTi Target Verification Key	
✓	Targets Set
△	Committed
×	Not available

- **Veritas Global Focus Fund (Top 10)[6]**

				TCFD Framework[1]									
				Governance		*Strategy*	*Risk*		*Metrics and Targets*				
Top 10	Security name	Portfolio weighting %	CDP Score 2022	Governance Oversight	Executive remuneration linked to climate	R&D required to align product or service	Scenario analysis	Imminent Climate Risk Identified	CDP Net Zero Target[3]	SBTi Near term Target[4]	SBTi Net-Zero	Target Ambition
1	Alphabet Inc.	5.7	A	✓	✓	×	✓	×	✓	△	×	1.5°C aligned
2	Canadian Pacific Railway	5.7	A	✓	✓	✓	×	×	×	✓	×	Not available
3	Microsoft	5.5	A	✓	✓	×	✓	×	✓	✓	△	1.5°C aligned
4	Mastercard	5.4	A-	✓	✓	×	×	×	✓	✓	×	1.5°C aligned
5	Safran	5.4	A-	✓	✓	✓	✓	×	✓	✓	×	1.5°C aligned
6	Vinci	5.0	A	✓	✓	×	✓	×	✓	✓	×	Well-below 2°C aligned
7	Charter Communications	4.8	F	×	×	×	×	×	×	×	×	Not available
8	Unilever PLC	4.3	A	✓	✓	×	✓	×	✓	✓	△	1.5°C aligned
9	Fiserv	4.0	C	✓	✓	×	×	×	×	×	×	Not available
10	Amazon.com	3.6	-	✓	×	×	×	×	✓	△	×	1.5°C aligned

[6] [1] Task Force on Climate Related Financial Disclosures (TCFD), the company has formally committed to the TCFD reporting framework. [2] Carbon Disclosure Project (CDP), the company has submitted responses to the CDP for the 2022 reporting cycle. [3] A net-zero target must consist of two main elements; a target to reduce value chain emissions by an amount consistent with net-zero in global scenarios that limit.

Climate Risk Management | Post Investment

Post-investment, companies held are subject to a specific ESG Red Lines Voting Policy and ESG triggered engagement.

- **ESG Red Line Voting Policy**

In 2017, the ESG Red Line Voting Policy was introduced. The non-profit organisation Association of Member Nominated Trustees ("AMNT") developed 39 Red Lines to be applied to ESG topics and these have been adopted and modified. The policy incorporates guidance on the disclosure on GHG emissions from the Carbon Disclosure Project ("CDP") and the UN Global Compact ("UNGC"). The Red Lines have been customised to apply across all Global mandates, and the Red Lines are formally reviewed each year. Currently applied are 29 Red Lines of which 5 are related to Environmental topics. The Red Lines trigger a 'comply or explain' action which ensures voting against management or explaining why not. It is often more constructive to work with management to bring about a change before voting against them. The five climate-related Red Lines are detailed in the table below:

Environmental	E1	Climate Change: Requirement for an Environmental Sustainability Committee	If the company does not have a sustainability committee with responsibility for environmental issues including climate change chaired by a board director, or if the company is outside the FTSE 350 and does not have a named board member with responsibility for this area as evidence of appropriate concern, vote against the chair of the board.
	E2	Climate change: Task Force on Climate-related Financial Disclosures"	If the company does not report in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") vote against the chair of the board.
	E3	Climate change: introduction and disclosure of emission reduction targets	If the company has failed to commit to introduce and disclose science-based emission reduction targets, a coherent strategy and action plan in line with a 1.5°C scenario, vote against the chair of the board.
	E5	Climate change: disclosure of information via CDP questionnaires	If the company has failed to disclose quantitative and qualitative environmental information through for example CDP's water and forests questionnaires or similar, vote against the re-election of the chair of the sustainability committee or, in the absence of such a committee, against the re-election of the chair of the main board.
	E6	Environmental damage	If the company has a history of major incidents of environmental damage, or a major incident in the year under report, and the directors' report does not include a substantial account of how it is responding to resulting criticism and of the ways in which it proposes to minimise the risks of repetition, vote against the reappointment of the chair.

- **Thematic Engagement**

Engagement is applied across two broad categories. Tier one engagement is where the investment teams deem there to be financially material sustainability issues. Material issues differ from company to company. The team focuses on material issues relevant to a particular company. Tier two focuses on Thematic engagement, classified as interactions with a company to promote good business practices. For example, companies should have their transition plans independently verified by an organisation like the Science Based Targets Initiative ("SBTi"), irrespective of whether the company is a high carbon emitter. Whilst the Funds have a lower carbon footprint than the index, disclosure of climate credentials is essential if any sense is to

be made at the portfolio level and across the industry. Veritas apply a specific TCFD engagement framework, whereby all investee companies are mapped against the TCFD framework and engagement will be initiated with companies where there is a shortfall.

