BORDER TO COAST EMERGING MARKETS EQUITY FUND

ESG & CARBON REPORT

Q1 2025

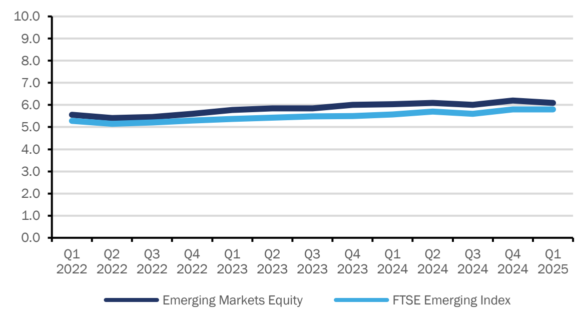
MSCI ESG RATING

A

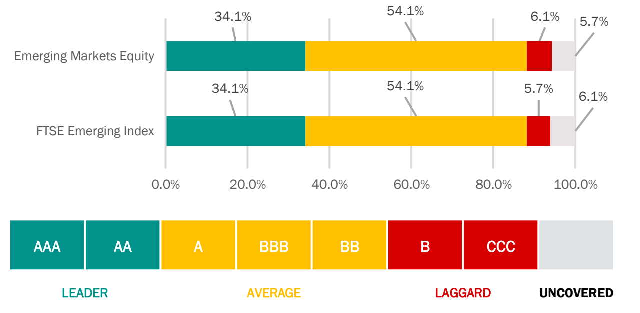
BORDER TO COAST PENSIONS PARTNERSHIP

	End of Quarter Position [1]			Key	
	MSCI ESG Rating	**Weighted ESG Score**	**vs. Benchmark**	(green)	Fund has an equal or better *Weighted ESG Score* than the benchmark.
Emerging Markets Equity	A [1]	6.1 [1]	(green)	(amber)	Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
FTSE Emerging Index	A [1]	5.8 [1]		(red)	Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers [1]					Lowest ESG Rated Issuers [1]			
	% Portfolio Weight	**% Relative Weight**	**MSCI Rating**			**% Portfolio Weight**	**% Relative Weight**	**MSCI Rating**
Taiwan Semiconductor	9.6%	+1.2%	AAA [1]		PDD Holdings	0.7%	-0.4%	CCC [1]
China Merchants Bank	1.4%	+1.0%	AAA [1]		Jiangsu Hengli Hydraulic	0.7%	+0.7%	CCC [1]
Sanlam Limited	0.2%	+0.1%	AAA [1]		Jindal Steel and Power Limited	1.0%	+0.9%	B[1]
Lenovo Group	0.1%	+0.1%	AAA [1]		Shanxi Xinghuacun Fen Wine	0.6%	+0.6%	B[1]
Wuxi Biologics	<0.1%	-0.2%	AAA [1]		Zijin Mining	0.5%	+0.3%	B [1]

Quarterly ESG Commentary

- The Fund saw a marginal reduction in its overall ESG Score whilst the benchmark remained static. Increased positions in the Fund's lowest rated entities, including in Shanxi Xinghuacun Fen Wine drove the marginal reduction. Though the Fund and benchmark hold the same proportion of ESG leaders and laggards, the Fund holds significantly more of the "upper average" rated issuers resulting in the differential to the benchmark.
- The number of CCC rated entities held by the Fund has not changed. An increased position in Shanxi Xinghuacun Fen Wine saw it enter the bottom five rated issuers in the Fund. Shanxi Xinghuacun Fen Wine is this quarter's feature stock.

Feature Stock: Shanxi Xinghuacun Fen Wine Factory

Shanxi Xinghuacun Fen Wine Factory is a leading Chinese company specializing in the distillation and distribution of various liquor products, including Fen, Zhuyeqing, and Xinghuacun liquors. The company has a significant presence in over 34 regions in China and more than 50 countries worldwide. The company has a sensible sales strategy and robust inventory management skills. With over half the product line at reasonable price points, Shanxi's products have shown good resilience in economic downturns. Consequently, Shanxi is expected to continue gaining market share in the low-end white liquor segment. The company's focus on maintaining a diverse product mix and its ability to adapt to market conditions has realised better than expected sales and strengthened its growth prospects.

The ESG considerations for Fen Wine are comparable to its industry peers. In the Chinese liquor (baijiu) industry, general ESG risks include environmental compliance, social responsibility, and responsible marketing. The production of baijiu involves significant water and energy use, as well as waste generation. Although the company has been taking steps to manage its environmental impact, further improvements in sustainability practices are necessary. For example, the company does not appear to have a water reduction or sustainable packaging targets. Recent executive changes have highlighted the need for stability within the company's leadership structure which will continue to be monitored.

