ANNEX IV

Template periodic 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: American Franchise Fund

Legal entity identifier: 2138006273FO5D85L614

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective**: ___%	☐ It **promoted Environmental/Social (E/S) characteristics**: and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ 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	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective**: __%	☒ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Sub-Fund promotes better carbon outcomes (i.e. maintaining a carbon profile lower than the Sub-Fund's benchmark) by making investments in companies that meet the standards of the Investment Manager's proprietary sustainability assessments and by excluding investments in certain sectors or business areas (deemed incompatible with a net zero future).

Given the Investment Manager's consistent focus on high-quality, capital-light sustainable businesses, with zero exposure to heavily capital intensive, high-emission sectors such as energy, utilities and resources, the Sub-Fund's carbon profile remains far superior relative to the broader market. As such, the environmental characteristics promoted by this product have been met.

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

How did the sustainability indicators perform?

Sustainability indicator	Metric	Year	Fund	Benchmark	Fund carbon profile vs benchmark
Carbon profile	Tons of CO2e / US$m invested	2022	59.1	274.3	-82%
		2021	37.9	174.7	-82%

The Sub-Fund has maintained a carbon profile that is 82% lower than the broader market. The biggest contributors to the increase in absolute emissions at the Sub-Fund level (in line with the benchmark) were Nestle, Microsoft and Alphabet.

The 5 largest contributors to the Sub-Fund's carbon profile were, in order of magnitude (position sizes are shown in brackets):

– O'Reilly Automotive (2.8%)

– Nestle (2.9%)

– Stryker (2.4%)

– Booking Holdings (2.3%)

– ASML Holding (2.3%)

…and compared to previous periods? [include for financial products where at least oneprevious periodic report was provided]

N/A

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

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

N/A

The EU Taxonomy sets out a "do no significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

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.

As part of the in-depth fundamental analysis of an individual company, the following principal adverse impacts have been considered as part of the Sub-Fund's investments:

PAI indicator	Metric	Year	Value	Commentary
GHG emissions	Scope 1 & 2 GHG Emissions Contribution (EVIC) tCO2e	2022	391.7	Starbucks was the largest contributor to the Sub-Fund's GHG emissions primarily due to the size of the company. Starbucks maintains 2030 targets for 50% reduction in its carbon footprint. So, this was not deemed to be a material negative impact.
Carbon footprint	Scope 1 & 2 Carbon Footprint Contribution tCO2e/m € invested	2022	2.2	Nestle was the largest contributor to the Sub-Fund's carbon footprint primarily due to the size of the company and its position size in the Sub-Fund. This was deemed not to be a material negative impact, as Nestle has made significant climate-related commitments, including reducing GHG emissions by 50% by 2030.
GHG intensity	Scope 1 & 2 GHG intensity of investee companies tCO2e/m € revenue	2022	15.9	Microsoft was the largest contributor to the Sub-Fund's GHG intensity primarily due to the size of the company and its position size in the Sub-Fund. In addtion, Microsoft are on path to be carbon negative by 2030 and will aim to remove all carbon emissions that the company have directly emmitted, or indirectly via electrical consumption, by 2050.

* All Carbon Metrics will include Scope 3 Carbon Emissions from 1 January 2023.

In addition, the Sub-Fund has not invested in companies in relation to the following principle adverse impacts:

– Exposure to companies active in the fossil fuel sector.
– Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons, and biological weapons).

Where material adverse impacts are identified, the Investment Manager will engage directly with company management or sovereign stakeholders and/or exercise proxy voting rights in an effort to catalyse change.

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022

Largest investments	Sector	% Assets	Country
Microsoft Corp	Information Technology	8.4	United States
Alphabet Inc	Communication Services	6.4	United States
Autodesk Inc	Information Technology	4.7	United States
Automatic Data Processing Inc	Information Technology	4.6	United States
Factset Research Systems Inc	Financials	3.6	United States
Activision Blizzard Inc	Communication Services	3.5	United States
S&P Global Inc	Financials	3.5	United States
Adobe Inc	Information Technology	3.4	United States
Verisign Inc	Information Technology	3.4	United States
Intuit Inc	Information Technology	3.4	United States
Dolby Laboratories Inc	Information Technology	3.4	United States
Becton Dickinson And Co	Health Care	3.4	United States
Alcon Inc	Health Care	3.0	Switzerland
Starbucks Corp	Consumer Discretionary	3.0	United States
Visa Inc	Information Technology	2.9	United States

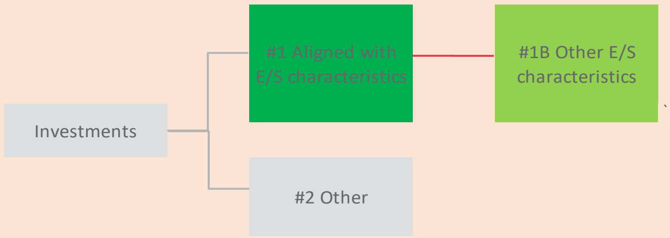
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

Overall Asset Allocation	% of Total Sub-Fund Value
#1 Investments aligned with the Sub-Fund's promoted environmental or social characteristics	93.8%
#2 Other, i.e. investments neither aligned with environmental or social characteristics, nor qualified as sustainable investments within the meaning of Article 2(17) SFDR	6.2%

#1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments within the meaning of Article 2(17) SFDR	93.8%



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

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.

