

Supplement

Federated Hermes Asia ex-Japan Equity Fund

a sub-fund of Federated Hermes Investment
Funds public limited company, an umbrella fund
with segregated liability between sub-funds

Investment Manager – Hermes Investment Management Limited

The date of this Supplement No. 12 is 15 August 2023

This Supplement contains information relating to the Fund. This Supplement forms part of and should be read in conjunction with the prospectus of the Company dated 15 August 2023 as may be amended or updated from time to time (the “Prospectus”).

Investors should refer to the annex to this Supplement regarding the Fund’s environmental and/or social characteristics.

Funds of the Company in existence as at the date of this Supplement are set out in the Global Supplement.

Unless the context requires otherwise, capitalised terms used in this Supplement shall have the meaning attributed to them in the Prospectus.

If you are in any doubt about the contents of this Supplement, you should consult your stockbroker, or other financial adviser.

The Directors of the Company, whose names appear under the heading “Management and Administration” in the Prospectus, accept responsibility for the information contained in the Prospectus and in this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of the information.

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Profile of a Typical Investor

The Fund may be suitable for investors seeking capital growth over at least a three to five-year time horizon who understand and accept the associated high level of risk with high volatility attached to a fund that has an emerging market equity exposure in the Asia ex-Japan region. For more information please refer to the section entitled "Risk Factors".

An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors due to investment in emerging markets.

Investment Objective and Policies

Investment Objective

The investment objective of the Fund is to achieve long-term capital appreciation.

Investment Policy

The Fund is an Article 8 fund for the purpose of Regulation (EU) 2019/2088 of the European Parliament and the Council on sustainability-related disclosures in the financial services sector (SFDR). As at the date of this Supplement, 0% of the Fund's investments will be aligned with the environmental objectives under the Taxonomy Regulation. The "do no significant harm" principle applies only to those investments underlying the Fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of the Fund do not take into account the EU criteria for environmentally sustainable economic activities

The Fund will seek to achieve its objective over a rolling period of any five years, by investing at least 80% in a portfolio of equity and equity-related securities of, or relating to, companies in, or companies that derive a substantial proportion of their revenues from, the Asia ex-Japan region. These companies will be listed or traded on a Regulated Market worldwide.

The Investment Manager will exclude investment in the following companies (based on information available to the Investment Manager on these companies):

- Companies that generate over 0% of their revenue from the manufacture of Controversial Weapons or by providing either an essential and/or tailor-made product or service to the manufacturers Controversial Weapons and companies that generate over 5% of their revenues from production of Conventional Weapons;
- Companies that generate over 0% of their revenue from the production of tobacco products and companies that receive over 10% of their revenues from tobacco distribution;
- Companies that generate over 5% of their revenue from the mining or energy generation of thermal coal; and
- Companies that generate over 5% of their revenues from adult entertainment products;

Investment Strategy

The strategy follows a contrarian investment style, and is neither growth nor value orientated. Instead, the Investment Manager seeks companies trading at attractive price-to-value propositions, which are often found in those parts of the market which are less popular. The Investment Manager believes this allows the Fund to potentially outperform the market irrespective of whether growth or value styles are in favour. An important characteristic that the Investment Manager seeks in potential investments is asymmetry: the potential for gains in the case of favourable future scenarios exceeding losses in the case of unfavourable future scenarios. Other than investment in the excluded sectors listed above, the Investment Manager

is not otherwise subject to any limitation on the types of companies to which it will seek exposure (either in terms of industry, size or focus).

