

Appendix II

Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited)

Periodic SFDR disclosures for AIM ESG IMPACT GLOBAL BOND FUND referred to in Article 9(1), (2) and (3) or Regulation (EU) 2019/2088 and Article 5 of Regulation (EU) 2020/852

SFDR Annex V Level 2 disclosures do not come into effect until January 1st 2023. It is AIM's intention to fully comply with the Annex V template for the financial statements that will be published in 2023. The information contained in this disclosure does not fully comply with the SFDR Level 2, Annex V template as the regulations are not yet in force.

Reference period as of 29/04/2022

1. Did this financial product have a sustainable investment objective?

Yes

<u>Environmental Objective</u>	<u>Weight</u>
Green	75.94
Unlabelled - Green	0.54
<u>Social Objective</u>	
Social	7.09
<u>Dual Environmental & Social Objective</u>	
Sustainability	4.44
Unlabelled - Sustainability	7.29
Aligned	3.96
	99.26

*All investments above have been through the SPECTRUM process

*Source: Affirmative Investment Management

At this stage, the data is not available to quantify the percentage of holdings that qualify as environmentally sustainable under the EU Sustainable Finance Taxonomy.

2. To what extent was the sustainable investment objective of the financial product met? What actions have been taken to attain the sustainable investment objective during the reference period?

The Fund is a dedicated impact fixed income fund and has sustainable investment as its core objective. The Fund seeks to provide mainstream, risk adjusted returns alongside environmental and/or social impact.

Securities are only included in the Fund if their use of proceeds have a positive environmental and/or social impact that contributes either to meeting any of the UN Sustainable Development Goals and/or the aims of the Paris Agreement. The issuer of the investments must also pass the verification process from an environmental, social and governance perspective.

Securities selected for inclusion in the Fund's investable universe are verified through the Investment Manager's proprietary and independent verification process, the SPECTRUM process. Further details of the process can be found on the Investment Manager's website: <https://affirmativeim.com/process/>.

3. How did the sustainability indicators perform?

Please see Table 1 and Table 2 which report the portfolio's performance against SFDR's Principal Adverse Impact (PAI) regime. Table 1 contains portfolio metrics. Table 2 contains the coverage of held issuers.

In reference to question Q3 and Q16, the reported PAIs reflect issuer level adverse environmental and social impact metrics, as set out in Annex I of the SFDR Delegated Regulation. When comparing performance between the portfolio and benchmark it's important to note that coverage rates vary across metrics and are generally still low, as the PAI reporting regime is still in its infancy in terms of data availability and quality. This means that the metrics reflect performance of only the issuers covered and hence does not yet provide a comprehensive picture of the impact of holdings. However, we expect to see coverage improve relatively quickly as SFDR data availability develops further.

Additionally, the SFDR requirement is to report most fields at an absolute level rather than as intensity figures (i.e. ratios per unit of activity, such as tonnes of CO2 per revenue or per energy generated). While reporting absolute measures is informative, it makes comparing fund-to-fund performance difficult because absolute figures reflect the size of the fund as well as issuer performance in the given fields..

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4. How did the sustainable investments not cause significant harm to any sustainable investment objective?

If an investment is associated with significant environmental or social harm it would fail to meet the SPECTRUM criteria and would be excluded from the SPECTRUM Bond® universe. As a result, the issuance will not be eligible for purchase in the Fund. The SPECTRUM process requires the analyst to consider whether there are direct or indirect environmental or social negative impacts resulting from the stated use of proceeds or the issuer. The Fund also adheres to the Investment Manager's exclusionary criteria.

5. How did the financial product consider principle adverse impacts on sustainability factors?

Principal adverse impacts on sustainability factors are taken into account within the Investment Manager verification process, SPECTRUM. These are considered at two levels: (1) adverse impacts that are associated with the use of proceeds of the bond and (2) adverse impacts associated with the issuer of the bond, but not necessarily coming from the stated use of proceeds. The 'responsible issuer' criteria within the SPECTRUM analysis focuses on the issuer itself and whether it meets Investment Manager's standards from an ESG perspective. This includes environmental, social and employee matters, respect for human rights, anticorruption and antibribery.

6. Please provide information on the Environmental Objectives to which the investment underlying the Fund contributes

For the purposes of Article 9 of SFDR as amended by the Taxonomy Regulation, the investments underlying the Fund contribute to the environmental objectives of climate change mitigation and climate change adaptation. Investors should also note that the investments underlying the Fund also contribute to social objectives related to sectors including arts, entertainment and recreation; global health; financial inclusion and sustainable enterprise; education, training and employment; food security; empowerment of women and vulnerable groups; and social housing.

7. How and to what extent are the investments underlying the Fund economic activities that qualify as environmentally sustainable?

