

Investments



Alexforbes Offshore Sustainability Report

2025 Report



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Welcome to our 2025 Offshore sustainability report

We are thrilled to present to you the third Alexforbes Offshore sustainability report.

I am truly delighted to see the growth in content and quality since our inaugural report back in 2023, with contributions from across a wide spectrum of stakeholders.

I firmly believe that you will find something on these pages to which you can relate and even pick up some actionable insights; while extremely important, sustainability is not all about planting trees and saving bees.

Our message to you is that sustainability is neither a trend nor a fad – it's at the heart of being a human and at the heart of nature at the same time. The challenge is how we achieve and maintain a balance between society, environment and commerce (economics). So, it's nothing new – but how we think about it, and how we take action to maintain self-sustainability, is crucial to future success – whether that success is defined by growing a family, building a business, addressing societal or environmental challenges, or retiring comfortably.

I wonder if the sustainability agenda has been somewhat hijacked in some areas by self-serving “bad actors”. As a species, do we have a propensity to make ourselves feel better by labelling the big things, to avoid actioning the smaller things we can influence?

I encourage you to read on at your own pace – the next issue is a year away, so there's plenty of time – as sustainability is a critical consideration that affects us all.

If you find this topic a little baffling, you are not alone. I'd encourage you to check out Kurtney's **beginners guide** as a starting point.

Here's my top five for this issue – but it's all valuable content depending upon your area and level of interest so there is something for everyone.

- **100-year life** – a hugely insightful piece from my colleague Tim Townsend – all about sustaining your future self, and food for thought for the next generation too!
- **Material matters** – How we see our role at Alexforbes Offshore (AFO) in terms of sustainability, and those material matters that we feel we have a duty to influence.
- Our investment portfolios through a sustainability lens; of course, as a valued or potential client, **portfolio performance matters**. My colleague Ady Bougourd shares the details.
- **Global transition to Net-Zero** – an insightful commentary from our head of ESG Research and our Chief Economist, that considers the political, economic and environmental factors at play at present.
- Our most recent exciting acquisition news; welcome to **Paragon Impact**, powered by Alexforbes.

The Paragon transaction is a terrific complement to our value proposition and aligns perfectly with our mission and goals as a business, serving corporates and individuals to achieve a better



Peter Rondel
Managing Director
Alexforbes Investments
Jersey

future for themselves and for the rest of the community. This cutting-edge technology will revolutionise how local companies measure their sustainability impact, providing more accurate and actionable insights.

AFO marks its 50th anniversary this year, and we are investing in the next 50 years to come. Adrian Peacock, Managing Director of AFO, explains more in this report on the firm's legacy and what he thinks the next 50 years will hold.

Serving our community is part of our DNA and this includes support, where we can, through sponsorship. In addition to Jersey walking football, which we are sponsoring for the third year running, we are extremely proud to have secured a three-year charity partnership with Healing Waves. This local charity harnesses the ocean's transformative powers to deliver free of charge life-changing ocean therapy for individuals living with disabilities and mental health struggles. This is not just about financial sponsorship – we will actively engage as a team to help them grow.

Thank you for joining us on this journey. We hope you find this report a meaningful source of information and insights. We welcome any feedback or enquiries on how Alexforbes may be able to support your own ambitions for a sustainable future.

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A golden 50 years developing impactful advice

In an age defined by short-termism, few are successful in playing the long game. It is a truly momentous milestone for anything to last 50 years these days.

Alexforbes Offshore (AFO), however, has understood from the very beginning that providing advice and financial solutions can have decades long impact on the lives of families and companies alike. Building trusted, long-term relationships with clients has been at the heart of the company's success in Jersey since 1975.

The world has changed significantly in the last five decades. Financial service companies have had to evolve, mature and grow to survive. Fifty years ago in Jersey, the financial services industry was in its infancy. Regulation was minimal, United Kingdom (UK) insurance companies and banks dominated the local market, clients saved more regularly and only did business with people they knew.

Since then, AFO has been on an evolution of its own. The company originally began as a general insurer, but quickly evolved into a fully-fledged insurance and financial services provider. In 1997, its investment services business, now called Alexander Forbes Investments Jersey, was inaugurated, adding another vital string to their bow. An acquisition spree in the early 2000s saw

AFO take on Martin Gray, Shepherd Limited and Marsh operating in Jersey, Guernsey and the Isle of Man. The Alexforbes Group divested its general insurance operations to Locktons, and this was the start of the new focus on corporate and wealth advisory services, which continues to this day.

Using the backing of its established South African parent (who themselves celebrate their 90th anniversary this year), AFO has ensured that 50 years of service has not happened by chance. Remaining a steadfast pillar of excellence and innovation in financial advice has meant keeping up with the tremendous changes in the financial services landscape and advancing with the times.

Throughout our 50-year history, AFO has achieved numerous milestones that underscore our dedication to providing excellent advice and service. We have consistently evolved the way we provide financial advice to clients, moving from a very product-driven approach to satisfy a direct need in the early years, to a much more holistic view of financial wellbeing.



Adrian Peacock
Managing Director
Alexforbes Jersey

We recognise that many Jersey residents are currently concerned about the impact that money worries can have on mental health. By helping people recognise their relationship with money, understand the value and discipline of saving over time, and identifying critical money pinch points throughout their life, we can help them plan for better outcomes.

AFO encourages individuals to define their financial objectives for the future – whether it's planning for retirement, buying a home or funding their children's education. We use our six steps to financial wellbeing approach to help individuals prepare for the life they want to lead.

A key component of our success has been our multi-manager investment solutions, which leverage the expertise of our experienced investment team in South Africa, along with the global insights of our strategic partner, Mercer, to deliver consistently strong performance. Our range of investment solutions is designed to meet the diverse needs of our clients. The focus is on sustainable growth, which aligns to our overall company ethos.

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Looking ahead, we believe that celebrating our 50th anniversary reflects our ongoing commitment to staying true to our core values: providing insight, delivering advice and making a positive impact on people's lives. Artificial Intelligence (AI), climate change, political uncertainty and changes in regulation are undoubtedly part of our, and therefore, our clients' future.

While we must continue to evolve, embrace new technologies and adapt to change, one thing remains constant: our focus on building positive, meaningful and enduring relationships with our clients. With a forward-looking, collaborative approach, we are well-positioned to navigate future challenges and opportunities – and we fully intend to be here for at least another 50 years!

In essence, AFO's 50th anniversary is a golden jubilee that celebrates our rich legacy, builds on our past achievements and looks ahead to a promising future. It's a testament to our enduring commitment to the highest standards of advice and our unwavering dedication to supporting the financial wellbeing of our clients.

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Positioning you for the 100-year life: planning your financial sustainability and wellbeing for the long term



Tim Townsend
Head of Wealth & Corporate Consulting
Alexforbes Jersey

In our 2024 sustainability report, we explored the concept of helping you find your financial sweet spot - anchored in the "six steps to financial wellbeing". These steps remain essential for short- to medium-term financial resilience. But as we look ahead, a new challenge emerges: how do we sustain wellbeing over a life that could span a century?

We live, we learn: living longer, living differently

We are living longer than ever before. But longevity is not just about adding years, it's about rethinking how we live them. The graphic below highlights how the traditional three-stage life of education, work, and retirement, is giving way to a new multistage life, where transitions, reinventions, and sabbaticals become the norm. This shift demands a new financial narrative - one that supports flexibility, purpose, and resilience across a lifetime of change.

The relationship between learning and work must change

Old approach to learning and work – the three-stage life



*High school diploma, bachelors, masters, taught top down, through rote memorisation because information was finite

New approach to learning and work – the multistage life



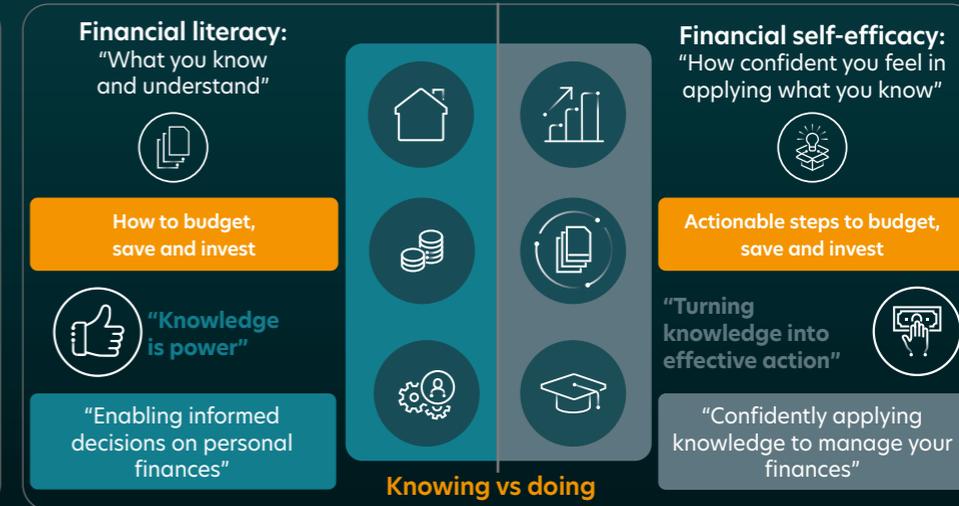
**Critical thinking skills, complex problem-solving, design thinking, creative and innovation, empathy, emotional intelligence, cross cultural awareness, persuasion, active listening, dynamic learning, change acceptance, taught to model and practice collaboration because information is infinite

Source: Jenny Dearborn, May 2017

From financial literacy to financial self-efficacy

The next graphic draws a critical distinction between financial literacy and financial self-efficacy. While literacy equips us with knowledge, efficacy empowers us to act. It's the confidence to make decisions, adapt plans and stay the course. Let us be reminded that this confidence is rooted in understanding our relationship with money – our beliefs, behaviours and biases. True financial wellbeing begins when we move beyond knowing what to do, to believing we can do it.