The Investment Manager incorporates analysis that assesses the environmental, social and governance (“ESG”) characteristics of a company into its investment process. ESG includes environmental items (such as the impact on natural resources), social issues (such as human rights) and governance (being the way in which the company is run). The Investment Manager assesses the ESG characteristics of a company by considering ESG research and scores from a wide variety of sources such as proprietary analysis from EOS at Federated Hermes and third party providers such as ISS, CDP, MSCI, Sustainalytics and S&P Global Trucost amongst others. The Investment Manager believes that quantitative ESG data must be complemented by a fundamental bottom-up review of ESG issues, leveraging their knowledge of and direct contact and engagement with companies. The percentage of ESG-analysed companies in the fund will always be between 90%-100%. The Investment Manager may invest in companies with poor ESG characteristics where the company has shown a desire to improve their ESG behaviours and can demonstrate good corporate governance practices and/or a willingness to engage in issues if they arise. The ESG characteristics are also used to identify where active engagement with companies by the Investment Manager and EOS would be useful, with the aim of reducing underperformance from poor ESG behaviours while also encouraging companies to act responsibly and improve sustainability. The Fund’s market exposure (which is exposure to the categories of Investments outlined below, and excludes cash held by the Fund) may vary in time and will typically range between 95%-100% for long positions and 0% for short positions of the Net Asset Value of the Fund, depending on the Investment Manager’s analysis of the prevailing market conditions and considered in light of the investment objective of the Fund. These ranges are not limits and the actual exposures may from time to time fall outside these estimated ranges.

The Fund is actively managed by the Investment Manager in accordance with the criteria set out in this Supplement and will seek to achieve its objective on an active basis, without reference to a benchmark. The Company shall use the MSCI All Country Asia ex Japan Investable Market Index for performance comparisons with the Fund on certain marketing materials (e.g. fund fact-sheets, investor reports, shareholder presentations etc), as deemed appropriate. The MSCI All Country Asia ex Japan Investable Market Index is a free float adjusted market capitalisation weighted index that is designed to measure the performance of shares in large and mid-sized companies, denominated in various currencies, which are listed in both developed and emerging markets across Asia (excluding Japan). As at the date of this Supplement, the Investment Manager has determined that this benchmark may be used for such purposes. For the avoidance of doubt the Fund’s objective is not to track the performance of an index or benchmark. The Fund does not charge any performance fees and, accordingly, no fees are paid to the Investment Manager on the basis of outperformance of an index or benchmark.

Categories of Investments

With the exception of permitted investments in unlisted securities, Eligible CIS, FDIs, money market instruments, cash and cash equivalents, Investments of the Fund will be listed or traded on a Regulated Market.

Equity: The Fund may invest in a diversified portfolio of equity (such as common and/or preferred stock and/or rights) and equity-related securities (such as GDRs and ADRs) of, or relating to, companies in, or that derive a substantial proportion of their revenues from, the Asia

ex-Japan region. Investment in or exposure to such securities will be on a long-only basis. The Fund will continuously invest at least 66.67% of its net assets in equity assets as defined in sec. 2 para. 8 of the German Investment Tax Act (2018).

Debt: The Fund may hold Investment Grade government and Investment Grade or Below Investment Grade corporate fixed income debt securities of fixed and/or floating rate and that may be rated or unrated (including bonds, notes and/or Convertible Debt Securities) and that may be issued by or relate to companies and or governments from the Asia ex-Japan region. Investment in or exposure to such securities will be on a long-only basis.

Eligible CIS: The Fund may acquire units/shares of Eligible CIS, including exchange-traded funds, money market funds and other funds of the Company, where such Eligible CIS satisfy the requirements of the Central Bank. Investment in or exposure to such schemes will be on a long-only basis.

Methods of Access and Efficient Portfolio Management

The Fund may gain exposure to the aforementioned equity and/or equity related securities and/or Eligible CIS through the use of FDIs and/or through investment in Convertible Debt Securities. A decision to use FDIs may be made for reasons such as efficiency (i.e. it may be cheaper to gain exposure to an underlying Investment than to purchase the Investment directly).

FDIs may also be used for efficient portfolio management purposes (for example, to assist in cash flow management, for cost effectiveness and for gaining exposure to certain markets and securities in a quicker and/or more efficient manner).

The FDIs that may be used by the Fund for such purposes include Forward Currency Exchange Contracts, Futures, Options, Swaps, participation notes, non-voting Depositary Receipts, rights and Warrants.

For efficient portfolio management purposes the Fund may invest in and/or gain exposure to financial indices, hold cash and/or invest in money market collective investment schemes (to, for example, equitise cash), subject to the conditions and limits of the Central Bank. Please see the section headed "Investment in FDIs and Efficient Portfolio Management" in the Prospectus for more information.

