

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: Redwheel Nissay Japan Focus Fund

Legal entity identifier: 549300TC6C1DQYSKHO65

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☒ ☒ ☐ Yes

☒ ☐ ☒ No

- ☐ It made 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 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
- ☐ 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 made sustainable investments with a social objective: ____%

☒ It promoted E/S characteristics, but did not make any sustainable investments

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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



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

The Sub-Fund promotes environmental and social characteristics related to (i) the reduction and mitigation of greenhouse gas emissions and (ii) social and employee matters.

These environmental and social characteristics were promoted by means of:

Negative Exclusions

The Investment Manager applied specific hard exclusions on companies that derive income from products and business practices considered to be harmful to the environment or society. The Sub-Fund did not invest in any companies that were in breach with these exclusion criteria during the reference period.

Principal Adverse Impact (“PAI”)

The Investment Manager considered the negative externalities of investments on sustainability factors as an integrated part of the investment process.

Sustainability indicators

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

● *How did the sustainability indicators perform?*

The Investment Manager uses the following sustainability indicators to measure the attainment of the characteristics promoted by the Sub-Fund. The Investment Manager measured the Sub-Fund against the below indicators on a quarterly basis over the reference period. Commentary on the performance of each indicator is provided below.

Greenhouse gas emissions:

- Carbon footprint. The carbon footprint remained below that of the reference benchmark during the reference period.

Social and Employee Matters:

- Board gender diversity. The Investment Manager saw encouraging improvements, and have found investee companies are increasingly more open to engagement and advice on this topic.
- Lack of complaints handling mechanisms related to employee matters. The majority of investee companies have robust frameworks in place, but there was an issue relating to one investee company. The Investment Manager engaged with the company in question to improve their internal processes and procedures.

● *...and compared to previous periods?*

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?*

N/A

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.

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 EU criteria.

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

The Investment Manager considered the principal adverse impacts of its investment decisions on sustainability factors, in particular those relating to the environmental and social characteristics promoted by the Sub-Fund. Sustainability factors considered to be of particular relevance, and the associated sustainability metrics, include:

Greenhouse gas emissions:

- Carbon footprint

Social and employee matters:

- Board gender diversity
- Lack of complaints handling mechanisms related to employee matters

The impact of the Sub-Fund’s investments against the above indicators is monitored on a quarterly basis. The extent to which concerns may arise over the indicators of an individual issuer can only be established over time. Where this is the case, stewardship may be undertaken with the company to understand, monitor and advise on relevant sustainability issues.

Both corporate disclosures and third-party data are used to monitor these indicators. The Investment Manager considers these indicators against the broader market and the company’s peer group.



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:
01/01/22 – 31/12/22

Largest investments	Sector	% Assets	Country
Asahi Intecc Co., Ltd.	Health Care	8.41%	Japan
M3, Inc.	Health Care	6.53%	Japan
Nihon M&A Center Holdings Inc.	Industrials	5.34%	Japan
COSMOS Pharmaceutical Corporation	Consumer Staples	5.31%	Japan
Relo Group, Inc.	Real Estate	5.27%	Japan
GMO Payment Gateway, Inc.	Information Technology	4.41%	Japan
IBIDEN CO., LTD.	Information Technology	4.11%	Japan
Olympus Corp.	Health Care	4.09%	Japan
LIXIL Corporation	Industrials	4.00%	Japan
Ryohin Keikaku Co., Ltd.	Consumer Discretionary	3.99%	Japan
MonotaRO Co., Ltd.	Industrials	3.94%	Japan
Fancl Corporation	Consumer Staples	3.85%	Japan
Yakult Honsha Co., Ltd.	Consumer Staples	3.65%	Japan
Daifuku Co., Ltd.	Industrials	3.28%	Japan
Milbon Co., Ltd.	Consumer Staples	3.07%	Japan

Weights are given as an average over the period 01/01/2022 – 31/12/2022.



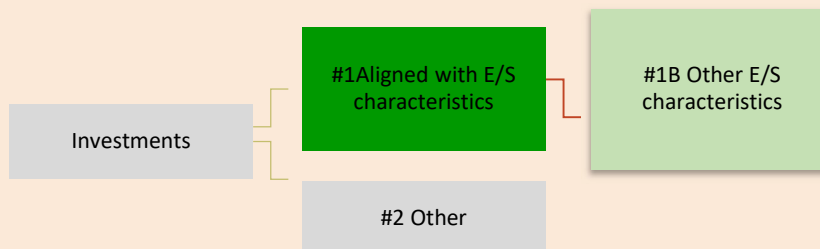
What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

The Sub-Fund invested on average 96.56% of its assets in investments used to attain the environmental or social characteristics promoted by the financial product.

The remaining investments were used to achieve the broader objectives of the Sub-Fund.



#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.

#2 Other 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.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

In which economic sectors were the investments made?

The Sub-Fund held investments in the following economic sectors: Consumer Discretionary, Consumer Staples, Financials, Health Care, Industrials, Information Technology, Materials and Real Estate.