Financial literacy versus efficacy



Financial agency across life stages

Captured in the visual ahead is a powerful framework which serves as a guide through the eight decades of financial life stages to plan for. From early adulthood to late retirement, each stage brings unique needs and opportunities. Financial agency, the ability to shape your financial future through informed, confident and controlled decision-making, requires proactive planning across all these stages. As the visual below shows,

Financial planning life stages... have extended



Source: LinkedIn: financial planning life stages and LinkedIn: Who is financial planning for?

longevity isn't just about living longer, it's about living better. That means extending not only our **lifespan**, but also our **healthspan** and **wealthspan**: the years we stay healthy and financially secure. To truly thrive over a longer life, we must plan not just for more time, but for a richer, more fulfilling experience. That's the essence of financial planning - empowering people to fund the lifestyle they aspire to, at every stage of life.

Lifespan, healthspan and wealth spans



Source: Geneva Association based on data from WHO, Our world in data and WEF, Forbes and HUR Australia

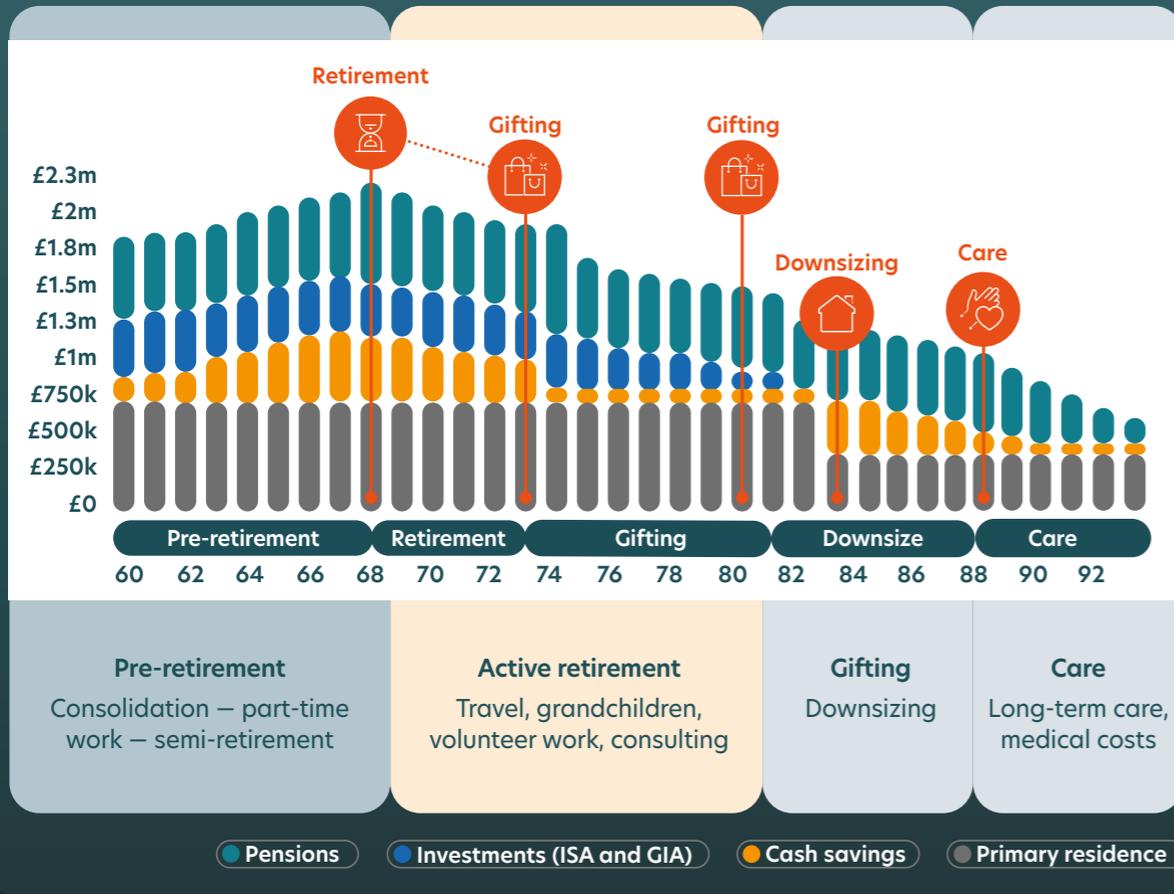
Conclusion

The graphic below sums up the fact that financial sustainability in the 100-year life is not a one-time plan - it's lifelong practice. It calls for adaptability, self-awareness, and a shift from passive saving to active life design. At Alexforbes, we're committed to helping you build the confidence, capabilities, and strategies to thrive - today, tomorrow, and for decades to come.

Rethinking retirement in the decumulation decades

Rethinking retirement in the decumulation decades

We are living, working and retiring for longer. The three to four decumulation decades



> Balancing gifting to my children with my own retirement needs.

> Do I downsize to fund care?

> Rising costs of care allow vs. legacy plan?

Legacy



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Impact Centre of Excellence: Embedding sustainable thinking into business practices

Since its establishment in early 2023, the Alexforbes Impact Centre of Excellence at Group headquarters in South Africa, has continued to evolve as we aim to ensure that sustainable thinking is embedded into our own business practices, our best advice and solutions for our clients. We note some key highlights below.



Alexforbes Impact Advisory

Since its inception, the Alexforbes Impact Advisory, supported by the Alexforbes Impact Centre of Excellence helps clients navigate the complex and evolving landscape of sustainability. Impact advisory services support retirement funds and corporate clients in developing and implementing sustainability strategies, measuring impact and enhancing reporting. Through the Alexforbes Impact Academy, we also offer targeted sustainability education.

To strengthen our capabilities, we collaborate with industry experts. In April 2025, we integrated Paragon Impact's award-winning ESG technology into our services, enabling robust, standards-aligned impact assessments that support compliance and value creation.



Retirement Fund of the Future™

Through the Retirement Fund of the Future, Alexforbes is ensuring that retirement funds are equipped with strategies that will ensure resilience in the future and sustainability. The award-winning concept envisions a sustainable retirement fund that sets the industry standard for a best-in-class, leading and future-fit retirement fund.

In 2024, we developed a suite of impact analytics that provide deep insights for member impact reporting, fund and corporate impact reports,



Lee Swan
Head of Sustainability
Alexforbes

sustainability performance reporting and strategy development. Additionally, we rolled out more resources in the Alexforbes Impact Academy which offers a wide range of ESG educational opportunities to help pension funds and corporates make informed decisions that will yield a long-term positive impact.



Sustainability management framework

The board is ultimately responsible for sustainability in the group, and delegates responsibility for material sustainability matters to the social, ethics and transformation committee (setco). Sustainability is embedded in the group strategy and governance framework and the other board committees have oversight of sustainability-related matters.

The Sustainability Management Framework (SMF), approved by the board in the 2022 financial year, was designed to support the group's overall strategy by identifying key priorities for good governance and long-term financial, social and environmental health. As part of our ongoing commitment to impact, the framework is currently being reviewed to strengthen its alignment with measurable outcomes and ensure it continues to drive meaningful, sustainable progress.

Our material matters

Consistent with the Alexforbes Group, Alexforbes Offshore has implemented its own Sustainability Management Framework to support meaningful and measurable progress in Jersey. AFO has identified and prioritised the following sustainability value drivers and material matters. These are managed through our SMF to address the legitimate needs and concerns of our stakeholders, while supporting the delivery of our vision to be the most impactful provider of financial planning, serving both corporate clients and individual customers.



The SMF was developed and approved by the board in the 2024 financial year. This framework:

Integrates and manages our ability to impact which takes into consideration six UN SDGs most aligned to our strategic intent.

Draws on, and contributes to, the group's overall strategy and identifies the following high-level priorities to ensure good governance and secure the group's future financial, social and environmental health.

Jersey material matters



Connect with clients and members to create shared value

MM1

Material matter description

Our ability to pioneer insights, deliver the best advice and provide integrated solutions give us a competitive advantage. By focusing on these goals, we amplify the consumer experience and make a positive impact on people's lives.

- Pioneer insight
- Deliver best advice
- Integrate our solutions
- Enhance customer experience and inform decision-making through digital engagement
- Make a positive impact on people's lives
- Amplify customer experience
- Provide relevant, actionable financial education to our clients and members

Enable and empower our people to deliver excellence

MM3

Material matter description

Our ability to attract and retain skilled talent and create an agile, productive and collaborative culture ensures our group is diverse and inclusive, such that all our employees – regardless of race, gender, age, culture or sexual identity – feel they have the space to be and do their best.

- Create an agile, productive and collaborative culture
- Attract and retain skilled talent
- Develop the skills of our people to ensure that they are best-in-class and future-fit
- Enrich our organisation with diverse and inclusive people

Create sustainable value for our shareholders

MM2

Material matter description

The group needs to deliver on its growth objectives and efficiencies, while making strategic investments that meet performance targets. In doing so consistently, the group will build a long-term competitive advantage and deliver real long-term growth above the risk-free rate.

- Deliver on efficiencies and our growth strategy
- Produce real long-term growth above the risk-free rate
- Improve return on capital
- Build long-term competitive advantage
- Deliver sustainable investment performance

Leading with integrity

MM5

Material matter description

The group needs to maintain its long-term sustainability while ensuring impeccable corporate governance and accountability. This priority provides a foundation for the group's ability to achieve the remaining priorities. These are to:

- Maintain good corporate governance and accountability
- Provide ethical leadership
- Adopt a strategic mindset to secure the long-term sustainability of our organisation
- Enhance our social licence to operate
- Manage risks and compliance
- Ensure data security and protection
- Continue investment in cyber and information security
- Drive digital transformation
- Manage and respond to stakeholder interests
- Create a positive impact for our communities

Generate sustainable and responsible outcomes

MM4

Material matter description

We need to ensure our business is sustainable now and into the future. As a multi-manager entrusted with the funds of our clients, we are duty bound to invest responsibly. Our investment philosophy aims to provide enhanced returns at reduced risk. We regard responsible investment as that which:

- Focuses on stewardship
- Supports a just transition for climate change
- Seeks to transform the investment management industry
- Invests responsibly with focus on ESG and stewardship
- Transforms the investment management industry
- Makes a just transition for climate change



The growing importance of sustainability reporting

Sustainability reporting involves communicating a company's impact on environmental, social and economic factors. It covers a wide range of themes, from greenhouse gas emissions and resource efficiency to labour standards and community development. While traditional financial reporting has centred on economic outcomes alone, the growing emphasis on ESG considerations has broadened how a company's value and long-term performance are measured.

