

Product Report Introduction

Task Force on Climate-Related Financial Disclosures (TCFD)
is an international framework aimed at enhancing climate risk management and disclosures.

TCFD product reports are a regulatory requirement for FCA regulated firms with AUM above GBP 5 billion as of 2024. Stonehage Fleming Investment Management falls under this disclosure requirement. The aim of TCFD product reports is to provide information on product specific climate risks and performance to clients. This document provides our TCFD product report for the Sentinel Enterprise Portfolio.

Definitions for metrics used to capture product climate performance can be found below. We use a mix of absolute and relative CO₂e emissions metrics, as well as an indicator of alignment with international climate targets, to assess climate performance and risks. These are presented for this product and a relevant benchmark. A commentary provides analysis of what the presented figures mean for product climate risks and performance.

TCFD entity report can be found on the SFIM homepage.

METRICS

Absolute performance

Scope 1, 2 and 3 emissions are metrics tracking different sources of CO₂e equivalent emissions emitted by fund constituents. The lower the Scope 1, 2 and 3 emissions, the less emissions are generated by fund constituents.

- **Scope 1 emissions:** Direct greenhouse gas emissions from sources owned or controlled by the company, such as emissions from gas, oil and company vehicles.
- **Scope 2 emissions:** Indirect greenhouse gas emissions from sources owned or controlled by the company, such as emissions from consumption of purchased electricity, heat or steam.
- **Scope 3 emissions:** Indirect greenhouse gas emissions from sources not owned or controlled by the company, such as emissions from business travel or investments.

Relative performance

Carbon Footprint and WACI are metrics tracking the relative emission performance of a fund, relative to amount invested or constituent revenues. The lower the Carbon Footprint and WACI, the better the emissions performance of a fund.

- **Carbon Footprint** highlights the Fund's emissions relative to activities and market value. It is calculated using the total carbon emissions for a portfolio normalised by the EVIC of the portfolio, expressed in tons CO₂e / \$M invested. To calculate an investment's emissions, our third-party provider, Morningstar, have used the EVIC rather than market capitalisation. We believe this gives a better approximation of a company's overall value.
- **Weighted Average Carbon Intensity (WACI)** measures a portfolio's exposure to carbon-intensive companies. An investment's emissions are allocated based on its weight within the portfolio, which is the current value of the investment relative to the current portfolio value. To calculate an investment's emissions, our third-party provider, Morningstar, have used the EVIC rather than market capitalisation. We believe this gives a better approximation of a company's overall value.

Alignment with international climate targets. The lower the ITR value the better aligned with international climate targets a fund.

- **Implied temperature Rise (ITR)** is designed to show the temperature alignment of companies, portfolios and funds with global climate targets. The international target for climate change is to be limited to 1.5°C.

STONEHAGE FLEMING

WHITE FLEET

— ALMA FUND



Product Report

The Fund's Scope 1, 2 & 3 emissions are all lower than that of the benchmark, albeit only marginally so on a percentage basis. The fund's overweight to health care equities is a positive for the fund's scope emissions relative to the benchmark, as these sectors (and the active managers through which we gain exposure to equities within these sectors) are relatively lower emitting versus broader global equities.

The Weighted Average Carbon Intensity is lower than the benchmark, while the Carbon footprint is higher than that of the benchmark. Once again, this is helped by an overweight to health care equities although hindered somewhat by an overweight to small and mid-cap UK equities versus the benchmark.

The overall All Scopes ITR of the White Fleet - Alma fund is lower than that of the benchmark as well as being higher than 1.5 degree Celsius, noted in the Paris Agreement as the preferred limit on global surface temperature increases compared to pre-industrial levels.

Overall, we therefore see the White Fleet - Alma Fund emissions performance as broadly consistent with that of the benchmark, being unaligned with global climate change mitigation ambitions. Considering the sectoral performance and geographic exposure of White Fleet - Alma Fund, we also see climate risks as largely aligned with those of the benchmark.

The benchmark is made up of 100% Morningstar Global Target Market Exposure Index, as data for available indexes for other asset classes is lacking in quality.

GREENHOUSE GAS EMISSIONS



		Morningstar value		Morningstar coverage	
		Fund	Benchmark	Fund	Benchmark
Absolute Carbon Emissions	Scope 1 Tonne	1,256.3	1,392.4	52.9	87.3
	Scope 2 Tonnes	256.9	322.3	52.8	87.3
	Scope 3 Tonnes	9,419.8	12,801.4	52.8	87.1
	Scope 1 and 2 and 3 Tonnes	10,933.0	14,515.0	52.8	87.1

CARBON FOOTPRINT



Scope 1 and 2 and 3 Tonnes per £1mn invested

MORNINGSTAR VALUE		MORNINGSTAR COVERAGE	
Fund	Benchmark	Fund	Benchmark
520.7	503.0	52.8	87.1

WEIGHTED AVERAGE CARBON INTENSITY



Scope 1 and 2 and 3 per £1mn of revenue generated

MORNINGSTAR VALUE		MORNINGSTAR COVERAGE	
Fund	Benchmark	Fund	Benchmark
1,034.2	1,163.5	60.2	94.7

PORTFOLIO IMPLIED TEMPERATURE RISE SCORE ALL SCOPES



Morningstar value		Morningstar coverage (%)	
Fund	Benchmark	Fund	Benchmark
2.4%	2.4%	53.7%	89.7%

STONEHAGE FLEMING WHITE FLEET — ALMA FUND



Disclaimers

All figures represent aggregate data for that portion of the portfolio which is eligible (i.e.: excluding cash and a limited number of other assets) and covered (those companies for which data is available). This is particularly relevant for absolute figures, such as scope 1, 2 and 3 emissions figures, as a lower level of coverage decreases the amount of emissions displayed compared to those which would be displayed if the entire portfolio were covered.

Benchmark figures for Scope 1, 2, 3 and 1, 2 & 3 emissions are scaled so as to represent an equivalent amount of assets as the fund's assets.

The above figures can be based on limited coverage, particularly for the alternatives and fixed income holdings within the fund, for which there is typically significantly less data available than for equities.

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