Engagement outcomes on climate objectives

Company	2021	2022	2023	Status
United Healthcare	The company confirmed the business could not commit to developing science-based emissions targets (SBTs) in the next two years. The investment team voted against the election of the director Gail Wilensky; the vote cast was driven by the guidance provided by Red Line E4 of the ESG Voting Policy.	Veritas voted against the re-election of chair at the 2022 AGM as the climate strategy was yet to be finalised and the investment team felt strongly the company needed to address this issue, a response from the company was received confirming that over the next 24 months, they will be working with SBTi to validate near terms and long terms targets.	The company has submitted a Near term and a Net Zero target to SBTi. It has also become a signatory of the SBTi Business Ambition for 1.5 campaign.	Monitor
ThermoFisher SCIENTIFIC	Committed to Net Zero by 2050 but requires Science Based Targets. Engaged on importance of climate transition plan and SBTI verification.	Progress made on targets and assessing its Scope 3 carbon inventory. The company committed to calculating SBTs but delayed because of the volume of Scope 3 Emissions,	The company's Near Term (2030) and Net Zero (2050) Targets, aligned with 1.5°C, have been verified by the SBTi.	Monitor
SONIC HEALTHCARE	The company had not completed the Carbon Disclosure Project (CDP) report or determined Science Based Targets (SBTs). Overall, the company was lagging behind its peers.	They reported Scope 1 & 2 GHG Emissions and were assessing the Scope 3 carbon inventory, transition plan, and a Net Zero target - with the intention to report to CDP and calculate SBTs by 2023.	The company has committed to Net Zero by 2050, aligned with a 1.5 °C pathway. It intends to reduce Scope 1+2 GHG emissions 43% by 2030. The business is assembling its Scope 3 carbon inventory.	Monitor
CooperCompanies	Veritas had concerns about the company's climate strategy and voted against the Chairman at the 2021 AGM.	The investment team met with management to discuss progress against the objectives set. The company developed its first environmental policy in 2021, incorporated Scope 1 & 2 within Key Performance Indicators (KPIs) and was assessing its Scope 3 Carbon inventory. CDP disclosure and SBTs are expected to be published in 2023.	Following the publication of the latest sustainability report, the team met with management to discuss the lack of progress on the items discussed at the ESG meeting last year. The lack of progress was attributed to personnel changes within the team. As the response was disappointing, this issue will now be escalated to the CEO.	Ongoing

ICE (Intercontinental Exchange)	Despite benefitting from climate regulation and conducting a materiality study, the business had disclosed few details on its transition plan.	Completed TCFD and SASB reporting. Unfortunately, both lack sufficient detail. Veritas met with management in 2022 to discuss the company's climate strategy and followed up in writing to encourage the business to complete the annual CDP report.	The company published its first CDP report in 2022. No targets were disclosed.	Ongoing

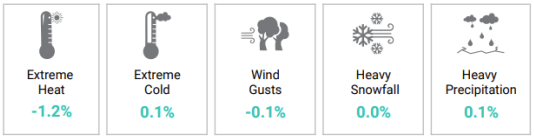
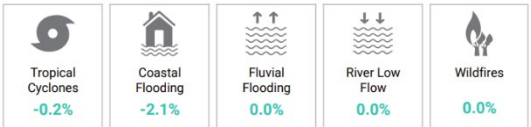
Engagement Status Key

- *Monitor - Company has formally identified next steps or execution of progress is evident.*
- *Ongoing - Company has not confirmed plan of action to align business with engagement objective.*

These activities have an impact on achieving the targets set (and covered in the next section). The percentage of companies that are SBTi aligned continue to increase and with it the SBTI approved NZAM targets Veritas has set within its transition plan.