Today's investors, especially those focused on long-term returns, are increasingly aware that ESG-related risks and opportunities can influence a company's financial outcomes. This has created an urgent demand for sustainability information that is consistent, credible and comparable across markets. The International Financial Reporting Standards (IFRS) Foundation's sustainability disclosure standards aim to meet this need by offering a global baseline for transparent, decision-useful reporting.

The following table weighs the benefits and challenges for companies, and in turn pension fund investments in the long run.

Benefits

- **Enhanced decision-making**
Better transparency improves investment decisions
- **Better risk management**
Identifying and managing sustainability risks effectively enhances portfolio resilience
- **Alignment with global standards**
Global baseline aids comparability and reliability across jurisdictions
- **Encouraging long-term value creation**
Promotes transparency on sustainability risks, aligning with long-term growth focus
- **Promoting accountability and trust**
Increases corporate accountability and trust, potentially reducing cost of capital

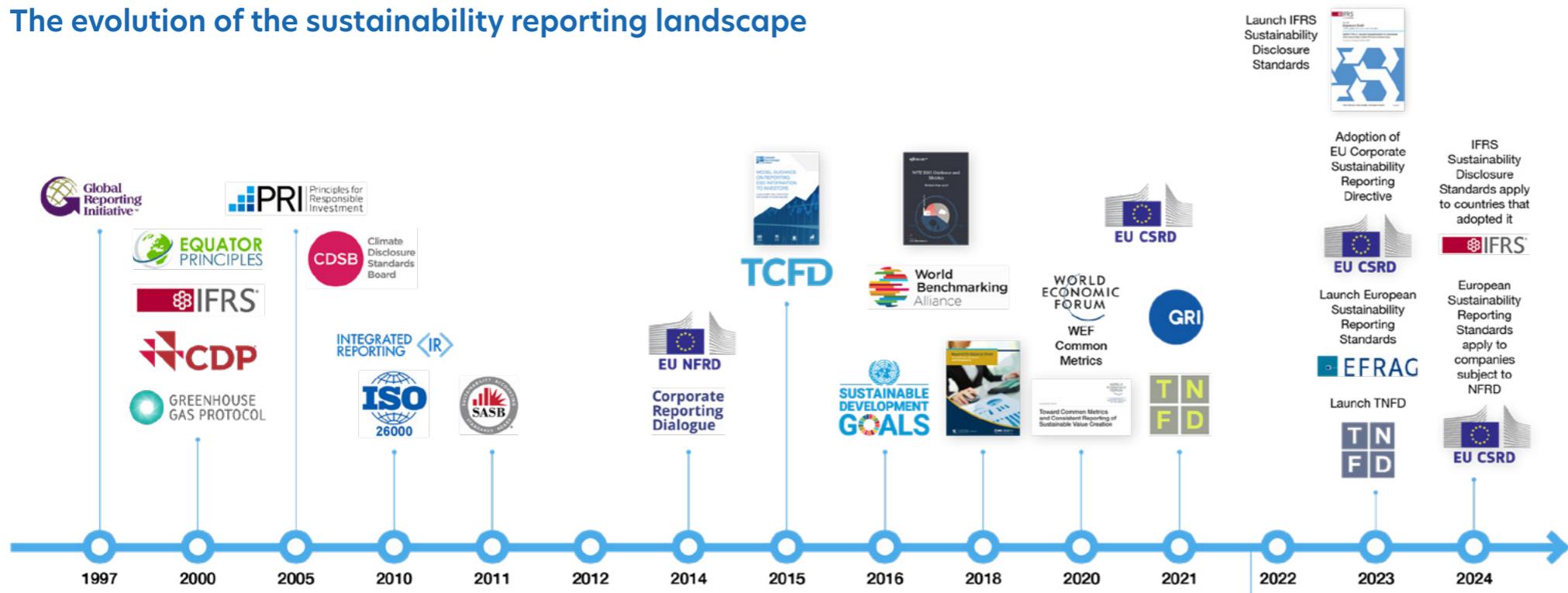
and

Challenges

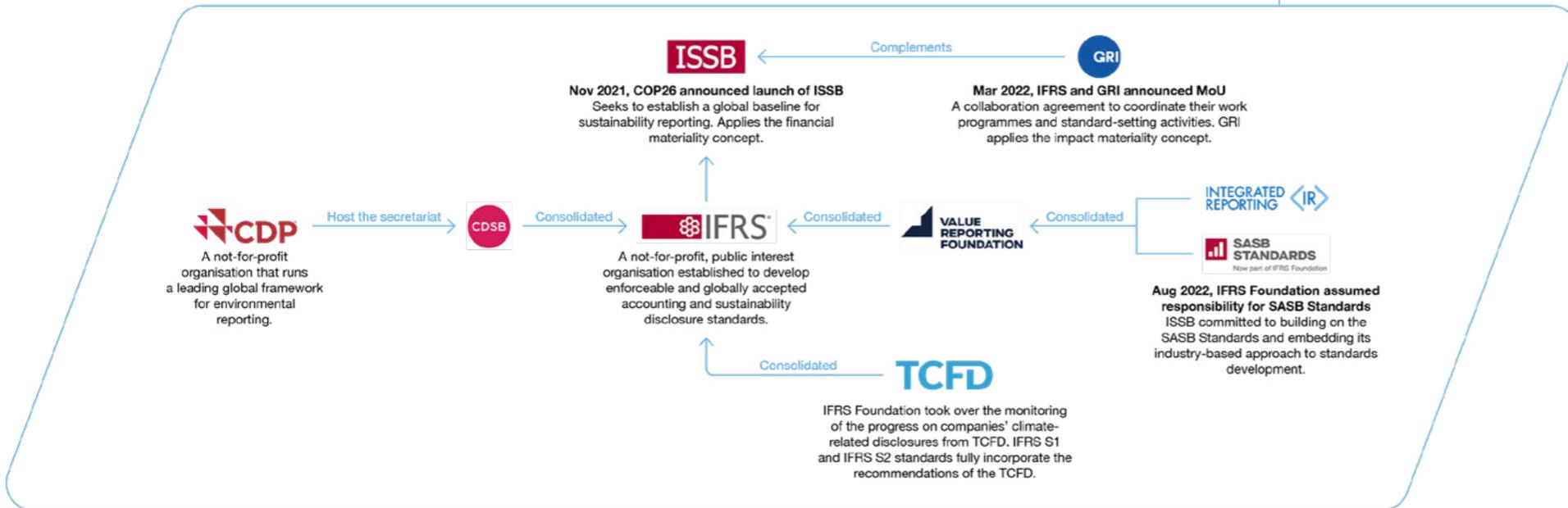
- **Implementation costs**
High costs and resource demands, especially for smaller companies
- **Data quality and availability**
Variability in the quality and availability of sustainability data
- **Regulatory and market adoption**
Dependence on widespread adoption by regulators and the market



The evolution of the sustainability reporting landscape



Sustainability reporting has emerged as a cornerstone of modern corporate governance, driven by the increasing demand for transparency and accountability from investors, regulators, and other stakeholders. This evolving landscape aims to provide more comprehensive insights into how companies manage ESG issues. Among the most significant developments in this realm are the IFRS S1 and IFRS S2 standards, which mark a pivotal shift in how sustainability information is reported and used by long-term investors.



Source: IFC, 2023
 Image source: <https://www.ifcbeyondthebalancesheet.org/understanding-global-reporting-frameworks>

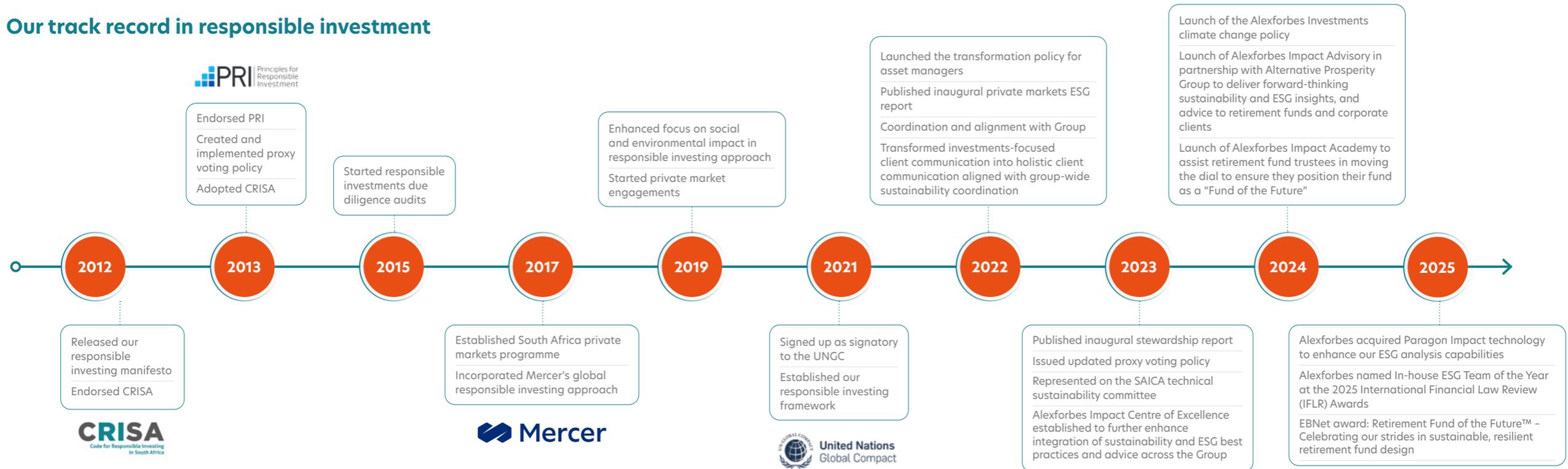
Guidelines and affiliations

Sustainability and responsible investing affiliations and guidelines refer to various organisations, frameworks and principles that promote and guide sustainable investment practices.

