

AGCM Fund – Sustainability profile

Sub-funds: - Asia Growth Fund
China Stars Fund
Dividend Fund

Asia Growth Fund and Dividend Fund are actively managed sub-funds of AGCM Fund investing in Asian companies (ex Japan) while China Stars sub-fund is actively managed investing in Chinese companies.

Sustainability information

- **Sustainability aspects are taken into account in the management of the fund.**

Comments from the Fund Manager:

Taking into account and integrating environmental and socially responsible aspects into the investment process is an important part of AGCM's policy for responsible investments based on established international norms for environment, human rights, labor rights and anti-corruption.

Sustainability aspects taken into account in the management of the fund

- **Environmental aspects**

Comments from the Fund Manager:

AGCM takes into consideration the environmental perspective in the selection process where carbon emission is an important parameter. Companies in the energy sector must focus on environmentally friendly technology in order to be selected as an investment in the fund.

- **Social aspects** (human rights, employee rights and equal opportunity).

AGCM's policy for responsible investments is based on established norms for human rights, working conditions and equal opportunity.

- **Corporate governance aspects (shareholders' rights, issues relating to remuneration for senior executives and anti-corruption).**

AGCM considers corporate governance and anti-corruption factors in the selection process.

- **Other aspects**

An integral part of AGCM's investment policy is to include norm-based screening and exclude companies which have a significant part of its business in manufacturing or distribution of military equipment, tobacco, alcohol, pornography or gambling.

Positive screening

- **The manager of the fund takes sustainability issues into account**

Analysis of the companies work with sustainability has an impact on the selection of companies in the fund and is continuously monitored. AGCM is collaborating with investment consultant ISS-Ethix which monitors the fund's holdings on a continuous basis to ascertain that the companies meet AGCM's requirements for sustainable investments.

Negative screening

Products and services

- **Cluster bombs, landmines**

Fund manager comment:

AGCM avoids investing in companies involved in controversial weapons

- **Chemical and biological weapons**

Fund manager comment:

AGCM avoids investing in companies involved in controversial weapons

- **Nuclear weapons**

Fund manager comment:

AGCM avoids investing in companies involved in controversial weapons

Weapons and/or munitions

Fund manager comment:

Maximum 5% of turnover

- **Alcohol**

Fund manager comment:

Maximum 5% of turnover

- **Tobacco**

Fund manager comment:

Maximum 5% of turnover

- **Commercial gambling operations**

Fund manager comment:

Maximum 5% of turnover

- **Pornography**

Fund manager comment: Production: 0%; Distribution maximum 5% of turnover

- **Fossil fuels (oil, gas, coal)**
Fund manager comment:
Maximum 5% of turnover
- **Coal**
Fund manager comment:
Maximum 5% of turnover
- **Uranium**
Fund manager comment:
Maximum 5% of turnover
- **Genetically modified organisms (GMO)**
Fund manager comment:
n.a.
- **Other**
Fund manager comment:
n.a.

International norms

International norms refer to international conventions, laws and agreements such as the UN Global Compact and OECD guidelines for multinational companies that relate to issues concerning the environment, human rights, labor practices and business ethics.

- The fund does not invest in companies which do not address identified problems or where the fund makes the assessment that the company will not address the problems within a time frame deemed reasonable in that specific case.
Fund manager comment:
AGCM works with ISS-Ethix to monitor that the portfolio companies comply with international norms. In case of non-compliance, AGCM evaluates together with its advisor if the issues will be addressed and rectified within a reasonable time frame. If not, the holding will be divested.

The fund management company influences

The fund management company exercises its investor influence to influence companies on sustainability issues. The fund management company engages with companies with a view to influencing them to adopt a more sustainable approach.

- Investor influence through external suppliers/consultants.
Fund manager comment:

AGCM exerts its investor influence through “Pooled engagement” under the management of its investment advisor to address controversies in relation to international norms.
AGCM uses proxy voting on AGMs to exert influence on sustainability issues.