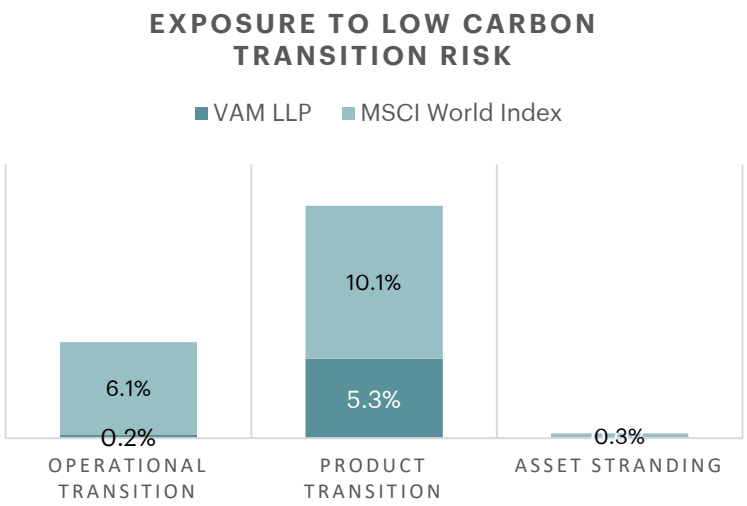
Climate Risk | Physical

Physical risk will form part of the scenario analysis when assessing individual companies. At the firm level, MSCI ESG data has been utilised to calculate the physical risk on 100% of invested assets. Whilst this gives an indication, the underlying data is incomplete. In some cases, it's not possible to assess the potential damage from an extreme weather event due to incomplete data on a company's assets in each of its locations. Understandably, there has been more pressure on high emitting industries like oil and gas to disclosure more granular data but less so in sectors like healthcare, which is a significant percentage of portfolios. A firm wide figure will have the added complication of estimating and aggregating climate risk across developed and emerging geographies. The table below illustrates the breakdown of Physical Climate VaR based on the Below 2°C NGFS Orderly Scenario (aligned with NGFS Below 2°C) for all assets management by Veritas. With the caveats above, the data indicates invested assets at Firm level would be impacted less than the benchmark.

Chronic Risks		Portfolio%	Benchmark%
	Extreme heat	-1.2	-1.7
	Extreme cold	0.1	0.2
	Extreme wind	-0.1	0-0.1
	Extreme snowfall	0.0	0.0
	Precipitation	0.1	0.1
Acute Risks		**Portfolio%**	**Benchmark%**
	Tropical cyclones	-0.2	-0.5
	Coastal flooding	-2.1	-2.4
	Fluvial flooding	0.0	-0.1
	River low flow	0.0	-0.1
	Wildfire	0.0	0.0
Aggregated physical climate VAR		**-3.1%**	**-4.2%**

Transition Risk

Transition risk refers to the assessment of the market value within a portfolio that is exposed to companies facing increased operational and/or capital costs (operational transition). It also takes into account companies that may experience reduced demand for carbon-intensive products (product transition). Additionally, transition risk considers companies that could face the stranding of physical or natural assets due to regulatory changes, market dynamics, or advancements in technology. By evaluating transition risk, the aim is to identify potential vulnerabilities and opportunities arising from the transition to a low-carbon economy. Again, the output, would suggest invested assets are at lower climate transition risk than the benchmark.



Bar Chart Key:

Operation Transition

Companies with increased operation and/or capital cost due to carbon taxes and/or investment in carbon emission mitigation measures leading to lower profitability of the companies. Examples include fossil fuel-based power generation, cement, steel etc.

Product Transition

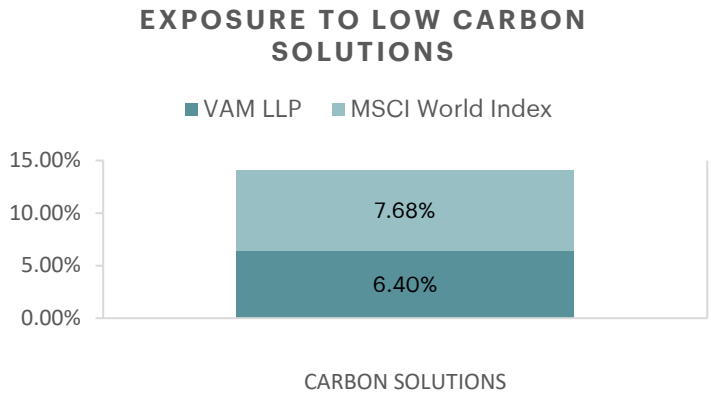
Companies that face reduced demand for carbon-intensive products and services. Leaders and laggards are defined by the ability to shift product portfolio to low-carbon products. Examples include Oil & gas exploration & production; Petrol/diesel-based automobile manufacturers, thermal power plant turbine manufacturers etc.

Asset Stranding

Potential to experience "stranding" of physical/natural assets due to regulatory, market or technological forces arising from low-carbon transition. Examples include coal mining & coal-based power generation; Oil sands exploration/production.

Carbon Solutions

Companies that have potential to benefit through the growth of low-carbon products and services. Examples include renewable electricity, electric vehicles, solar cell manufacturers etc. The chart shows the portfolio's market value exposed to companies that have potential to benefit through the growth and demand for low carbon products and services. These typically include companies that offer renewable electricity, electric vehicles, solar cell manufacturers. The invested assets at Firm level have a slightly lower exposure to Carbon solutions providers compared to the benchmark.



Pillar 4

Metrics & Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Veritas has set several environmental targets, and these are likely to be added to in future years as disclosure and data improves. In line with the Net Zero target that is consistent with NZAMI and the SBTi requirements, the Firm has chosen a SBTi approved transition pathway.

Veritas appointed the company Carbon Trust to assist with calculating the implied temperature rise (ITR) of all assets to determine an overall pathway to Net Zero. Carbon Trust are respected advisors to organisations and governments on climate transition pathways and use SBTi approved methodology.