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

N/A

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

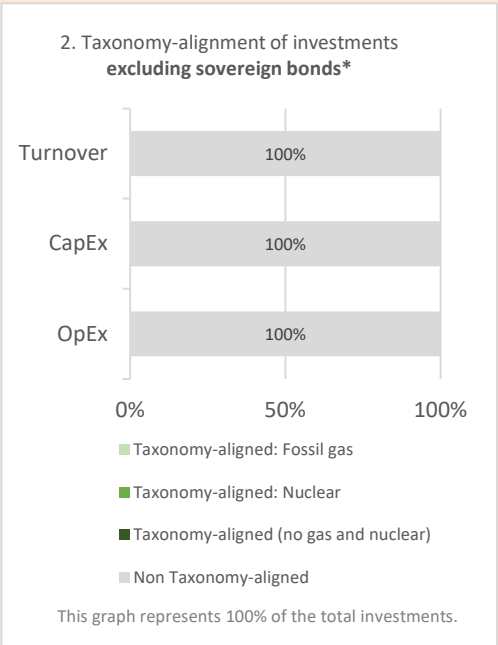
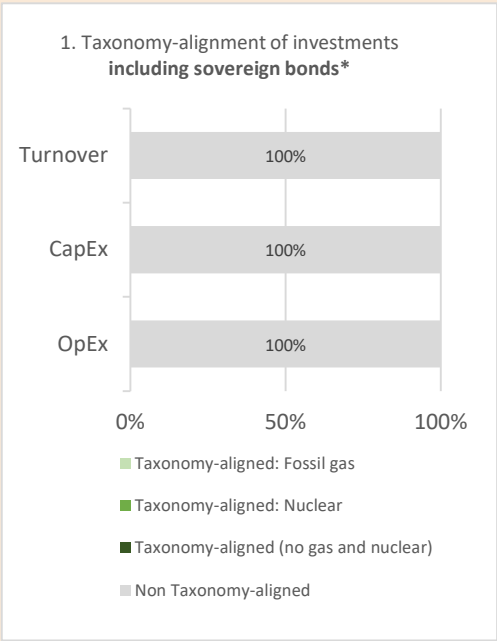
☐ Yes:

☐ In fossil gas

☐ In nuclear energy

☒ No

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.*



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

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 objective – 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.

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

N/A

● *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?

N/A



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?

The “Other” investments included the remaining investments of the financial product which were not used to attain the environmental or social characteristics. These investments during the period consisted of cash and cash equivalents. Minimum safeguards were not applied.



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

The following actions were taken during the reference period:

Security Selection

The Investment Manager integrated sustainability analysis into security selection, with analysis of key environmental and social characteristics conducted prior to investment and on an ongoing basis.

Stewardship

The Investment Manager undertook stewardship activities during the reference period to understand, monitor and advise on relevant sustainability issues. The following examples of stewardship activities were carried out during the reference period.

The Investment Manager engaged with Chiba Bank Ltd to develop their commitment on environmental issues, and management are now trying to set up a unique approach, as a regional bank, to reduce carbon emissions in the Chiba area. The company is approaching companies in the region, having successfully gained the authority and commitment of the regional government. The Investment Manager has worked with the company to gain loan book transparency regarding greenhouse gas emissions and this has now been achieved with 30% of their clients.

The Investment Manager has continued to engage with Nihon M&A Center Holdings Inc on gender diversity due to the company's male-dominated workforce. Two female external board members (one Japanese and one British) were appointed in 2020. The proportion of female employees increased to over 30% in FY21, from 16% in FY16, reflecting the management's strong commitment to increase female posts when hiring newly graduated students. The proportion of female incumbents in management posts had increased to 13%, versus 6% average of Japanese listed companies. The company started a mentorship program in 2022 for graduates in their first three years of their career. The Investment Manager has also engaged with the company regarding their complaints-handling mechanism and overall risk and compliance frameworks following the accounting errors of last 2021. The company has hired a new Chief Compliance Officer and streamlined the reporting lines across the business.

Milbon Co. Ltd's ESG risk rating is considered high by Sustainalytics. The Investment Manager has engaged with management to consider an increase in female managers (now only 11.9% compared to female employees 39.6%) particularly as a haircare and hair colour product specialist, whose client-base is overwhelmingly female. The Investment Manager considers the gender diversity of top and middle management will effectively increase shareholder value.

With relation to GMO Payment Gateway Inc, as the power consumption of data centers and server facilities worldwide has become a matter of concern, the Investment Manager has engaged with management on how the company could reduce the power consumption at its data centers and asked that its activities in this regard be included in the sustainability and integrated reports.

In November 2022, Miura Co Ltd held a large meeting for the interim results and revealed its product strategy and roadmap towards a carbon neutral society. The company had already utilised some alternative fuel sources other than natural gas, such as electricity, hydrogen, and heat pump technology, and highlighted some business opportunities with new types of environmentally friendly efficient boilers. The Investment Manager had encouraged the management to deliver a clearer picture to the capital market on how it would utilise its advantageous technologies to reduce carbon emissions through its products.

Negative Exclusions

No securities in breach with the exclusion criteria were held during the reference period.



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

N/A

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