These affiliations and guidelines aim to integrate ESG factors into investment decision-making processes, ensuring that financial investments align with broader sustainability goals and contribute positively to society and the environment. We acknowledge the importance of aligning with global best practices that various frameworks promote and the value creation they endorse for both society and investors.

Through our investments business and our partnership with Mercer Global Investments (Mercer), we subscribe to a number of global affiliations that demonstrate our commitment to the promotion of responsible investing principles. The timeline below demonstrates our journey and our milestones in being supporters of various global frameworks and advocates for sustainable investing:

Our track record in responsible investment



Conclusion

As the global economy continues to grapple with pressing ESG challenges, reporting and measurement will play a crucial role in promoting transparency, accountability, and sustainable growth in the corporate sector.



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The decarbonisation versus deregulation dilemma

The global transition to net-zero faces a critical crossroads, caught between the push for decarbonisation and the pull of deregulation. As political shifts and economic pressures reshape environmental, social and governance (ESG) commitments, asset managers must navigate an increasingly complex landscape - one that tests both their sustainability pledges and fiduciary responsibilities.

The challenges of net-zero

The Net-Zero Asset Managers (NZAM) initiative was created to align financial institutions with the global goal of achieving net-zero greenhouse gas emissions by 2050. However, the recent withdrawal of key financial sector participants, such as global banks and asset managers, has signalled growing tensions between regulatory pressures, political shifts and market realities.

These exits have been driven by several factors, including legal scrutiny, client expectations and the increasingly complex landscape of ESG integration. While some financial institutions remain committed to the transition, others are reassessing their ability to meet net-zero targets amid regulatory uncertainty and shifting energy policies. The implications of these developments create headwinds for the net-zero movement and decarbonisation pathways for many companies and countries.

The political landscape

The decision by asset managers to exit NZAM is reflective of both the growing difficulty of implementing net-zero strategies and the changing political environment, particularly in the United States (US). This follows on from President Donald Trump signing Executive Order 14162, titled 'Putting America First in International Environmental Agreements', directing the immediate withdrawal of the US from the Paris Agreement and other international climate commitments.

The initial commitment to net-zero by companies was relatively straightforward - many signed pledges, attended summits and made public declarations. However, the operational reality of these commitments has proven far more challenging, requiring dedicated teams, robust frameworks and difficult investment decisions, particularly in regions where fossil fuels play a critical economic role. Certain fiduciaries have cited that while they are allocating capital, they do not have the mandate to provide advice. As a result, they are not able to make commitments to decarbonise without clients mandating them for such a pathway. In jurisdictions like the US, where state-level regulations are increasingly hostile to ESG mandates, some managers have found themselves legally constrained in their ability to exclude high-emission sectors, like oil and gas,



Premal Ranchod
Head of ESG
Research
Alexforbes Investments



Mpho Molopyane
Chief Economist
Alexforbes Investments

from their portfolios. Banks, for instance, must balance their commitments to net-zero with the legal requirement to finance industries that are politically and economically protected.

President Trump's election has introduced additional uncertainty. His administration has already taken steps to dismantle climate-related policies, including a second withdrawal from the Paris Agreement, a push back of environmental regulations and a renewed emphasis on fossil fuel

“ Green investment isn't just about climate – it's about securing energy resilience in a world of shifting policies. ”

development. Executive orders have targeted not only climate policies but also corporate diversity, equity and inclusion (DEI) initiatives, further complicating the ESG landscape.

These moves have led to increased regulatory uncertainty, making it difficult for asset managers to maintain a consistent long-term approach to sustainability. For instance, the Bezos Earth Fund ended its support for the Science Based Targets initiative (SBTi), raising concerns about the influence of political pressures on environmental philanthropy. Some companies have therefore chosen to exit NZAM as a way to reset their ESG commitments in a more flexible manner, without being bound to rigid targets that may conflict with political and economic realities.

The Inflation Reduction Act

Despite these challenges, the Inflation Reduction Act (IRA), passed under the Biden administration, has been a major driver of renewable energy investment in the US, particularly in Republican-led states. The IRA provides \$500 billion in tax incentives over a 10-year period to accelerate clean energy and infrastructure development, making it the largest climate-focused investment in US history. Importantly, the economic benefits of the IRA have been disproportionately concentrated in Republican states, with an estimated 80% of clean energy projects located in these regions. This dynamic creates an economic paradox: while Republican leadership may politically oppose climate policies, their states are among the largest beneficiaries of green investment.

“ The Inflation Reduction Act has deepened renewables in red states, proving clean energy is an economic force, not a political trend. ”

This reality may make a full push back of the IRA politically difficult, even under a Republican-led government.

While Trump has been vocal about his opposition to the IRA, history suggests that certain renewable energy incentives could survive, as was the case when the Production Tax Credit for wind energy was reauthorized under his administration in 2018. As a result, while the political rhetoric surrounding climate policy remains contentious, the financial incentives embedded in the IRA may continue to drive renewable energy development, even in a political environment that is less favourable to ESG principles. For asset managers, this means that while the short-term political landscape is uncertain, the long-term economic case for sustainability remains intact.

Does this derail sustainability?

The exits from NZAM and the political challenges facing ESG investing have created a headwind for global transition to sustainability. Due to evolving US policies, and varying regulatory and client expectations, NZAM is reviewing its initiative to stay relevant in the changing global landscape.

Asset managers remain committed to ESG and sustainability despite any regulatory changes or reviews impacting Paris aligned commitments. While there is no doubt that these developments introduce shorter-term obstacles, they are unlikely to completely derail the shift toward a greener economy. Many financial institutions, including those that have left NZAM, continue to integrate ESG factors into their investment processes, albeit with a more flexible approach that aligns with regulatory realities. Additionally, some asset managers, such as those still committed to NZAM, emphasise the financial risks posed by climate change and continue to view sustainability as a core part of their fiduciary duty.

Furthermore, while President Trump's policies may slow the pace of decarbonisation in the US, global momentum for climate action remains strong. Other regions, including Europe and parts of Asia, continue to advance ambitious net-zero policies, and companies worldwide are increasingly recognising the business case for sustainability.

Navigating the net-zero path

The recent exits from the NZAM initiative and the shifting US political landscape have complicated the global sustainability movement. While setbacks in climate policies and growing scrutiny of ESG investing present challenges, they do not end net-zero ambitions. The IRA continues to support renewable energy investments, particularly in fossil-fuel-dependent states, highlighting the tension between political narratives and economic realities. Despite uncertainties, the underlying drivers of sustainability – economic opportunity, risk management and technological progress – remain in place. The transition to a low-carbon economy is likely to persist, even amid political and market changes.

“ Decarbonisation is a long-term necessity; deregulation is a short-term political play - investors must navigate both. ”



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Nature without borders: Alexforbes partners with WildEarth

From 1 May 2025, we are proud to be the official sponsor of SafariLive Sunset, WildEarth's flagship live safari broadcast that brings African wildlife to viewers around the world.

We understand that long-term prosperity is closely linked to the health of our environment. Supporting WildEarth helps make South Africa's natural heritage more accessible and appreciated, because a truly future-fit investment destination values the natural capital that sustains our shared future.

Broadcast from iconic reserves like Sabi Sand, Welgevonden and Amakhala, SafariLive Sunset offers real-time exploration of the bush, guided by expert naturalists. It's more than a viewing experience - it's a call to reconnect with nature.

This partnership supports SDG 15: Life on Land by raising awareness of biodiversity and encouraging public appreciation, both critical for meaningful conservation.



Alexforbes: Headline sponsor of Cape2Rio 2025

We're proud to be the headline sponsor of the 18th edition of the iconic Cape2Rio race - one of the world's most celebrated transatlantic sailing events.

Spanning 3 300 nautical miles from Cape Town to Rio de Janeiro, the race is a test of endurance, precision and teamwork, qualities that reflect the mindset needed to reach your financial goals.

As part of our sponsorship, we're backing the Royal Cape Yacht Club (RCYC) Sailing Academy crew aboard Alexforbes Angel Wings. This promising team of young South Africans, many from under-resourced communities, is gaining not just sailing skills, but resilience, leadership and confidence that lasts a lifetime.

It's about more than sport. It's about creating opportunities and backing potential - reinforcing our belief that, no matter your journey, you're in the right place with us. This supports SDG 4: Quality Education, by promoting real-world learning, and SDG 10: Reduced Inequalities, by expanding access for historically underrepresented youth.



Battle Boards Chess Championship for South African high schools

Following the success of the 2024 Battle Boards Chess Championship, we're expanding the online competition to include high schools from all nine provinces in 2025.

With strong interest from schools in Gauteng, Western Cape, North West and KwaZulu-Natal, we're excited to bring this opportunity to even more students across the country.

Like investing, chess is about smart decisions, a clear strategy and thinking ahead - skills every young person should have the chance to develop. By making the tournament more inclusive, especially for learners in under-resourced areas, we're opening doors to growth and confidence.

It's one way we support the journeys that shape brighter futures - reinforcing our role as a partner who understands that every journey starts with the right moves. This initiative contributes to SDG 4: Quality Education, by fostering cognitive development in a way that's accessible, inclusive and empowering.



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Alexforbes has acquired the award-winning Paragon Impact technology to enhance its ESG analysis capabilities. The new company registered in Jersey is Alexforbes Paragon Impact Limited.