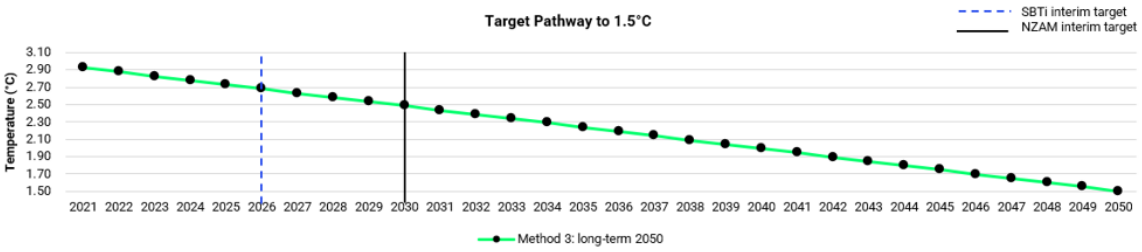
The ITR model assembled by Carbon Trust only incorporates companies with targets that use approved SBTI methodology, and these targets have been submitted to the CDP. Companies that do not submit their targets to the CDP receive a default score of 3.2°C.

Whilst the model uses the weighted average approach (the respective weighting is the invested value in a company divided by the total value of all portfolios), this hardline default approach impacts the overall implied temperature rating, which in turn ensures ongoing risk assessment and stewardship actions referred to in the sections on Strategy and Risk. The ITR will reduce by encouraging companies to commit to having their targets approved and submitted to the CDP. Given the Target is Net Zero by 2050 on 100% of AUM, the measurements below are for Firm level invested assets.

NZAMI 2030 Interim Target

The 2030 target submitted to NZAMI is consistent with the SBTi Financial Institutions Target Methodology, which incorporates the IPCC pathway to 1.5°C. The Temperature Rating methodology is used to determine the firm's targets for financed emissions. The baseline year set was 2021, at which point the firm-level metrics were 2.76°C (Scopes 1+2) and 2.93°C (Scopes 1+2+3). The interim targets for 2030 are 2.37°C (Scopes 1+2) and 2.48°C (Scopes 1+2+3). The main target set is to achieve 1.5°C by 2050 by aiming for an annual temperature reduction of 0.04°C (Scopes1+2) and 0.05°C (Scopes 1+2+3).

This methodology has the advantage of impacting the suppliers of the investee companies as the SBTi requires companies to set a Scope 3 target if this portion of emissions accounts for over 40% of their total carbon inventory. Given the importance of SBTi alignment, portfolios will be monitored, and targets set for the percentage of AUM that is SBTI aligned.



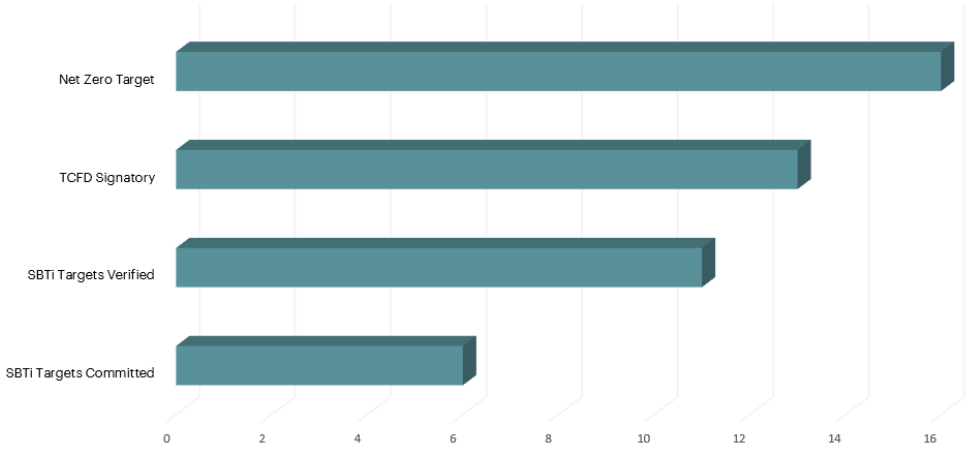
Target setting	Long-term target 2050
Baseline Year (t1)	2021
Longer-term target	**2050**
Interim Target (NZAMI)	**2030**
Interim Target (SBTi)	**2026**
Current Temp Scoring S1&2	2.93
Target Temp Scoring S1&2	**1.50**
Δ Temp Reduction t1 + n	0.05

Interim Target	Year	Long-term target 2050
The Net Zero Asset Managers	2030	NZAMI interim target is 2030 so time frame is 9 years so [2.93°C - (9 x 0.05)] = **2.48°C temperature score by 2030**
Science-based target	2026	SBTi interim target is 2026 so time frame is 5 years so [2.93°C - (5 x 0.05)] = **2.68°C temperature score by 2026**

The diagram below illustrates those investee companies within the Global portfolio that have disclosed Net Zero targets through CDP or SBTi, and the number of companies with targets (Short Term, Long Term & Net Zero) that are SBTi aligned, both verified and committed.