Any indices to which exposure is achieved will be in line with the investment strategy of the Fund. If utilised, details of the financial indices in which the Fund invests and/or gains exposure to will be found via: [Federated Hermes / Financial Indices](#).

For the avoidance of doubt, the Fund does not enter into repurchase and reverse repurchase agreements and/or engage in stock lending.

Cash Management

The Fund's use of FDIs may result in it holding a portion of its Net Asset Value in cash or collateral holdings and in such circumstances the Fund may seek to implement an effective cash management policy. In pursuit of this policy the Fund may invest in collective investment schemes and money market instruments (such as short-dated government-backed securities, floating-rate notes, commercial paper, certificates of deposit, call accounts, treasury bills and treasury notes) and FDIs (of the type noted above).

Leverage and Global Exposure

The Fund may be leveraged up to 10% of its Net Asset Value. That is, the total exposure (defined as the NAV of the Fund and its global exposure) associated with the Investments of the Fund, including investments in FDIs, may amount to 110% of the Net Asset Value of the Fund. The Fund's global exposure will be calculated using the commitment approach.

Currency Hedging Policy

The Fund may enter into transactions for the purposes of hedging the currency exposure in accordance with the sections entitled "Hedging at Portfolio Level" and "Hedging at Share Class Level against Base Currency" in the Prospectus.

Risk Factors

Potential investors and Shareholders are referred to the section of the Prospectus entitled "Risk Factors". Regard should be had to the risks outlined under the heading "General Risk Factors" as each of these risk factors will be relevant in the context of an investment in the Fund.

In addition, investors should specifically refer to the following risks that appear under the heading "Fund Specific Risk Factors", as these relate to risks arising as a result of the Fund's Investments and/or portfolio management techniques:

Risk	Prospectus page reference
Sustainability Risk	27
Depository Receipts Risk	34
Emerging Markets Risk	35
Equity Risk	37
Forward Currency Exchange Contracts Risk	39
Futures Risk	40
Stock Connect Risk	43
Small and Mid-Cap Companies Risk	44
Warrants Risk	46

Dealing Information

Dealing Deadline	9.30 am (Irish time) on the relevant Dealing Day.
Valuation	The Valuation Point will be 12 noon (Irish time) on each Dealing Day. The value of instruments or securities that are quoted, listed or dealt in on a Regulated Market shall (save in certain specific cases) be the last traded price on such Regulated Market as at the Valuation Point, or the latest mid-market price as at the Valuation Point when no last traded price is available.
Income Equalisation	The Fund operates Income Equalisation.
Timing of Payment for Subscriptions	Payment must be received by the Administrator by close of business on the third Business Day following the applicable Dealing Day.
Timing of Payment for Redemptions	Redemption proceeds will be paid on the third Business Day following the relevant Dealing Day.
Administrator's Fee	Up to 0.04% of the Net Asset Value of the Fund accrued and calculated daily and payable monthly in arrears. The Fund will also pay other costs to the Administrator such as transfer agency charges and transaction fees. Details are set out in the Prospectus in the section entitled "Fees and Expenses".
Depository's Fee	The Fund will bear transaction and custody charges which are calculated on the basis of the assets held. The Fund will also pay a depository fee of up to 0.0110% of its Net Asset Value to the Depository. The Fund will also pay other costs to the Depository such as out-of-pocket expenses and sub-custodial fees and expenses. Details are set out in the Prospectus in the section entitled "Fees and Expenses".
Other Fees and Expenses	All fees and expenses, not exceeding GBP50,000, relating to the establishment of the Fund, including the fees of the advisers to the Company, such as legal advisers, will be borne by the Fund and will be amortised over the first five financial years of the lifetime of the Fund or such other period as the Directors may determine and advise to Shareholders, for example, via the Company's financial statements. The Fund shall bear its attributable proportion of the organisational and operating expenses of the Company (including any establishment expenses). Details of these and of other fees and expenses relating to the Company are set out in the Prospectus in the section entitled "Fees and Expenses".
Compulsory Redemption Threshold	All the Shares of the Fund may be compulsorily redeemed at the discretion of the Directors if, after the first anniversary of the first issue of Shares of the Fund, the Net Asset Value of the Fund falls below GBP100,000,000 for any period of time.