[1]Source: MSCI ESG Research 31/03/2025

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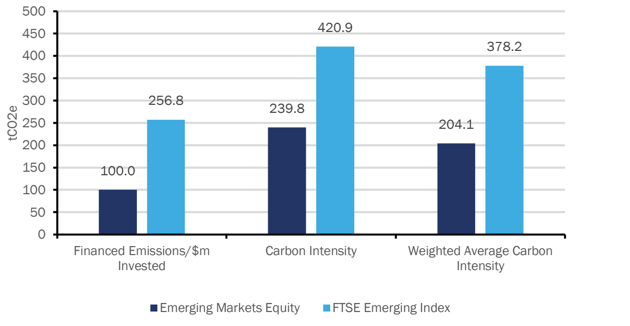
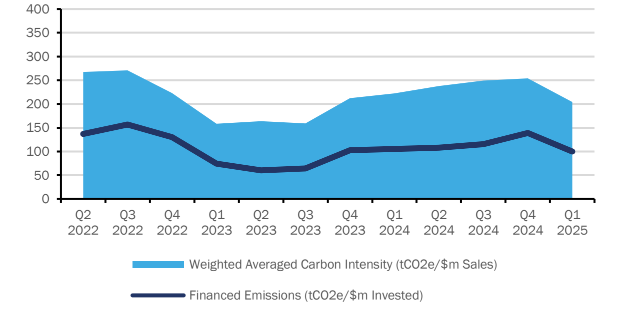
MSCI ESG RATING **A**

PENSIONS PARTNERSHIP

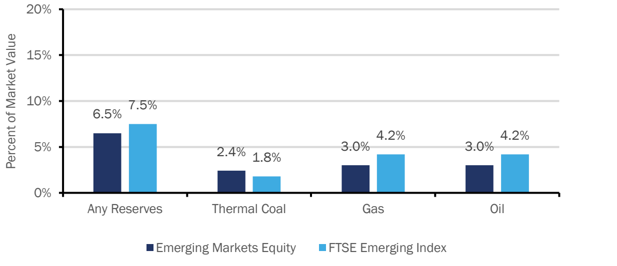
Carbon Emissions and Intensity[1]



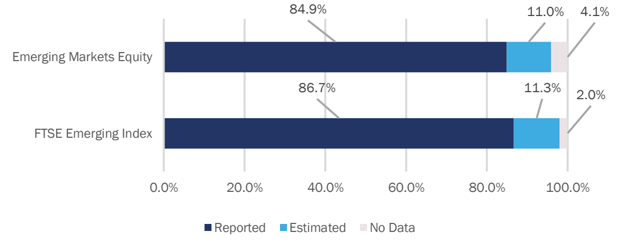
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]					
	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level[2]
Grasim Industries	0.8%	+0.6%	31.6% [1]	No	3
Jindal Steel and Power Limited	1.0%	+0.9%	18.1% [1]	No	3
Traxion	0.5%	+0.5%	6.9% [1]	No	N/A
Qatar Gas Transport Company	0.7%	+0.6%	5.5% [1]	No	N/A
Petrochina	0.5%	+0.3%	4.4% [1]	Yes	3

Quarterly Carbon Commentary

- Quarter on quarter, the Fund saw a significant decrease in financed emissions (28%), carbon intensity (27%) and weighted average carbon intensity (WACI) (20%). This was primarily driven by a Grasim, the Fund's top contributor to financed emissions. Though Grasim remains the Fund’s top contributor to financed emissions, the quarter saw a 0.7% drop in portfolio weight which resulted in a 25% reduction in the Fund's financed emissions.
- Reduced positions in other top emitters, PetroChina and Qatar Gas Transport, compensated for increased emissions in Qatar Gas Transport, the quarter’s feature stock.

Feature Stock: Qatar Gas Transport

Qatar Gas Transport Company, also known by its trading name, Nakilat, is a liquefied natural gas (‘LNG’) transport operator. The Company was established in 2004 with the strategic aim of becoming Qatar’s LNG sector shipping arm. It currently has the world’s largest LNG carrier fleet in operation, with a fleet of 74 vessels both wholly and jointly owned, putting them in control of approximately 11% of the global LNG carrier fleet.

The global awareness of climate change has resulted in commitments across the globe to reduce greenhouse gas emissions. These commitments have timeframes that require an energy transition to progressively move to reduce the use of fossil fuels, as well as a rebalancing to cleaner energy sources. Though still a fossil fuel, LNG is perhaps the cleanest and it represents a complementary pathway to reduce greenhouse gas emissions. LNG generates 30% less carbon dioxide than fuel oil and 45% less than coal, with a two-fold reduction in nitrogen dioxide and almost no sulphur dioxide. The invasion of Ukraine by Russia has resulted in even faster growth in demand for LNG as Europe has looked to improve its energy security and diversify its supply away from Russia. Qatar has the world’s third largest proven gas reserves and is undergoing rapid expansion and growth in its LNG capacity. The Company provides the shipping infrastructure for this supply to be transported to the customer and as such has attractive long-term growth prospects. The Company has committed to the International Maritime Organisation’s decarbonisation target for 2050 and has set operational targets to decarbonise its fleet to be achieved by that date.

[1]Source: MSCI ESG Research 31/03/2025

[2] Company TPI scores have been updated to reflect their latest assessment under the v5 framework. V5.0 of TPI's assessment methodology introduces a new level (level 5) focused on transition planning and implementation, sets higher standards for companies and aims to provide greater differentiation among high-performing companies.

Issuers Not Covered		
Reason	ESG (%) [1]	Carbon (%) [1]
Company not covered	5.1%	2.5%
Investment Trust/ Funds	0.6%	1.6%

Important Information

[1]Source: MSCI ESG Research 31/03/2025