Climate Transition

Veritas Global Focus Fund

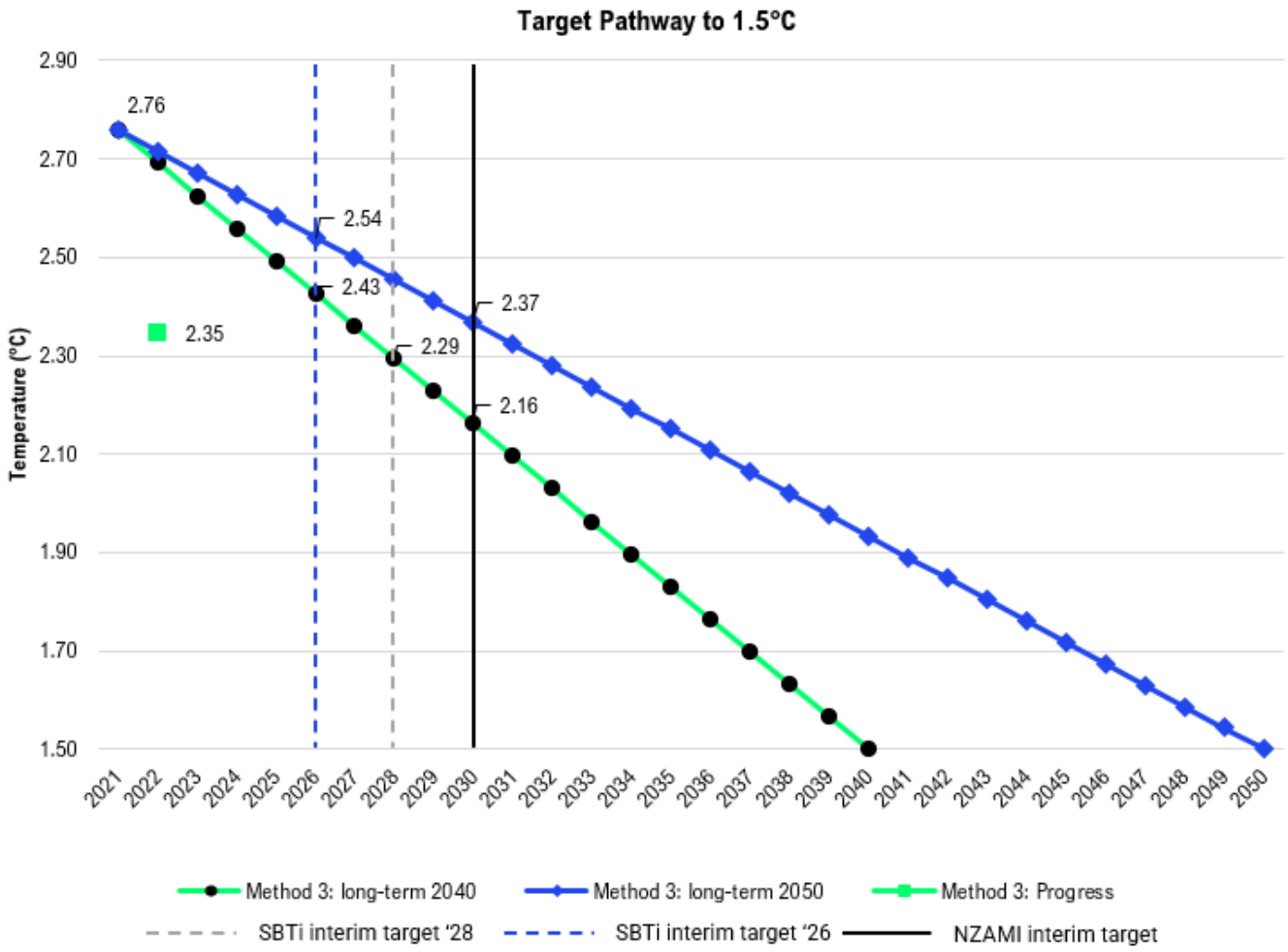


Net Zero Target[7]	TCFD Signatory[8]	SBTi Targets Committed[9]	SBTi Targets Verified[10]
15/25 Companies	12/25 Companies	11/25 Companies	8/25 Companies
			**Portfolio Holdings as of 31 December 2022*

[7] *Net Zero Targets disclosed through the Carbon Disclosure Project (CDP) or the Science Based Targets Initiative (SBTi).*
[8] *Official signatories of the Taskforce on Climate Related Financial Disclosures (TCFD).*
[9] *Companies committed to having targets verified by the Science Based Targets Initiative (SBTi) within 24 months. Includes Short Term, Long Term and Net Zero Targets.*
[10] *Targets verified by the Science Based Targets Initiative (SBTi). Includes Short Term, Long Term and Net Zero Targets.*

2022

The Carbon Trust ran the data for 2022 and compared this with the outcome for 2021. This is shown in the diagram below[11]. It shows that using SBTI approved methodology, the transition towards Net Zero of 100% invested assets is well ahead of target. Consideration will be given to bringing forward the 2050 target.