The Fund seeks to make sustainable investments including investments in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation. However, as of the date of the financial statements, the Fund is not able to comply with the technical screening criteria ("TSC"), the reasons for this are elaborated upon in the response to Q8 below.

8. Please outline the proportion of investments in environmentally sustainable economic activities selected for the Fund, including details on the respective proportions of enabling and transitional activities, as a percentage of all investments selected for the Fund.

As of the date of the financial statements the Investment Manager has determined that the Fund is not in a position to provide a reliable and verifiable alignment for the following reasons:

- (i) In addition to investments in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation the Fund also invests in environmentally sustainable investments in sectors which are not covered by the TSC;
- (ii) In addition to investments in economic activities that qualify as environmentally sustainable under Article 3 of the Taxonomy Regulation the Fund invests in sustainable investments with a social objectives, which do not fall within the ambit of the Taxonomy Regulation or the related TSC.
- (iii) The TSC require the availability of multiple, specific data points regarding each investment. As at the date of the financial statements, there is insufficient reliable, timely and verifiable data available to the Investment Manager to be able to assess investments using the TSC.

In light of the above, it has been determined to include a 0% taxonomy aligned disclosure, in line with the current approach proposed by the European Commission in respect of the Taxonomy Regulation disclosure requirements where a reliable and verifiable alignment is not currently possible and until such stage as formal guidelines are issued to the industry in respect of such disclosures. In this regard, as of date of these financial statements, the proportion of investments in environmentally sustainable economic activities is currently 0% which comprises of 0% in transitional and 0% in enabling activities.

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9. What were the top investments of this financial product?

Security Name	ISIN	Bond Type	Weight
Nederlandse Waterschapsbank NV 2.38% 24/03/2026	XS1386139841	Green	6.95
International Development Association 1.00% 03/12/2030	XS2265262936	Unlabelled - Sustainability	5.74
Kreditanstalt fuer Wiederaufbau 0.75% 30/09/2030	US500769JG03	Green	4.49
European Investment Bank 2.13% 13/04/2026	US298785HD17	Green	4.39
Asian Development Bank 3.13% 26/09/2028	US045167EJ82	Green	3.45

10. What was the proportion of sustainability related investments?

<i>Environmental Objective</i>	<i>Weight</i>
Green	75.94
Unlabelled - Green	0.54
<i>Social Objective</i>	
Social	7.09
<i>Dual Environmental & Social Objective</i>	
Sustainability	4.44
Unlabelled - Sustainability	7.29
Aligned	3.96
	99.26

**All investments above have been through the AIM inhouse SPECTRUM process*

**Source: Affirmative Investment Management*

At this stage, the data is not available to quantify the percentage of holdings that qualify as environmentally sustainable under the EU Sustainable Finance Taxonomy.

It should also be noted that labelled and unlabelled sustainability bonds and aligned bonds fund projects that have dual social and environmental objectives.

11. In which economic sectors were the investments made?

<i>Sector</i>	<i>Weight</i>
Consumer	
Discretionary	0.99
Energy	0.95
Financials	20.38
Real Estate	4.66
Industrials	5.44
Utilities	7.64
Government	59.2
Cash	0.74

**Source: Bloomberg*

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12. To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The held green, sustainable and unlabelled green bonds may be fully aligned or partially aligned with the EU Taxonomy. We do not yet have the data to quantitatively assess the extent of alignment. Issuers are starting to include where eligible use of proceeds are aligned with the EU Taxonomy in their green bond frameworks, and this is slowly also appearing in their impact reporting. Our future quantitative assessment of EU Taxonomy alignment will be based on issuers' provision of information on EU Taxonomy alignment and will be completed at the use of proceeds level, as much of our current impact reporting already is.

The Central Bank of Ireland (the "Central Bank") has recently updated their approach to Taxonomy Disclosures within pre-contractual disclosures for the period through to 1 January 2023, as set out below. While it could be assumed that these approaches could also be adopted for periodic reports which are issued prior to 1 January 2023, should compliance with the approach be adopted in periodic reports only, this would not be expected to create a conflict with existing pre-contractual disclosures.

13. Have any investments failed to meet impact reporting requirements during this period?

Impact reporting commitments are assessed as part of the SPECTRUM process, therefore they are assessed ahead of an issuance being included within the SPECTRUM universe. An annual review of all held securities is conducted in the first half of each year to gather data and check that reporting commitments have been fulfilled.

In this reference period we have not deemed any investments to fail to meet the impact reporting requirements.

14. What was the share of socially sustainable investments?

<i>Environmental Objective</i>	<i>Weight</i>
Green	75.94
Unlabelled - Green	0.54
<i>Social Objective</i>	
Social	7.09
<i>Dual Environmental & Social Objective</i>	
Sustainability	4.44
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Aligned	3.96
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**All investments above have been through the SPECTRUM process*

**Source: Affirmative Investment Management*

At this stage, the data is not available to quantify the percentage of holdings that qualify as environmentally sustainable under the EU Sustainable Finance Taxonomy.