- ***In which economic sectors were the investments made?***

Communication services, consumer discretionary, consumer staples, financials, health care, industrials, information technology.

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

- ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?***

☐ Yes:

☐ in fossil gas ☐ in nuclear energy

☒ No

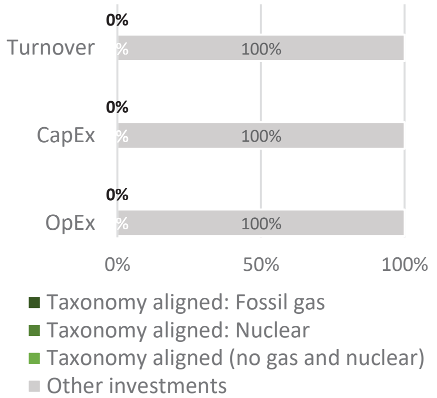
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives - see explanatory note in the left hand margin. The full criteria for fossil gas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

Taxonomy-aligned activities are expressed as a share of:

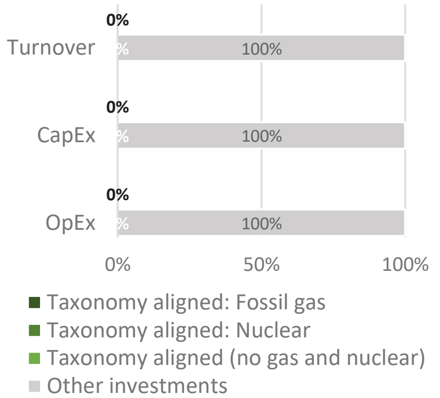
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



This graph represents 100% of the total investments.

**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Taxonomy-aligned investments contributed to environmental objectives set out in Regulation (EU) 2020/852 as follows:

EU Taxonomy-alignment, weighted by Taxonomy-aligned revenue	% of Total Sub-Fund Value
Climate change mitigation	0%
Climate change adaptation	0%

What was the share of investments made in transitional and enabling activities?

EU Taxonomy-alignment, weighted by Taxonomy-aligned revenue	% of Total Sub-Fund Value
Transitional activities	0%
Enabling activities	0%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Sub-Fund does not currently commit to invest in any sustainable investments within the meaning of Article 2(17) SFDR or the EU Taxonomy Regulation.

What was the share of socially sustainable investments?

N/A

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

'#2 Other' includes investments that support the financial objective and other management activities of the Sub-Fund, such as:

- equities that are considered not aligned with E/S characteristics;

  and

- cash held for liquidity purposes as an ancillary asset, deposits and money market instruments.

No minimum environmental or social safeguards are applied.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

All new investments have been selected in line with the Investment Manager's sustainability framework. Existing investments are monitored against the same framework.

The Investment Manager implements active stewardship and its right as a shareholder to preserve and grow its clients' assets, including engagement with the companies in which it invests. The extent of engagement activities will vary depending on the materiality of any adverse impacts, ability to exert influence, and the nature and severity of the potential issue.

In addition, where significant adverse impacts are identified or there is potential non-compliance with good governance requirements the Investment Manager will identify the materiality of these and the potential need for engagement to address these issues. Further information on the Investment Manager's approach to engagement is available on its website.

https://ninetyone.com/-/media/documents/sustainability/91-sustainability-and-stewardship-report-2022-en.pdf

https://ninetyone.com/-/media/documents/stewardship/91-esg-ownership-policy-and-proxy-guidelines-en.pdf

Over the last 12 months, the Investment Manager has made good progress further developing its proprietary tools and methodologies to enhance the integration of carbon analysis into its research process and valuation analysis. The Investment Manager has developed and completed a proprietary Climate Strategy Assessment for all existing holdings, as well as new ideas, which evaluates companies across fifteen criteria, including: net zero commitments, short- and long-term quantitative targets for reducing emissions and whether these are SBTi certified, CDP disclosure, executive remuneration linked to climate change performance, and the appointment of a board member or committee with responsibility for the company's climate change strategy. The output of this analysis helps the Investment Manager prioritise engagement with those companies identified as having little or no carbon emissions disclosure, and/or do not yet have credible net zero targets and transition pathways in place that are aligned with the Paris Agreement. During the period, the Investment Manager proactively engaged with the lowest scoring companies, according to its proprietary Climate Strategy Assessment. Whilst acknowledging that many of these holdings do not have inherently carbon intensive business models, formal letters were sent to eight Sub-Fund companies urging them to take the lead on decarbonisation and take more affirmative steps on climate change. The Investment Manager also continued its engagement with other companies where this had already been initiated.

Examples of positive steps subsequent to engagement include:

Company	**Sector**	**Outcome**
Becton Dickson	Healthcare	Pledged to reach science-based net zero emissions by 2050 at the latest. The company has committed to reduce Scope 1 and 2 GHG emissions by 46% by 2030 (vs 2019) and to be carbon netural across its direct operations by 2040.
FactSet	Financials	Announced commitment to set a near-term, company-wide emission reduction target in line with the SBTi, as well as pledging to achieve net zero emissions by 2040.
EA	Communication Services	Committed to publishing Scope 1 & 2 emissions by year-end and disclosing targets in due course, which will likely be aligned with the SBTi.

How did this financial product perform compared to the reference benchmark?

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

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

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A