Sustainable Finance Disclosure Regulation ("SFDR")

Climate Related Binding Elements

The EU Commission has implemented the first ESG regulation of its kind within the financial industry, the Sustainable Finance Disclosure Regulation ("SFDR"). All strategies at Veritas are categorised under Article 8 of SFDR. Meaning they may be regarded as promoting, among other characteristics, environmental and social characteristics provided that the companies in which the investments are made follow good governance practices. The Funds do not have a sustainable

[11] *Data source is Carbon Trust Ltd*

investment objective. Veritas intends to invest a minimum of 60% of each Fund's NAV in investments which attain the environmental and/or social characteristics promoted by the Fund. The remaining 40% of investments will be in investments that seek to achieve the broader objectives of the Fund, including those which may not match the Fund's ESG criteria in its entirety. Two of three binding elements relate to climate objectives[12]:

1. The Fund will ensure that a minimum of 30% of net assets are invested in companies committed to achieving Net Zero. Compliance will be measured using verification and commitments aligned with Science-Based Net Zero Target methodologies and/or pledges to the Business Ambition for 1.5 °C campaign, each as promoted by the SBTi.

2. The Fund will be managed to achieve an overall carbon footprint (calculated with regard to Scopes 1+2) that is a minimum of 50% lower than that of the MSCI World (Net dividends Reinvested) Index.

Blended Methodology: Binding Element Limits, as defined in the Annex II Supplement.									
Binding Element	**% Binding element weight**	**VGFF**	**VGEIF**	**VGFCCF**	**VGRRF**	**VAF**	**VCF**	**VIF**	**VTEF**
Overall Fund alignment with E&S Characteristics	60%								
Net Zero[1]	33%	30%	30%	30%	30%	15%	5%	25%	30%
Controversial Weapons[13]	33%	100%	100%	100%	100%	100%	100%	100%	100%
Carbon Footprint [2]	33%	50%	50%	50%	50%	50%	50%	50%	50%

[12] The investment limits stated are in reference to the Veritas Global Focus Fund. For information on other products, please refer to the Fund Prospectus available at www.vamllp.com.
[13] A set of fixed exclusion criteria is in place to exclude companies or issuers from consideration for investment where their revenue is significantly derived from controversial weapons (for example. anti- personnel mines, cluster munitions, chemical weapons, and biological weapons).

Appendix 1

Metrics | Veritas Asset Management LLP

Enterprise Value Including Cash (EVIC) is an alternate measure to Enterprise Value (EV) to estimate the value of a company by adding back cash and cash equivalents to EV.

EVIC = Market capitalization at fiscal year-end date + Preferred Stock + Minority Interest + Total Debt

The underlying data used for EVIC calculation is sourced from a company's accounting year-end annual filings. EVIC is updated and reflected once a year as the data is sourced annually.

Financed Carbon Emissions tons CO2e / $M invested	Allocated emissions to all financiers (EVIC) normalized by $m invested. Measures the carbon emissions, for which an investor is responsible, per USD million invested, by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).	$$\frac{\sum_n^i \left(\frac{current\ value\ of\ investment_i}{issuer's\ EVIC_i} \times issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i\right)}{current\ portfolio\ value\ (\$M)}$$
Total Financed Carbon Emissions tons CO2e	Allocated emissions to all financiers (EVIC). Measures the total carbon emissions for which an investor is responsible by their equity ownership. Emissions are apportioned based on equity ownership (% market capitalization).	$$\sum_n^i \left(\frac{current\ value\ of\ investment_i}{issuer's\ EVIC_i} \times issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i\right)$$
Financed Carbon Intensity tons CO2e / $M sales	Allocated emissions per allocated sales. Measures the carbon efficiency of a portfolio, defined as the ratio of carbon emissions for which an investor is responsible to the sales for which an investor has a claim by their equity ownership. Emissions and sales are apportioned based on equity ownership (% market capitalization).	$$\frac{\sum_n^i \left(\frac{current\ value\ of\ investment_i}{issuer's\ EVIC_i} \times issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i\right)}{\sum_n^i \left(\frac{current\ value\ of\ investment_i}{issuer's\ EVIC_i} \times issuer's\ \$M\ revenue_i\right)}$$
Weighted Average Carbon Intensity tons CO2e / $M sales	Measures a portfolio's exposure to carbon-intensive companies, defined as the portfolio weighted average of companies' Carbon Intensity (emissions/sales).	$$\sum_n^i \left(\frac{current\ value\ of\ investment_i}{current\ portfolio\ value} \times \frac{issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions_i}{issuer's\ \$M\ revenue_i}\right)$$

The first table is in reference to applicable to Veritas' Scope 1, 2 and 3 (business travel) Emissions. The Firm has reported on all of the emission sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which includes the Streamlined Energy and Carbon Reporting (SECR) requirements. These sources fall within our consolidated financial statement. The GHG Protocol Corporate Accounting and Reporting Standard (revised edition), and emission factors from the UK Government's GHG Conversion Factors for Company Reporting have been used in the calculations. Veritas has identified relevant activity data for Scope 1, 2 and 3 emissions with the support of independent consultants, Alphacello Ltd. Data from all emission sources has been collected and the validity and completeness of the data set was checked by Alphacello Ltd. The second table onwards is in reference to Veritas' financed emissions.