Share Class Information

Fees

Class	Management Fee (Max)
A	1.50%
C	1.10%
F	0.75%
I	0.75%
P	0.75%
R	1.50%
RC	2.20%
T*	0.00%
Z**	0.00%

*Shareholders in the Class T Shares will be subject to a fee with regard to their investment in the Fund based on the Client Agreement between them and the Investment Manager or its affiliate. This fee will not exceed 1% per annum of the value of the Shareholder's holding in the Fund. The Investment Manager (or its affiliate, if relevant) reserves the right to repurchase the entire holding of Shares of any Shareholder (deducting any amount owed for unpaid investment management fees), if the relevant Client Agreement is terminated for any reason whatsoever.

**Shareholders in the Class Z Shares will be subject to a fee with regard to their investment in the Fund based on the Client Agreement between them and the Investment Manager or its affiliate. This fee will not exceed 3% per annum of the value of the Shareholder's holding in the Fund. The Investment Manager (or its affiliate, if relevant) reserves the right to repurchase the entire holding of Shares of any Shareholder (deducting any amount owed for unpaid investment management fees), if the relevant Client Agreement is terminated for any reason whatsoever.

Notwithstanding what is disclosed in the Prospectus, please note that for operational reasons fractions of the Class A, and Class I Shares in issue will be calculated to three decimal places. The Net Asset Value of each Class A, and Class I Shares will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of the Share Class and rounding the result to four decimal places in the normal way as described in the Prospectus.

Minimum Transactions

Class	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount	Minimum Holding Amount	Minimum Redemption Amount
A	USD 1,000	No minimum	USD 1,000	No minimum
C	GBP 100,000	No minimum	GBP 100,000	No minimum
F	GBP 100,000	No minimum	GBP 100,000	No minimum
I	USD 1,000,000	No minimum	USD 1,000,000	No minimum
P	GBP 400,000	No minimum	GBP 400,000	No minimum
R	EUR 1,000	No minimum	EUR 1,000	No minimum
RC	EUR 1,000	No minimum	EUR 1,000	No minimum
T*	GBP 1,000	No minimum	GBP 1,000	No minimum
Z**	Per Client Agreement	Per Client Agreement	Per Client Agreement	Per Client Agreement

The above amounts can be paid in the currency stated or its foreign currency equivalent.

Capacity Management

The Directors may, at their absolute discretion, impose capacity management related constraints on the Fund. Please see the section headed "Capacity Management" in the Prospectus for more information. Details about whether the Fund is currently under capacity management constraints will be published on the Manager's website: www.hermes-investment.com/capacity-management/.

Initial Offer of Shares

As more particularly described in the Prospectus, the Company offers 17 Classes of Shares with various distribution policies, distribution frequencies, hedging policies and currencies in each Class.

The table below sets out details of the Classes of Shares in the Fund approved by the Central Bank, and the Classes which are available for purchase as at the date of this Supplement. Unless otherwise indicated by (*), the currency available in each Class of Shares set out below are available in hedged and unhedged versions.

Currency	Accumulating	Distributing Annually	Distributing Semi Annually	Distributing Quarterly	Distributing Monthly	Distributing Quarterly**	Distributing Monthly**
GBP	A	A1	A2	A3	A4	A5	A6
EUR	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD*							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
SGD							
AUD							
CNH							
CAD							
JPY							
GBP	C	C1	C2	C3	C4	C5	C6
EUR	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD*							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
SGD							
AUD							
CNH							
CAD							
JPY							
GBP	F	F1	F2	F3	F4	F5	F6
EUR	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD*							
CHF							
SEK							
NOK							
DKK							

HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	I	I1	I2	I3	I4	I5	I6
EUR							
USD*							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	P	P1	P2	P3	P4	P5	P6
EUR							
USD*							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							
JPY							
GBP	R	R1	R2	R3	R4	R5	R6
EUR							
USD*							
CHF	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
SEK							
NOK							
DKK							
HKD							
SGD							
AUD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
CNH							
CAD							

JPY							
GBP	RC	RC1	RC2	RC3	RC4	RC5	RC6
EUR	Unhedged		Unhedged				
USD*							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged		Hedged				
SGD							
AUD							
CNH							
CAD							
JPY							
GBP	T		T2				
EUR	Unhedged		Unhedged				
USD*	Hedged		Hedged				
GBP	Z	Z1	Z2	Z3	Z4	Z5	Z6
EUR	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged	Unhedged
USD*							
CHF							
SEK							
NOK							
DKK							
HKD	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged	Hedged
SGD							
AUD							
CNH							
CAD							
JPY							

*Hedged USD Shares are not available.

