

# Sustainability disclosure

## IFSL CAF ESG Cautious Fund

A sub-fund of the IFSL CAF Investment Fund

### Fund Identifiers (ISIN)

Accumulation Class: GB00BPSLVQ29

Income Class: GB00BPSLVX9I5

### Authorised Corporate Director:

Investment Fund Services Limited ("IFSL")

### Investment Manager:

LGT Wealth Management Limited ("LGT")

### Sponsor:

CAF Financial Solutions Limited ("CAF")



This document provides you with important information. It is not marketing material. The information is intended to help you understand the sustainability characteristics of this Fund. You are advised to read it, alongside the Fund Prospectus and Key Investor Information Document (KIID), to help you make an informed decision about whether to invest.

Sustainability is a broad term generally meaning being able to meet present needs without compromising the ability to meet future needs. Sustainable investments are those which aim to generate a financial return whilst also considering environmental, social and governance factors.

## Sustainability label

The UK sustainable investment labels help investors find products that have a specific sustainability goal and that meet specific requirements in relation to their sustainability characteristics.

**This product does not have a UK sustainable investment label** because:

- the Fund does not have a specific sustainability objective, and
- the Fund has flexibility to pursue a wide range of investment opportunities, without being limited by the specific criteria required for a label.

## Sustainability approach

### How investments are chosen

LGT use a responsible investment selection process which consists of selecting assets that have a strong focus on Environmental, Social and Governance ("ESG") considerations along with the potential to grow in value.

For all investment, LGT apply their own ESG rating mechanism to identify assets that look to benefit from changes within the economy whilst offering robust management of ESG risks and opportunities. This process involves detailed research and analysis using investment expertise combined with independent data.

### Ethical restrictions

The Fund will not invest in:

- Companies that derive more than 5% of total revenue from tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms.
- Companies that derive more than 5% of total revenue from coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation.
- Companies that derive more than 3% of total revenue from pornography.
- Companies that have any revenue derived from predatory lending, meaning lending terms that are unfair or abusive.
- Companies that have any revenue derived from the sale of cluster munitions (a type of explosive weapon) or landmines.

Any companies found to be above the revenue limits will be sold unless the company takes action to bring the revenue below the limit within one month.

### Assessing companies

Using their ESG rating mechanism LGT assess potential risks related to ESG factors when an investment opportunity is being researched, and when the portfolio is being constructed. In both instances, LGT has access to a wide range of information to assess and monitor ESG risks and opportunities, for example, external ESG data providers, along with LGT's internal data tool. This data tool provides a variety of measurable metrics to produce a rating based on the key areas below.

### Environmental

- Carbon emissions exposure, management and risks
- Product and/or service carbon footprint
- Biodiversity and land use risks
- Water stress risks and management
- Pollution and waste management
- Environmental controversies

### Social

- Health & safety risks
- Labour management risks and management
- Human rights risks
- Product safety management
- Human rights, customer and labour controversies

### Governance

- Anticompetitive practices issues
- Ethics and fraud management
- Corruption and instability management
- Tax transparency
- Board level risks
- Ownership and control risks
- Corporate behaviour and ethics
- Remuneration
- Governance controversies

### Other investments

LGT also analyse investment trusts and government issued bonds, however, due to their nature, this analysis does not result in a score in the same way as shares in companies and corporate bonds. Instead, LGT identifies those investment trusts that clearly have a focused ESG objective and investment policy and bonds from governments that have an appropriate focus on ESG practices.

### Independent verification

Following LGT's selection, the investments are checked against an independent rating agency's data to ensure a high overall score from an ESG perspective is achieved for the combined portfolio. LGT currently uses MSCI for this assessment and a "high" ESG score should be considered as AA or AAA.

## Active engagement

LGT will exercise their shareholding voting rights to influence good ESG behaviour on an ongoing basis.

## Other information

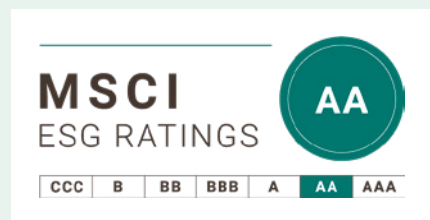
Investors are advised to read this information alongside the Prospectus and Key Investor Information Document (KIID) for the Fund, so that you can understand how the Fund's sustainability approach sits within the Fund's overall investment policy and strategy.

## Sustainability metrics

LGT will seek validation of the Fund's ESG credentials using an independent ESG ratings agency to assess the portfolio's overall ESG score. LGT targets an overall high ESG rating for the Fund.

LGT currently uses MSCI for this assessment and a "high" ESG score should be considered as AA or AAA.

The MSCI ESG rating of the Fund as at 30/06/2024 is AA.



Historic MSCI ESG ratings are set out below:

Date	MSCI ESG rating of the Fund
2022 Q3	AA
2022 Q4	AAA
2023 Q1	AAA
2023 Q2	AA
2023 Q3	AA
2023 Q4	AA
2024 Q1	AA
2024 Q2	AA
2024 Q3	AA

MSCI ESG Ratings assess how well companies manage important ESG risks and opportunities. Ratings consider a company's exposure to ESG risks, the effectiveness of its management and governance systems, and its ability to meet market demand for environmentally or socially beneficial products and services. MSCI ESG Ratings are relative to each industry and are assigned at the company level, using a scale from AAA (highest) to CCC (lowest).

All data as at 30 November 2024. Source: MSCI

Further information on the Fund's objective and how to assess performance can be obtained from the Fund's KIID.

## Further information

Further details on sustainability and non-sustainability related information for the Fund, including the Fund's costs and charges, can be obtained from the Prospectus and KIID which are available from the literature page on our [website](#).

The annual sustainability report for this Fund as well as IFSL's entity-level sustainability report will be available from the literature page on our [website](#) no later than 2 December 2025 and 2 December 2026 respectively.

Investors can also find the Fund's annual taskforce for climate-related financial disclosures (TCFD) product report on our [website](#), however investors should note that some or all of the data contained within this report may not be suitable for assessing the Fund's sustainability characteristics.

Investments are suitable for investors whose requirements are aligned with the objectives, policies and risk profile of this Fund. It may not be suitable for all investors. You must read the Fund's KIID before investing and remember investments can go up and down in value, so you could get back less than you put in. If you're not sure which investments are right for you, please seek advice.

**This Fund is authorised and regulated by the Financial Conduct Authority in the UK.**

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**This disclosure is accurate as at 2 December 2024.**