Veritas Asset Management LLP (Scope 1,2 and 3 Business Travel)[14]		
	Tonnes of CO2e (t/CO2e)	
Emissions	2022	2021
Scope 1	0.00	0.00
Scope 2	10.74	10.34
Scope 3 (Business Travel)	9.15	4.04
Total Emissions	19.89	14.34

Veritas Asset Management LLP (Scope 3 Financed Emissions)[15]						
Allocation Base	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	9.6	100.0%	46.9	99.5%	-79.5%
	Scope 3 Upstream	64.3	100.0%	100.4	99.3%	-36.0%
	Scope 3 Downstream	201.4	100.0%	291.0	99.3%	-30.8%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	255,628.8	100.0%	1,247,869.3	99.5%	-79.5%
	Scope 3 Upstream	1,710,298.4	100.0%	2,671,386.4	99.3%	-36.0%
	Scope 3 Downstream	5,357,802.0	100.0%	7,741,120.7	99.3%	-30.8%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	49.1	100.0%	131.5	99.5%	-62.6%
	Scope 3 Upstream	221.9	100.0%	273.7	99.3%	-18.9%
	Scope 3 Downstream	507.5	100.0%	597.1	99.3%	-15.0%

[14] The reporting period is 1st January 2022 to 31st December 2022. Data from all emission sources has been collected and the validity and completeness of the data set was checked by Alphacello Ltd. Please refer to the VAM LLP Audited financial statements (Company number: OC392918) for the year ended 31 December 2022, available on the UK Companies House Website.

[15] Veritas Asset Management LLP (Scope 3 Financed Emissions) is for 100% of AUM as of the 31 December 2022. Data sourced is based on reported and estimated emissions provided by MSCI ESG Research LLC.

Appendix 2 Metrics | Veritas Global Focus Fund

Allocation Base[16]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	7.6	100.0%	46.9	99.5%	-83.8%
	Scope 3 Upstream	65.9	100.0%	100.4	99.3%	-34.4%
	Scope 3 Downstream	241.7	100.0%	291.0	99.3%	-17.0%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	19,286.3	100.0%	119,316.9	99.5%	-83.8%
	Scope 3 Upstream	167,579.7	100.0%	255,428.6	99.3%	-34.4%
	Scope 3 Downstream	614,681.4	100.0%	740,178.8	99.3%	-17.0%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	47.0	100.0%	131.5	99.5%	-64.2%
	Scope 3 Upstream	217.6	100.0%	273.7	99.3%	-20.5%
	Scope 3 Downstream	603.4	100.0%	597.1	99.3%	1.0%

Appendix 3 Metrics | Veritas Global Focus Common Contractual Fund

Allocation Base[17]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	7.6	100.0%	46.9	99.5%	-83.9%
	Scope 3 Upstream	65.9	100.0%	100.4	99.3%	-34.3%
	Scope 3 Downstream	242.1	100.0%	291.0	99.3%	-16.8%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	4,044.7	100.0%	25,062.2	99.5%	-83.9%
	Scope 3 Upstream	35,228.4	100.0%	53,652.1	99.3%	-34.3%
	Scope 3 Downstream	129,353.5	100.0%	155,472.7	99.3%	-16.8%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	46.9	100.0%	131.5	99.5%	-64.3%
	Scope 3 Upstream	217.5	100.0%	273.7	99.3%	-20.5%
	Scope 3 Downstream	603.3	100.0%	597.1	99.3%	1.0%

[16] Figures stated for the Veritas Global Focus Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.
[17] Figures stated for the Veritas Global Focus Common Contractual Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.

Appendix 4

Metrics | Veritas Global Real Return Fund

Allocation Base[18]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	7.2	100.0%	46.9	99.5%	-84.6%
	Scope 3 Upstream	64.3	100.0%	100.4	99.3%	-35.9%
	Scope 3 Downstream	231.2	100.0%	291.0	99.3%	-20.5%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	3,115.7	100.0%	20,186.5	99.5%	-84.6%
	Scope 3 Upstream	27,681.4	100.0%	43,214.5	99.3%	-35.9%
	Scope 3 Downstream	99,506.1	100.0%	125,226.5	99.3%	-20.5%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	44.5	100.0%	131.5	99.5%	-66.1%
	Scope 3 Upstream	218.6	100.0%	273.7	99.3%	-20.1%
	Scope 3 Downstream	585.3	100.0%	597.1	99.3%	-%