** Certain Fees and Expenses are charged against Capital

Share Classes which have received subscriptions have a price available, which can be found via www.hermes-investment.com/products. Where no price is available for a Share Class in respect to Share Classes that have not received subscriptions, the Initial Offer Period will start at 9 a.m. on 16 August 2023 and close at 5 p.m. on 15 February 2024.

The Initial Offer Price per Share Class shall be determined by reference to the currency denomination of the Share Class and is as follows:

GBP	EUR	USD	CHF	SEK	NOK	DKK	HKD	SGD	AUD	CNH	CAD	JPY
1	2	2	2	20	20	10	20	3	3	10	2	200

The base currency of the Fund is US Dollars.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: **Federated Hermes Asia ex-Japan Equity Fund**

Legal entity identifier: **5493000S2N1BDU0KK492**

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



No



It will make a minimum of **sustainable investments with an environmental objective**: ____%



in economic activities that qualify as environmentally sustainable under the EU Taxonomy



in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It will make a minimum of **sustainable investments with a social objective**: ____%



It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments



with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy



with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



with a social objective



It promotes E/S characteristics, but **will not make any sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Fund promotes investment in companies exhibiting the following characteristics:

- potential for improvement to ESG factors; and/or
- a willingness to engage on any material ESG issues; and/or
- limited to no revenue generated from excluded sectors.

No specific index has been designated as a reference benchmark for the purpose of attaining the above characteristics

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are used for the purpose of measuring the attainment of the environmental or social characteristics promoted by the Fund:

- *Environmental Indicators: GHG Emissions and Carbon Footprint;*
- *Violation of UN Global Compact Principles 4 and 5; and*
- *Engagement Activity: as a % of the AUM in the portfolio and as a % of progress made against the objective milestones set by the Investment Manager and EOS.*

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

Not applicable..

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

Not applicable

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

— *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable



Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Does this financial product consider principal adverse impacts on sustainability factors?

 **Yes**

As part of the investment strategy, the Investment Manager considers whether companies exhibit any principal adverse impacts on sustainability factors. The consideration of the principal adverse impacts of sustainability factors are identified both through the quantitative inputs to the ESG assessment by the Investment Manager and through the Investment Manager’s qualitative review of the investee companies, to ensure that all relevant information is accurately captured and that the portfolio is not exposed to any sustainability risks not otherwise identified by the assessment. The Investment Manager uses a range of sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from the dedicated stewardship team, EOS at Federated Hermes (“EOS”) and third party providers such as ISS, CDP, MSCI, Sustainalytics and Trucost amongst others.

Where material sustainability risks are identified, the Investment Manager may elect not to continue with the investment, or may identify the company as a candidate for engagement, with the aim of reducing underperformance which may arise from poor ESG behaviours whilst also encouraging companies to act responsibly and improve sustainability.

Relevant information on principal adverse impacts on sustainability factors will be disclosed in due course in the Fund's annual report.

No



What investment strategy does this financial product follow?

The Investment Manager follows a bottom-up stock selection process and a contrarian investment style that seeks exposure to companies from emerging and developed markets in Asia excluding Japan that are attractively priced relative to their quality. In selecting investments for the Fund, the Investment Manager incorporates ESG factors aimed at the promotion of the environmental and social characteristics, through the following processes:

ESG Improvers: The Investment Manager incorporates analysis that assesses the ESG characteristics of a company into its investment process. As part of this assessment, the Investment Manager conducts an assessment of a company's ESG characteristics based on quantified ESG metrics and a qualitative review of ESG issues, leveraging its knowledge of and direct contact and engagement with companies. The ESG factors include, but are not limited to, specific environmental characteristics (such as a company's carbon intensity (tonnes of scope 1 and 2 GHGe per \$m sales)) and social characteristics (such as employee satisfaction and turnover). The ESG assessment seeks to identify companies that might have current ESG deficiencies but which have shown the potential and/or desire to improve their ESG behaviours, through identified management goals, provided the companies can evidence good governance practices in accordance with the Investment Manager's policy on good governance, as outlined below. This may be further supported via engagement with the company or where the company may be subject to related advocacy with relevant government bodies and/or regulators.