Developed by Jersey-based Paragon Impact Limited, the platform offers robust and verifiable impact assessments aligned with the United Nations Sustainable Development Goals (UN SDGs). It integrates the latest ESG and impact standards into a single, consolidated system, enhancing value creation through data analysis and ensuring compliance with evolving ESG regulations. The platform enables organisations to monitor and report their net impact credibly, supporting performance against all relevant 17 UN SDGs with an independent SDG impact grading.

Paragon Impact has established a strong track record in delivering high-quality impact assessment solutions to Jersey-based businesses seeking to understand and improve their net contribution to the UN SDGs. Its user-friendly reporting tools communicate sustainability performance clearly and accessibly, free from jargon, enabling meaningful engagement with stakeholders.

In addition, Paragon Impact brings advanced capabilities in assessing the impact performance of investment portfolios and funds. By transforming complex ESG data into actionable intelligence, the platform empowers investors to optimise financial returns while aligning capital with global sustainability priorities.

Amy King has joined the Alexforbes Offshore team as Head of Sustainability, with responsibility for the strategic growth of the Alexforbes Paragon Impact business.

Adrian Peacock, Managing Director, Alexforbes Offshore stated; "The acquisition of Paragon Impact's pioneering ESG technology marks a significant step forward for Alexforbes Offshore. By integrating Paragon Impact's cutting-edge technology, we're strengthening our ability to deliver meaningful outcomes for our corporate and individual clients, and the wider island community. This capability perfectly complements our purpose-led approach, enabling us to deliver sharper insights, stronger stewardship and meaningful outcomes that endure".



Amy King
Head: Sustainability
Alexforbes Jersey



Adrian Peacock
Managing Director
Alexforbes Jersey



Peter Rondel
Managing Director
Alexforbes Investments Jersey

"As we celebrate 50 years of Alexforbes Offshore in Jersey, investing in a local greentech innovator signals our continued dedication to building a sustainable future, both for the island and for the generations we serve".

Peter Rondel, Managing Director, Alexforbes Investments Jersey commented; "This acquisition reinforces our long-term commitment to sustainability and to Jersey. Sustainability is not a trend. It is a fundamental driver of long-term investment performance and the future wellbeing of our clients. As a globally focussed multi-manager fund management firm, partnering with asset managers around the world to deliver value to our clients, this new capability promises to be a powerful complement to our business while also creating the opportunity to serve asset managers, trustees and other stewards of listed or private markets capital in the pivot from traditional ESG reporting and grading systems to a more meaningful monitoring, managing and reporting on impact".



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Paragon Impact is built for decision-makers across the investment value chain:

For trustees

The platform supports long-term fiduciary responsibility by assessing the real-world outcomes of portfolio investments. It helps trustees demonstrate long-term value beyond returns, communicate meaningfully with members and meet evolving sustainability reporting requirements.

For asset managers

Paragon Impact links ESG frameworks to measurable SDG outcomes - providing a clear view of the actual impacts of investment decisions. It enhances stewardship, lowers reporting costs, and supports more effective engagement with clients and regulators.

For corporates

Corporates can use the platform to uncover ESG blind spots, strengthen integrated reporting and reinforce their licence to operate through transparent, outcome-based sustainability insights.

For banks and investors

Banks and investors can use the platform as a due diligence filter to assess sustainability performance, support responsible capital allocation and meet regulatory or internal risk requirements, all while reducing greenwashing risk through independently verified data.

With a presence in Jersey and Africa, Paragon Impact enables us to support both emerging and developed markets. As regulatory and stakeholder expectations intensify, we are proud to offer a tool that empowers clients to move from ESG intent to sustainable impact.

The platform's key features include:

SDG impact grading and benchmarking

Measurement of outcomes, not just policies

Decision support for stewardship, regulation and reporting

Expert advisory integration



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In conversation with our Head of Sustainability



Amy King
Head: Sustainability
Alexforbes Jersey



Please introduce yourself.

Hi, I'm Amy King, Head of Sustainability and Impact at Alexforbes Offshore – a newly created role focused on driving our long-term sustainability vision.



What motivated you to become a sustainability professional?

Gosh. My deep love of nature was cultivated during my upbringing in Jersey, where I had the privilege of being immersed in an incredibly beautiful landscape. Walks along the north coastal paths were a balm for my soul and instilled in me a profound connection to the natural world.

I was naturally drawn to subjects like geography and science at school. Quite unusually, I really enjoyed chemistry. That led me to pursue a degree in environmental chemistry, followed by a master's in climate change and risk management. Learning how human activity has disrupted Earth's major chemical cycles, especially the carbon cycle, gave me a strong desire to address these issues at their root. That motivation has carried me through my career to where I am today.



How do you stay disciplined and avoid making emotional decisions?

This is a great question. For me, it's about staying grounded in the latest scientific research and professional thinking. When you root your decisions in evidence and fact, it helps temper the emotional response to complex challenges.

It's also important to remember how innately creative and intelligent we are as a species. If we truly commit to it, we can solve many of the pressing problems we face and build a world where everyone can live sustainably and harmoniously.



How do you think advancements in technology such as AI are changing the sustainability industry, and how are you adapting to these changes?

AI is a game-changer, particularly in addressing the longstanding challenge of poor or incomplete data around sustainability performance. It's also helping us better model the intricate, interdependent systems that govern how the world really works.

My colleagues and I are embracing AI wholeheartedly. We always keep a chat window open. Sustainability is such a broad and multifaceted field that having access to a powerful, intelligent tool makes us better, more informed professionals. It helps us navigate complexity with confidence.



What is one of the biggest challenges you face as a sustainability professional, and how do you address it?

One of the most draining challenges is the politicisation of sustainability. I've been in this field for nearly two decades, since completing my Master of Science (MSc) in climate change, and despite the overwhelming scientific consensus, we're still fighting to gain legitimacy on many key issues.

The jargon and endless acronyms used in the sector certainly don't help. If I could change one thing, it would be to simplify the language and show people that sustainability, at its core, is not as complicated as it seems.



What are one or two of the most important lessons you have learned about sustainability over the course of your career?

I've learned that many people don't grasp the full scope of what sustainability really is. In truth, it touches every part of our lives and every aspect of business. It's not limited to environmental topics.

Data security is sustainability. A stable and inclusive financial system is sustainability. These are the building blocks of fair, resilient and peaceful societies. The lesson is: sustainability is not a siloed concern. It's embedded in everything we do.



Finally, what advice would you give to someone who is just starting to invest their money and looking to build a sustainable portfolio?

I'd encourage people to approach sustainability from two angles. The first is: how is my portfolio performing today? That's important, but it's only a snapshot.

The second (and arguably more critical) is: how is my portfolio positioned for the future? We're in the midst of a global shift toward a low-carbon economy, more advanced technology and circular systems. To understand long-term sustainability performance, investors need to look at the commitments made by the companies they're invested in, and whether their managers are factoring those into their investment choices. That long-term perspective will yield a more complete view of sustainability and performance.



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Message from the Chief Investment Officer

In today's investment landscape, pension fund members and individual investors increasingly demand that all parties in the investment chain take their long-term interests, and those of future generations, into account.

ESG considerations present both risks and opportunities that materially impact long-term risk and return outcomes. Consequently, a responsible investment approach that thoroughly evaluates these factors is imperative.

As Chief Investment Officer, I'm proud to reaffirm our commitment to responsible investment (RI). By embedding RI principles into our investment strategies both directly and through our collaboration with Mercer, we aim to deliver value for our clients while contributing meaningfully to broader societal progress.

This commitment reflects our role as stewards of long-term capital. Through active ownership, meaningful collaboration and transparent disclosure, we are better positioned to create and preserve long-term value for all stakeholders.

Our responsible investing approach is rooted

in our mission to deliver consistent, sustainable investment outcomes. We firmly believe that ESG integration plays a critical role in shaping a resilient and inclusive future.

We recognise the growing sustainability imperative that is reshaping industries and economies. Companies that proactively respond to this shift are more likely to achieve stronger, more sustainable growth and impact across society.