Appendix 5

Metrics | Veritas Global Equity Income Fund

Allocation Base[19]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	6.2	100.0%	46.9	99.5%	-86.8%
	Scope 3 Upstream	93.2	100.0%	100.4	99.3%	-7.2%
	Scope 3 Downstream	191.2	100.0%	291.0	99.3%	-34.3%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	1,577.1	100.0%	11,981.3	99.5%	-86.8%
	Scope 3 Upstream	23,793.0	100.0%	25,649.0	99.3%	-7.2%
	Scope 3 Downstream	48,842.5	100.0%	74,325.4	99.3%	-34.3%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	18.3	100.0%	131.5	99.5%	-86.2%
	Scope 3 Upstream	258.4	100.0%	273.7	99.3%	-5.6%
	Scope 3 Downstream	447.8	100.0%	597.1	99.3%	-25.0%

[18] *Figures stated for the Veritas Global Real Return Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.*
[19] *Figures stated for the Veritas Global Equity Income Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.*

Appendix 6

Metrics | Veritas Izoard Fund

Allocation Base[20]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	8.1	100.0%	46.9	99.5%	-83.0%
	Scope 3 Upstream	66.0	100.0%	100.4	99.3%	-34.3%
	Scope 3 Downstream	283.1	100.0%	291.0	99.3%	-2.7%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	363.3	100.0%	2,115.1	99.5%	-82.8%
	Scope 3 Upstream	2,975.4	100.0%	4,528.0	99.3%	-34.3%
	Scope 3 Downstream	12,766.9	100.0%	13,121.2	99.3%	-2.7%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	54.8	100.0%	131.5	99.5%	-58.9%
	Scope 3 Upstream	214.4	100.0%	273.7	99.3%	-22.3%
	Scope 3 Downstream	732.9	100.0%	597.1	99.3%	20.0%

Appendix 7

Metrics | Veritas Asian Fund

Allocation Base[21]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	17.2	100.0%	119.9	98.4%	-85.6%
	Scope 3 Upstream	56.9	100.0%	131.0	98.4%	-56.6%
	Scope 3 Downstream	51.0	100.0%	392.4	98.4%	-87.0%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	74,685.4	100.0%	519,161.6	98.4%	-85.6%
	Scope 3 Upstream	246,508.4	100.0%	567,697.0	98.4%	-56.6%
	Scope 3 Downstream	221,069.0	100.0%	1,700,579.8	98.4%	-87.0%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	58.2	100.0%	272.6	98.4%	-78.6%
	Scope 3 Upstream	237.6	100.0%	288.0	98.4%	-17.5%
	Scope 3 Downstream	153.0	100.0%	809.5	98.4%	-81.1%

[20] Figures stated for the Veritas Izoard Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.
[21] Figures stated for the Veritas Asian Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.

Appendix 8

Metrics | Veritas China Fund

Allocation Base[22]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	4.0	89.6%	118.5	100.0%	-96.6%
	Scope 3 Upstream	58.8	89.6%	107.5	100.0%	-45.3%
	Scope 3 Downstream	180.5	89.6%	262.3	100.0%	-31.2%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	150.9	89.6%	4,486.2	100.0%	-96.6%
	Scope 3 Upstream	2,227.6	89.6%	4,071.7	100.0%	-45.3%
	Scope 3 Downstream	6,833.7	89.6%	9,930.7	100.0%	-31.2%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	27.0	89.6%	232.6	100.0%	-88.4%
	Scope 3 Upstream	217.4	89.6%	246.9	100.0%	-11.9%
	Scope 3 Downstream	361.9	89.6%	465.2	100.0%	-22.2%

Appendix 9

Metrics | Veritas Third Eye Emerging Markets Fund

Allocation Base[23]	EVIC	Portfolio %	Coverage %	Benchmark %	Coverage %	Excess
Financed Carbon Emissions tCO2e / $M invested Investor Allocation: EVIC	Scope 1 + 2	12.1	100.0%	142.2	99.6%	-91.5%
	Scope 3 Upstream	53.2	100.0%	143.2	99.5%	-62.9%
	Scope 3 Downstream	137.3	100.0%	402.6	99.5%	-65.9%
Total Financed Carbon Emissions tCO2e Investor Allocation: EVIC	Scope 1 + 2	49.5	100.0%	582.8	99.6%	-91.5%
	Scope 3 Upstream	218.1	100.0%	587.2	99.5%	-62.9%
	Scope 3 Downstream	563.1	100.0%	1,650.7	99.5%	-65.9%
Weighted Average Carbon Intensity Corporate constituents tCO2e / $M revenue	Scope 1 + 2	65.1	100.0%	324.9	99.6%	-80.0%
	Scope 3 Upstream	272.2	100.0%	309.1	99.5%	-11.9%
	Scope 3 Downstream	483.3	100.0%	705.2	99.5%	-31.5%

[22] Figures stated for the Veritas China Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.
[23] Figures stated for the Veritas Third Eye Emerging Markets Fund are based on reported and estimated emissions provided by MSCI ESG Research LLC.

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For further information please contact:

Veritas Asset Management LLP
1 Smart's Place, London, WC2B 5LW

T +44 (0)20 3758 9900
F +44 (0)20 3070 0990