Engagement: The Investment Manager leverages quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where sustainability risks are identified, the Investment Manager works with EOS to engage with companies to address those risks. Engagement is conducted in the context of the company's sector and regional policy, where corporate governance standards and social safeguards may differ to international expectations in developed markets. Engagement occurs through meetings with company boards and management and through the exercise of voting rights. The Investment Manager also engages in advocacy with government, regulators and governance associations. Engagement seeks to identify measurable objectives to deliver positive change within set time periods. Where there is engagement with a company, a four-step milestone approach will be implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. Where a company is not receptive to engagement on material ESG risks, or makes insufficient progress in addressing them over time, it may result in divestment of that company.

Exclusions: The Investment Manager will not invest in the following companies involved in specified activities where those activities contribute to company revenues above prescribed revenue thresholds (see below for further detailed information). Excluded activities include Controversial Weapons, Conventional Weapons, tobacco, thermal coal and adult entertainment.

● What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

- The percentage of ESG-analysed companies in the Fund will always be between 90%-100%.
- The Investment Manager will not invest in companies which meet the following criteria (based on information available to the Investment Manager on these companies):
 - Companies that generate over 0% of their revenue from the manufacture of Controversial Weapons or by providing either an essential and/or tailor-made product or service to the manufacturers Controversial Weapons and companies that generate over 5% of their revenues from production of Conventional Weapons;

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

- Companies that generate over 0% of their revenue from the production of tobacco products and companies that receive over 10% of their revenues from tobacco distribution;
- Companies that generate over 5% of their revenue from the mining or energy generation of thermal coal; and
- Companies that generate over 5% of their revenues from adult entertainment products.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable.

● **What is the policy to assess good governance practices of the investee companies?**

As part of the investment strategy, the Investment Manager assesses the corporate governance of a company by reference to its policy on good governance and through a variety of means, including the Investment Manager's proprietary corporate governance tool and qualitative analysis, insights from its own research and EOS. In considering good governance, the Investment Manager will assess, among other things, a company's management structure, employee relations, staff remuneration and compliance with applicable tax rules.

A company is presumed not to be following good governance practices if there have been abuses of power or severe controversies involving the relevant company related to its governance, which have not been mitigated through subsequent demonstrative actions.

However, a company is considered to be following good governance practices if the factors set forth above, and any other factors determined to be material by the Investment Manager, (i) meet any one of the following criteria:

- *the company's corporate governance is in line with the best practices as defined by EOS in the Responsible Ownership Principles and Regional Corporate Governance Principles documents; or*
- *the company's corporate governance is determined to be in-line with peers both in industry and/or region, taking into account the size of the issuer and how that may affect the governance of the issuer in the long-term, or*
- *the Investment Manager and/or EOS is engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of this annex titled "What investment strategy does this financial product follow?"*

or, (ii) when viewed collectively, are determined by the Investment Manager to adequately meet the criteria set forth above.

However, no investments will be made in any company which is in violation of Principles 4 and 5 of the UN Global Compact Principles relating to forced and compulsory labour and the abolishment of child labour..

Further information on the Investment Manager's good governance policy and the EOS Responsible Ownership Principles and Regional Corporate Governance Principles can be found at <http://www.hermes-investment.com/sustainability-related-disclosures>

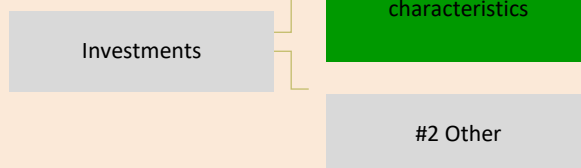
Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.



What is the asset allocation planned for this financial product

Asset allocation

describes the share of investments in specific assets.