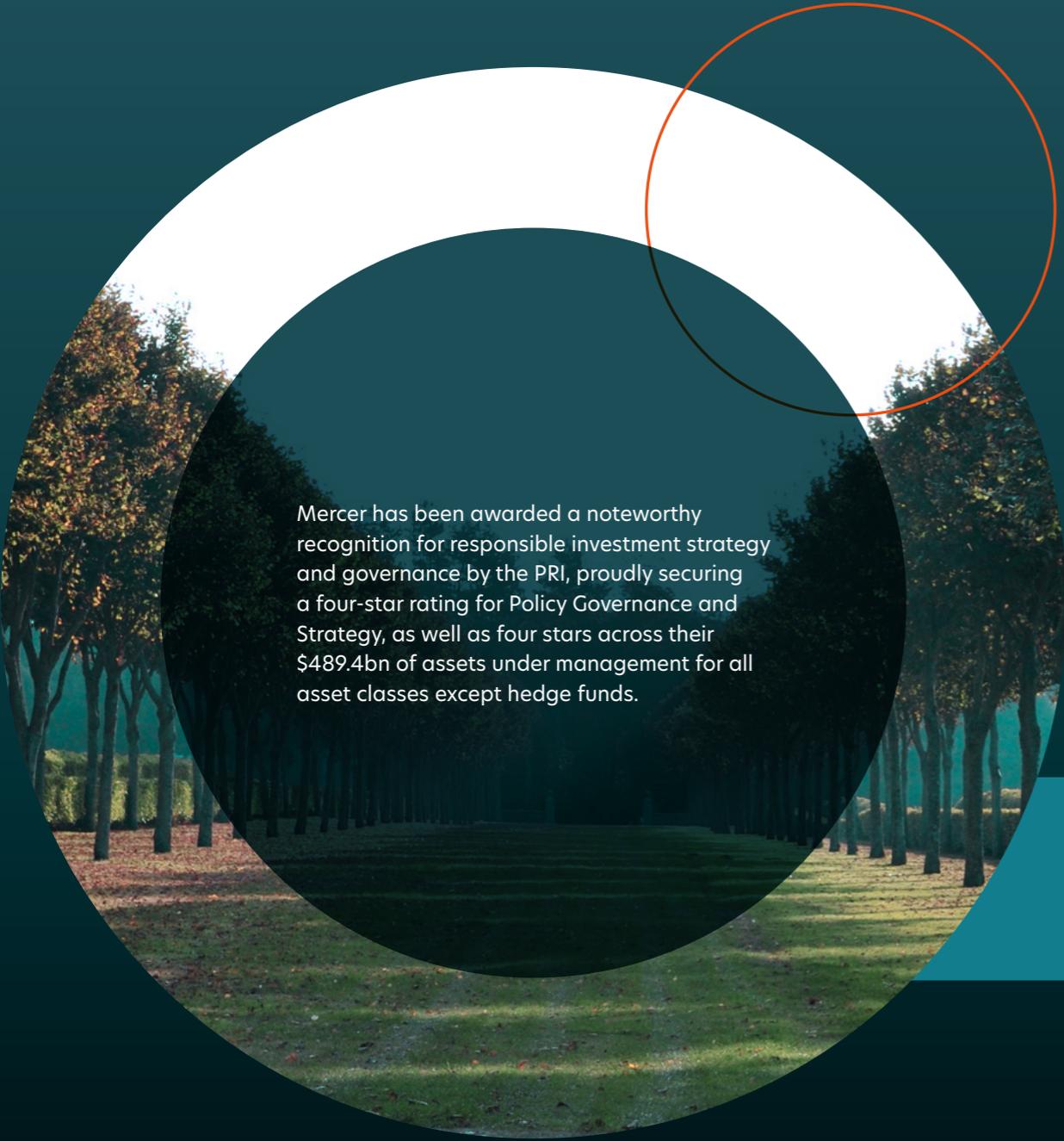
In this context, integrating ESG considerations into our investment and stewardship activities is essential – not only to support the delivery of enhanced long-term returns for our clients, but also to contribute to building a more sustainable world.



Gyongyi King
Chief Investment Officer: Retail
Alexforbes Investments

We also believe that incorporating RI considerations in the investment decision-making process enables managers to manage risk better and generate sustainable long-term investment outcomes.

For the Alexander Forbes Fund range in particular, where we invest in a range of Mercer funds, it's worth noting that Mercer is a founding signatory to the PRI, helping shape its original statements and aims. For almost two decades, Mercer has continued to support and endorse both the PRI and other international organisations to promote best practice around the world.



Mercer has been awarded a noteworthy recognition for responsible investment strategy and governance by the PRI, proudly securing a four-star rating for Policy Governance and Strategy, as well as four stars across their \$489.4bn of assets under management for all asset classes except hedge funds.

Our commitment is further demonstrated by our adherence to the PRI. These frameworks guide us in implementing best practices in RI, both locally and globally. Additionally, as a signatory of the UN Global Compact, we reinforce our support for sustainable business practices and operations worldwide. Through the reach of our global partners Mercer and BlackRock, we are able to ensure stewardship and fiduciary duty remains paramount in the management of our clients' global allocations.



Overall, the high ratings received from the PRI validate our and Mercer's years of research and commitment to promoting best practices around RI. [Click here](#) to view the latest PRI results.

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Our partnership with Mercer

When it comes to our portfolio solutions, our unique and strategic relationship with global consulting and investment management giant, Mercer Global Investments (Mercer), provides an exceptional opportunity for us to continue securing better and sustainable investment outcomes for our clients.

We share a client-centric culture, a fundamental belief in multi-management, a collaborative and research-based investment approach, and long-held commitments to responsible investment principles. We determine the appropriate asset allocations across our respective portfolio solutions and make use of different Mercer building block portfolios, at different times, to implement our views and manage risk in line with these objectives. Mercer's unrivalled intellectual capital and leading position on the global stage strengthens our global offering, allowing us to efficiently and cost-effectively incorporate a more diversified suite of high-quality and sustainability-conscious investment options in our investment allocations.

alexforbes
insight • advice • impact



Mercer

Globally, through Mercer, we participate where possible in collaborative industry initiatives on responsible and sustainable investment.

Mercer currently supports the following key initiatives globally on responsible investment initiatives and sustainable investment:

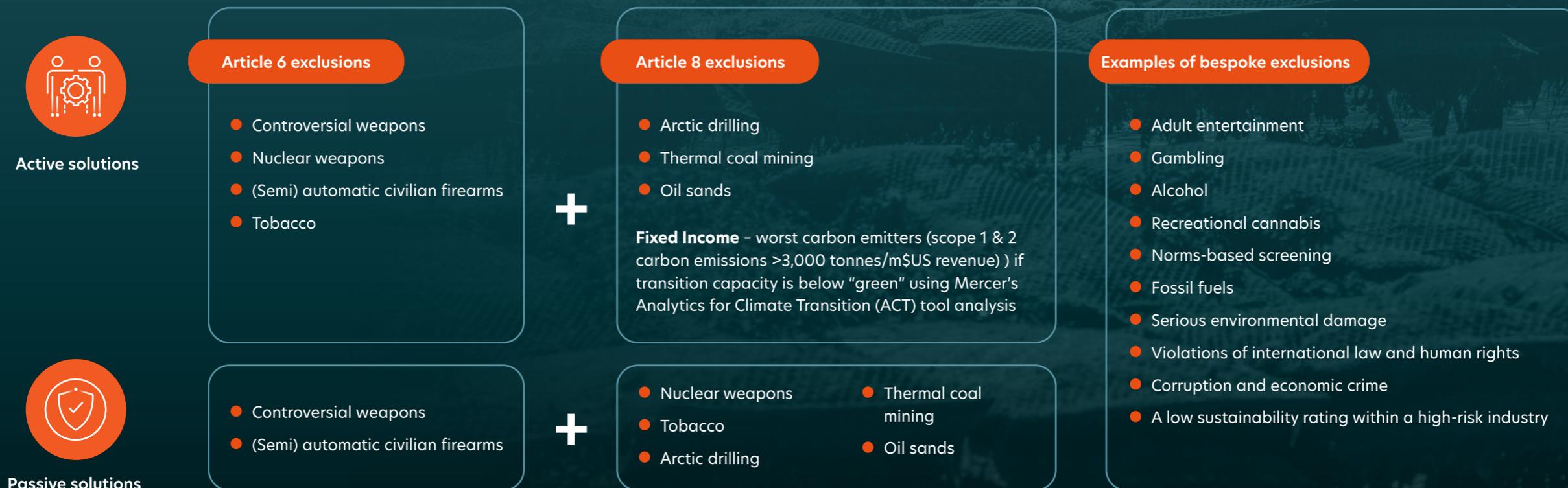
- Principles for Responsible Investment (PRI)
- Carbon Disclosure Project (CDP)
- Global Impact Investing Network (GIIN)
- UK and European Sustainable Investment and Finance Association (UKSIF and Eurosif)
- Institutional Investors Group on Climate Change (IIGCC)
- Task Force on Climate-related Financial Disclosures (TCFD)

Exclusions as a method of responsible investing

Exclusionary screening involves the removal of companies or sectors from an investment portfolio based on a client's social or moral values, excluding those that conflict with their beliefs. Mercer applies different levels of exclusions across their portfolios according to various investment needs.

"Throughout the past year, we (Mercer) have renewed our commitment to global stewardship standards, exemplified by our successful renewal as signatories to the UK Stewardship Code. Additionally, our adherence to Sustainable Finance Disclosure Regulation (SFDR) requirements underscores our transparency and accountability in reporting our ESG practices."

The tables below show the varied exclusions Mercer deploys - aligned with SFDR qualifications:



Source: Mercer

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ESG portfolio reporting metrics

The incorporation and the analysis of ESG metrics is crucial for stewardship and active ownership activities that aim to ensure a sustainable and responsible approach to investing. To this end, we have selected four ESG metrics that we believe play significant roles in the broader context of sustainability, which are essential considerations for investors: climate change, gender diversity, ESG integration and SBTi.

Climate change metrics:

- 1 Weighted Average Carbon Intensity (WACI)
- 2 Carbon footprint
- 3 Implied temperature change
- 4 SBTi

Climate change

Climate change is one of the most pressing global challenges of our time and incorporating climate change metrics into investment portfolios is essential for a number of reasons:



Understanding a portfolio's exposure to climate-related risks, such as physical risks from extreme weather events or transition risks due to policy changes and technological advancements, helps investors proactively manage and mitigate potential losses.



Metrics such as the WACI also allow businesses and investors to align their investments with the objectives of international agreements like the Paris Agreement, contributing to global efforts to limit global warming and climate impact.



Additionally, companies and investments that demonstrate climate resilience and a commitment to reducing carbon emissions are more likely to thrive in a low-carbon future, offering long-term sustainability for investors.





1 Weighted Average Carbon Intensity (WACI)

We have adopted the Weighted Average Carbon Intensity (WACI) metric to report the carbon intensity of our portfolio solutions. This metric measures the investment portfolio's exposure to carbon-intensive companies and is expressed in tonnes of greenhouse gas emissions (converted to carbon dioxide equivalent) per million dollars of sales.

WACI is the most widely-used carbon footprint measure for setting targets, making comparisons, and assessing carbon risk for investments. It is recommended by the Task Force on Climate-related Financial Disclosures (TCFD) and must be disclosed by both asset owners and companies.

The European Commission has presented a strategic vision for a prosperous, modern, competitive, and climate-neutral economy by 2050, which aligns with the objectives of using WACI.

A higher WACI number compared to a comparable equity index indicates that a portfolio is more vulnerable to carbon-related market and regulatory risks.