It should also be noted that labelled and unlabeled sustainability bonds and aligned bonds fund projects that have dual social and environmental objectives.

15. What investments were included under 'not sustainable', what was their purpose and were they any minimum environmental or social safeguards?

Only the cash held in the portfolio is considered 'not sustainable'.

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

The fund is managed against a mainstream benchmark, Bloomberg Global Aggregate Ex-JPY, as it seeks to deliver mainstream returns.

Please see Table 1 and Table 2 which report the benchmark's performance against SFDR's Principal Adverse Impact (PAI) regime.

Table 1 contains benchmark metrics. Table 2 contains the coverage of the benchmark

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Table 1

Report Period As Of : SpecifiedDates, 4/29/2022	AIMESGIMPACT	Bloomberg Global Aggregate Ex-JPY	Difference
% Wgt	100	100	0
Mkt Val	40774826	54147176758	-54106401932
SFDR Field: Scope 1	295850.99	646969327	-646673476
SFDR Field: Scope 2	117881.94	112071968.5	-111954086.6
SFDR Field: Scope 3	1433.04	3475879.37	-3474446.32
SFDR Field: Total GHG / CO2 / Estimate Per Enterprise Value	50.6	86.1	-35.5
SFDR Field: Total GHG CO2 Emissions Intensity per Sales (company reported)	124.43	238.54	-114.1
SFDR Field: Fossil Fuel Exposure	0	1	-1
SFDR Field: Total Renewables Percent Energy Production	45.23	22.98	22.25
SFDR Field: Percentage Renewable Energy Consumed	43.02	33.22	9.79
SFDR Field: Share of Non-Renewable energy Consumption	56.98	66.78	-9.79
SFDR Field: Share of Non-Renewable Energy Production	54.77	77.02	-22.25
SFDR Field: Number Sites Environmentally Sensitive Areas	5	62384	-62379
SFDR Field: Discharge to Water	0	672.23	-672.23
SFDR Field: Energy Intensity per Sales	0.5	0.77	-0.28
SFDR Field: Hazardous Waste	0.02	37.16	-37.15
SFDR Field: UN Global Compact Signatory	20.98	10.98	10
SFDR Field: Mean Gender Pay Gap	17.51	23.23	-5.72
SFDR Field: Pct Gender Pay Gap Tot Empl Including Management	91.52	91.13	0.4
SFDR Field: Pct Women on Board	24.31	30.12	-5.81
SFDR Field: Gender Pay Gap Breakout	14.95	10.95	4

*Source: Bloomberg

Table 2

Report Period As Of : SpecifiedDates, 4/29/2022	AIMESGIMPACT	Bloomberg Global Aggregate Ex-JPY	Difference
#	124	27103	-26979
SFDR Coverage: Scope 1 (Company Reported)	46.77	66.89	-20.12
SFDR Coverage: Scope 1 (Estimated)	0	9.04	-9.04
SFDR Coverage: Scope 1 (No Coverage)	53.23	24.07	29.16
SFDR Coverage: Scope 2 (Company Reported)	45.16	64.02	-18.86
SFDR Coverage: Scope 2 (Estimated)	1.61	11.91	-10.29
SFDR Coverage: Scope 2 (No Coverage)	53.23	24.07	29.16
SFDR Coverage: Scope 3 (Company Reported)	46.77	58.98	-12.2
SFDR Coverage: Scope 3 (No Coverage)	53.23	41.02	12.2
SFDR Coverage: Total GHG / CO2 / Estimate Per Enterprise Value	48.39	75.76	-27.37
SFDR Coverage: Total GHG CO2 Emissions Intensity per Sales (company reported)	59.68	69.75	-10.08
SFDR Coverage: Fossil Fuel Exposure	100	100	0
SFDR Coverage: Share of Non-Renewable energy Consumption	35.48	47.57	-12.08
SFDR Coverage: Share of Non-Renewable Energy Production	9.68	7.36	2.32
SFDR Coverage: Number Sites Environmentally Sensitive Areas	1.61	2.68	-1.06
SFDR Coverage: Discharge to Water	1.61	3.92	-2.31
SFDR Coverage: Energy Intensity Per Sales	53.23	66.73	-13.5
SFDR Coverage: Hazardous Waste	20.97	33.2	-12.23
SFDR Coverage: UN Global Compact Signatory	61.29	79.97	-18.68
SFDR Coverage: Pct Gender Pay Gap Tot Empl Including Management	17.74	10.03	7.71
SFDR Coverage: Mean Gender Pay Gap	22.58	12.83	9.75
SFDR Coverage: Pct Women on Board	62.9	80.3	-17.39
SFDR Coverage: Gender Pay Gap Breakout	61.29	79.64	-18.35

*Source: Bloomberg