#1 Aligned with E/S characteristics includes a minimum of 90% of the Fund's investments will be in companies who meet the characteristics promoted by the Fund and can evidence good governance practices in accordance with the Investment Manager's policy on good governance, as outlined above.

#2 Other includes the remaining investments of the Fund, which may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include derivatives to gain exposure to equities and/or equity related securities and/or Eligible CIS and/or gain exposure to financial indices, hold cash and/or invest in money market collective investment schemes (to, for example, equitise cash).

● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The use of derivatives does not contribute to the attainment of the Fund's environmental or social characteristics. The Fund may use derivatives to gain exposure to equities and/or equity-related securities and/or Eligible CIS. The decision to utilise these instruments may be made for reasons such as efficiency (i.e. it may be cheaper to gain exposure to an underlying investment than to purchase the investment directly). They may also be used for efficient portfolio management purposes (for example, to assist in cash flow management, for cost effectiveness and for gaining exposure to certain markets and securities in a quicker and/or more efficient manner).



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such the Fund will have a minimum of 0% Taxonomy-alignment.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?**

☐

Yes:

☐

In fossil gas

☐

In nuclear energy

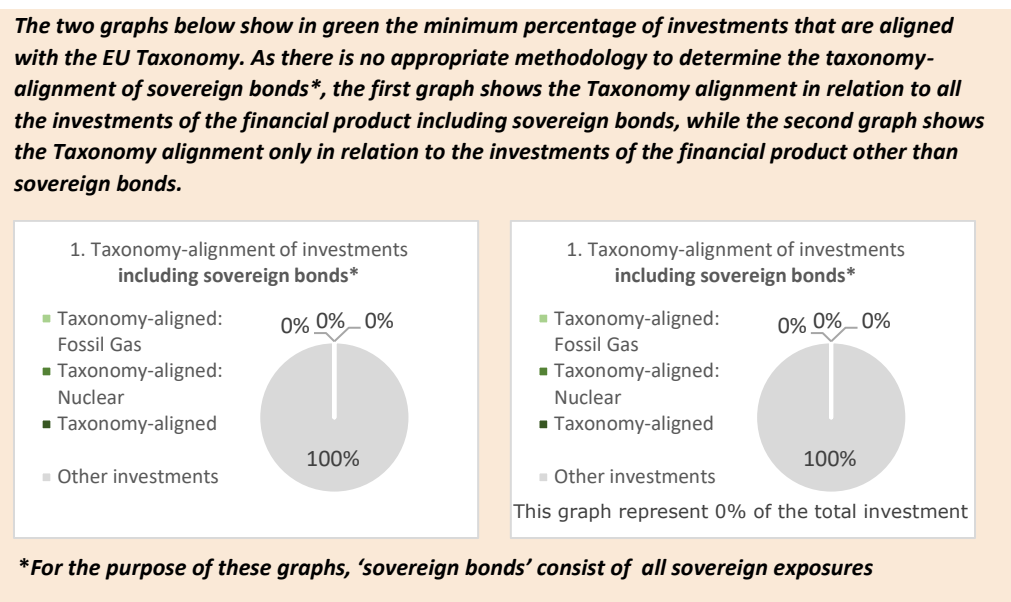


No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



- **What is the minimum share of investments in transitional and enabling activities?**
Not applicable

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

-  **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**
Not applicable

-  **What is the minimum share of socially sustainable investments?**
Not applicable

-  **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**
Investments included under “#2 Other” may be held for efficient portfolio management and cash management purposes and are neither aligned with the environmental or social characteristics, nor qualify as sustainable investments. These investments include derivatives to gain exposure to equities and/or equity related securities and/or Eligible CIS and/or gain exposure to financial indices, hold cash and/or invest in money market collective investment schemes (to, for example, equitise cash)



- Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**
No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**
Not Applicable

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**
Not Applicable
- **How does the designated index differ from a relevant broad market index?**
Not Applicable
- **Where can the methodology used for the calculation of the designated index be found?**
Not Applicable



Where can I find more product specific information online?

More product-specific information can be found on the website:

More product specific information can be found via:

<https://www.hermes-investment.com/products>