This metric helps gauge a company's environmental impact and allows comparisons across companies, markets, and regions. For example, a WACI measure around 450 suggests a portfolio is highly vulnerable to carbon-related risks, whereas a measure around 90 indicates relative protection from such risks.

Our approach involves a detailed analysis at the stock level to understand each company's contribution to absolute emissions and to the overall WACI. This helps us identify what drives carbon intensity in our portfolios and where engagement with underlying managers would be most effective. This ongoing monitoring allows us to manage and reduce current exposures in our portfolios.



Greenhouse gas
protocol per
million sales

tCO₂e/\$M Sales

2 Carbon footprint

Greenhouse gases (GHGs) are directly correlated to the future temperature of our atmosphere.

Carbon dioxide (CO₂) is the primary contributor, along with other significant gases like methane and fluorocarbons, which are collectively referred to as carbon or carbon dioxide equivalent (CO₂e).

WACI measures the carbon intensity of businesses, not its total carbon emissions. The carbon footprint measures total carbon emissions and is expressed in tonnes of CO₂ emitted per million dollars of company sales. This metric aggregates the emissions based on the percentage weight of the holdings within a fund. The TCFD recommends this metric for measuring carbon emission intensity.



Reducing
1 million tonnes of emissions

is roughly equivalent to taking more than

200 000 cars off the road





3 Implied temperature rise

The implied temperature rise metric gauges how closely a company or portfolio aligns with the temperature objectives of the Paris Agreement.

This forward-looking metric indicates where investments are likely to transition, rather than their current state.

Achieving net-zero emissions where emissions are balanced with removals - by mid-century (2050-2070) - is essential to meeting the Paris Agreement's goals.

The European Union's vision for a climate-neutral future encompasses nearly all EU policies and aligns with the Paris Agreement's objective to keep the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

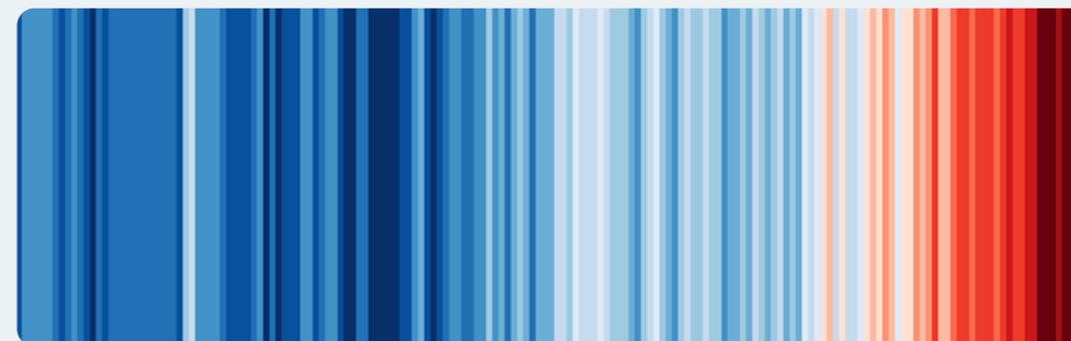
Although very few companies are currently aligned with net-zero pathways, we expect this to change as companies transition their business models over time.



It provides a temperature value (e.g., 3°C, 2°C, 1.5°C) that signifies the level of warming the underlying companies' activities are currently aligned with based on their current emissions and stated reduction targets.

According to combined National Oceanic and Atmospheric Administration (NOAA) and National Aeronautics and Space Administration (NASA) data, global temperatures in 2023 ranked highest in the 144-year record, at 1.4°C (2.52°F) above the early industrial (1881-1910) baseline average.

Warming stripes for the globe from 1850-2024



1850

Global

2024

Source: University of Reading



4 The Science Based Targets initiative (SBTi)

The SBTi is a collaboration between its founding partners, **Carbon Disclosure Project**, the **United Nations Global Compact**, **World Resources Institute (WRI)** and the **World Wide Fund for Nature (WWF)**, and **We Mean Business Coalition**.

SBTi helps companies set goals to reduce their greenhouse gas emissions in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to 1.5°C above pre-industrial levels.

SBTi is like a personal trainer for businesses, guiding them to reduce their carbon footprint. It helps companies set clear, science-based targets to cut down on emissions, ensuring their efforts are in line with global climate goals. By following SBTi's guidance, businesses can show their commitment to sustainability, attract eco-conscious customers, and contribute to a healthier planet.



To date, over

10 000

companies have set or committed to set science-based climate targets validated by SBTi.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET
ZERO
STANDARD

APPROVED NET-ZERO TARGETS

Ambitious corporate climate action - Science Based Targets initiative

Gender diversity

Gender diversity is an essential aspect of social sustainability and it plays a significant role in investment decision-making.

There are studies that show that companies with diverse leadership teams tend to outperform their peers as diverse perspectives foster creativity, innovation and better decision-making. Companies with strong gender diversity policies are often better equipped to manage various risks, such as reputational and operational risks, which can impact their long-term financial performance.

With social inequality getting more attention, investors and other stakeholders are getting increasingly vocal about the need for greater diversity in corporate boardrooms. In the quest to enhance transparency and disclosure, identifying quantitative ESG metrics that are consistently being measured and reported by companies is helpful.

Measurement metrics

In improving our portfolios, we note the vast scale of the challenge given that the investment universe is significantly wider. Accordingly, Mercer has made commitments to improve their investment process by 2030. At present, portfolio metrics on our portfolios are in line with the respective benchmarks.

Engagement on diversity is a top priority for us and for Mercer. We will continue to engage on the matter so that we achieve meaningful diversity and inclusivity.

Through our portfolios, we are invested with managers whose company and sector exposure will vary. The first step is to evaluate the level of gender diversity in investee companies in our funds. The percentage reflected is the actual average of non-male board representation of the fund.

The metrics are only relevant for equity holdings. Equity weights are reweighted to equate to 100%, where a weighted average is used to generate a total gender diversity score.

Gender diversity is defined as the average female board representation. This metric is based on equal weighting of underlying companies in both the fund and index.

Global providers have preceded on reporting on gender diversity as one of these metrics, aiming for

30%

or more female representation at board level.

ESG integration

Integrating ESG factors into investment processes represents a comprehensive approach that encompasses a broader set of risks and opportunities, incorporating both financial and non-financial risks, which can impact investments significantly.

ESG integration into investment processes promotes responsible investment and the alignment of investment decisions with sustainable principles that contribute positively to society and the environment while delivering compelling investment returns for investors.

Incorporating climate change, gender diversity and ESG integration metrics into investment portfolio solutions is essential for investors seeking to build sustainable and resilient portfolios. These metrics offer a comprehensive view of the risks and opportunities associated with companies and investments, aligning investment strategies with broader

sustainability goals and creating value for both investors and society as a whole. Investors should note that while ESG integration forms part of the investment managers' overall investment process, it is not implemented equally across all sub-funds. Integration depends on the degree to which it may be relevant or applicable to the strategy or asset class.

ESG ratings represent the manager research team's assessment of the degree to which ESG factors are incorporated within a strategy's investment process. Four factors are considered and documented within the research commentary and overall manager research rating.



To determine the rating for asset managers and underlying investment strategies, Mercer performs a review based on four specific factors through their annual manager questionnaire:



Active (all asset) strategies

From analysing the level of ESG integration in a strategy's investment processes, a rating is assigned to underlying managers. The illustration details the ESG 1-4 rating criteria:

ESG 1

Leading approach to integration, where ESG is embedded in the investment philosophy; strong on stewardship, which is a core part of the process.

ESG 2

Consistent and repeatable process to ESG integration; well-developed evidence of stewardship.

ESG 3

Well-developed focus on G factors; less consistency on E and S; stewardship process is ad-hoc, but there is an indication of progress.

ESG 4

Little or no integration of ESG factors or stewardship into core processes and no indication of future change.

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ESG value proposition

While our primary investment objective is capital growth and protection, we also integrate an approach to responsible investing through a multi-manager framework that aims to incorporate ESG factors, broader systemic themes and stewardship (active ownership) in the investment decision-making process in a way that enables better risk management and generates long-term investment outcomes. Examples of ESG factors include:



The power of investing responsibly not only helps our clients reach their investment goals, but through deploying those investments responsibly and sustainably, we also help promote a better quality of life for communities. By adopting a responsible investment approach in the way we invest, we are able to improve our ability to meet our commitments to all our stakeholders and better align our investment activities with the broader interests of society.

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- Alexander Forbes Balanced Fund (Class B-1)
- Alexander Forbes Dynamic Fund (Class B-1)
- Alexander Forbes All Equity Fund (Class B-1)
- Guide to sustainable investing

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Alexforbes fund characteristics and performance

In this section, we analyse our investment portfolios and look into their distinctive characteristics, performance and ESG metrics.

By providing an overview of these portfolios, we aim to provide you with an introductory understanding of their composition, risk profile, and financial performance. This overview also serves as a foundation, paving the way for a deeper exploration of the specific ESG metrics, climate change, gender diversity and ESG integration, that play a pivotal role in shaping both the sustainable nature and overall success of these investment portfolios.

It is worth noting that our portfolios are ESG integrated and not green or impact funds. Meaning, our primary mission remains as capital preservation and growth for our clients.

Our strategic relationship with Mercer is a powerful enabler for us to leverage their sustainability practices and aggregate the scoring of metrics across the range of underlying Mercer funds we invest in.

Climate change: reflects the level of carbon risk and helps us monitor if we are on track to climate neutrality.

Gender diversity: captures the percentage of female board members in companies held in equity funds.

ESG integration: is an aggregated score of ESG ratings that represent the degree to which ESG factors are incorporated within a strategy's investment process.

SBTi: reflects the percentage of companies held in equity funds that have set goals to reduce their greenhouse gas emissions in line with what the latest climate science deems necessary.

For more information on all of the metrics please refer to the **ESG portfolio reporting metrics** section in this report.



Ady Bougourd
Senior Manager -
Investments
Alexforbes Investments

Disclaimer

The Sustainable Finance Disclosure Regulation (SFDR) enforces rules for disclosing ESG information. It applies to asset managers and others in financial markets. The SFDR aims to create fairness among financial market players and advisers by encouraging transparency about sustainability risks, considering negative sustainability impacts in investments, and providing sustainability-related information about financial products. Whilst our funds are not actually regulated under SFDR, we have disclosed the SFDR considerations of each of the funds.

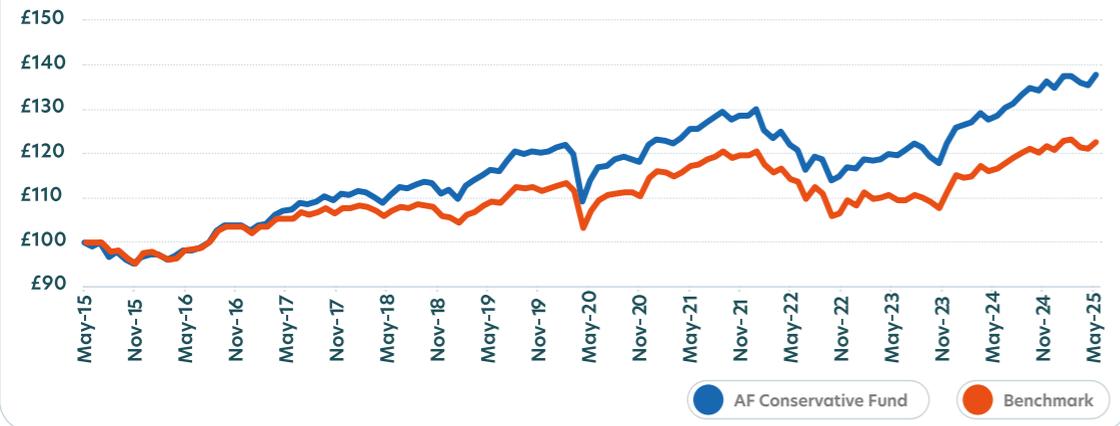
Alexander Forbes Conservative Fund (Class B-1)



Investment objective

Designed to achieve capital preservation over the medium term by investing in a mix of collective investment vehicles across a variety of asset classes. Where appropriate, the Class Fund will invest in SFDR Article 8 Funds.

Alexander Forbes Conservative Fund



Benchmark: Morningstar EAA Fund GBP Allocation 20-40% Equity

Portfolio performance

	Portfolio	Benchmark
3 Months	0.08%	-0.45%
6 Months	1.04%	0.57%
1 Year	7.18%	5.02%
3 Years*	4.50%	2.54%
5 Years*	3.36%	2.28%

*Annualised

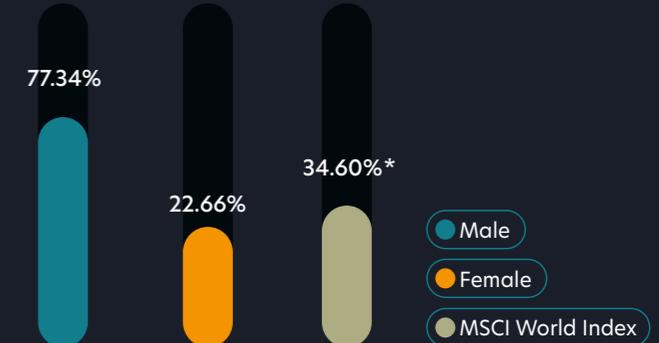
Source: Alexander Forbes Investments



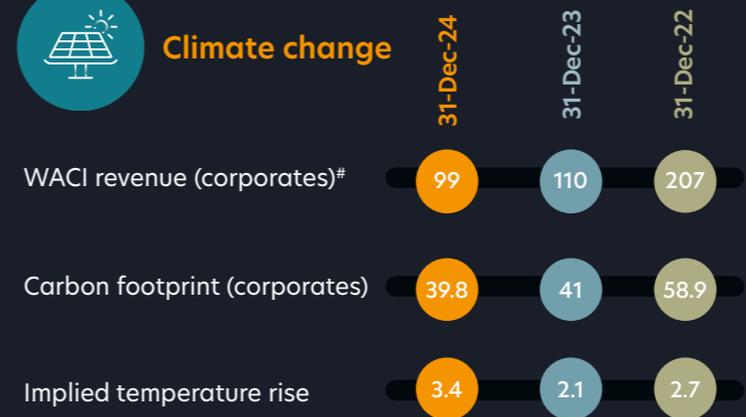
ESG integration



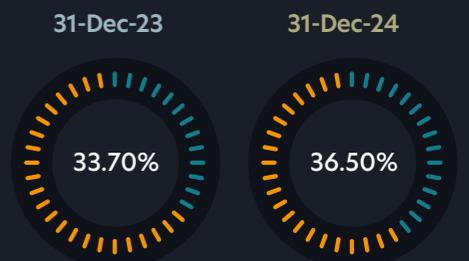
Gender diversity



Climate change



SBTi



As at 31 December 2024

Notes: The MSCI World Index has been included for comparative purposes only and is not the benchmark of the portfolio. It is however a common benchmark for many of the underlying Mercer funds, such as the MGI Global Equity Fund.

[#]This percentage reflects the female board representation of companies in the MSCI World Index.

^{*}A high WACI number, e.g. 450 suggests a portfolio is highly vulnerable to carbon-related risks, whereas a measure around 90 indicates relative protection from such risks.

Source: Mercer



Alexander Forbes Balanced Fund (Class B-1)



Investment objective

Designed to achieve a balance of capital growth and income over the medium to long term by investing in a mix of collective investment vehicles across a variety of asset classes. Where appropriate, the Class Fund will invest in SFDR Article 8 Funds.

Alexander Forbes Balanced Fund



Benchmark: Morningstar EAA Fund GBP Allocation 40-60% Equity

Portfolio performance

	Portfolio	Benchmark
3 Months	-0.54%	-0.44%
6 Months	0.40%	0.52%
1 Year	7.47%	5.52%
3 Years*	4.89%	3.62%
5 Years*	4.30%	4.47%

*Annualised

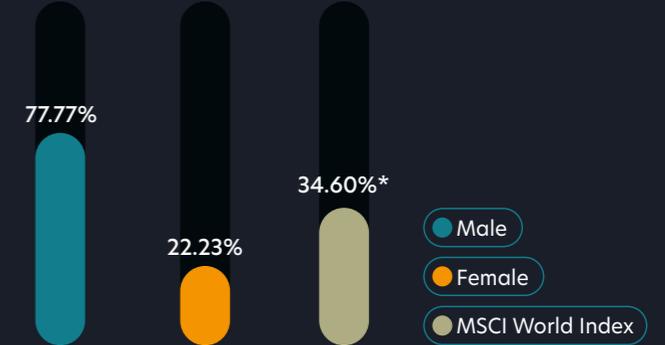
Source: Alexander Forbes Investments



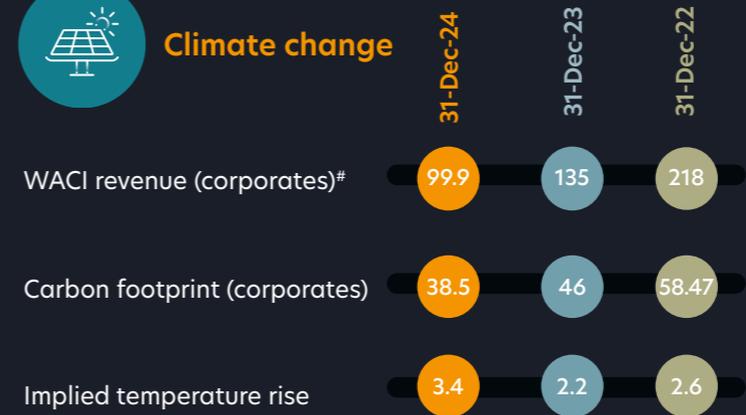
ESG integration



Gender diversity



Climate change



SBTi



As at 31 December 2024

Notes: The MSCI World Index has been included for comparative purposes only and is not the benchmark of the portfolio. It is however a common benchmark for many of the underlying Mercer funds, such as the MGI Global Equity Fund.

*This percentage reflects the female board representation of companies in the MSCI World Index.

#A high WACI number, e.g. 450 suggests a portfolio is highly vulnerable to carbon-related risks, whereas a measure around 90 indicates relative protection from such risks.

Source: Mercer



Alexander Forbes Dynamic Fund (Class B-1)



Investment objective

Designed to achieve a balance of capital growth and income over the medium to long term by investing in a mix of collective investment vehicles across a variety of asset classes. Where appropriate, the Class Fund will invest in SFDR Article 8 Funds.

Alexander Forbes Dynamic Fund



Benchmark: Morningstar EAA Fund GBP Allocation 80% + Equity

Portfolio performance

	Portfolio	Benchmark
3 Months	-0.72%	-1.95%
6 Months	0.08%	-0.91%
1 Year	8.41%	5.19%
3 Years*	6.80%	5.67%
5 Years*	7.15%	7.41%

*Annualised

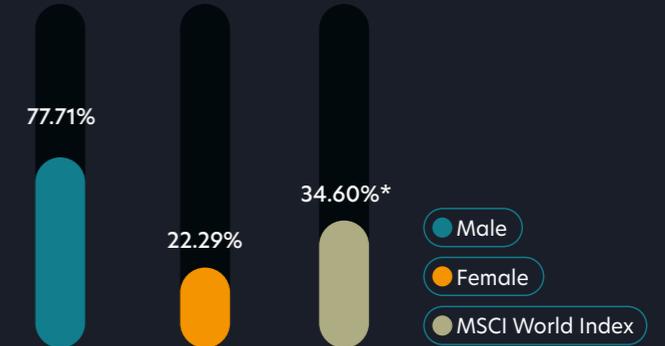
Source: Alexander Forbes Investments



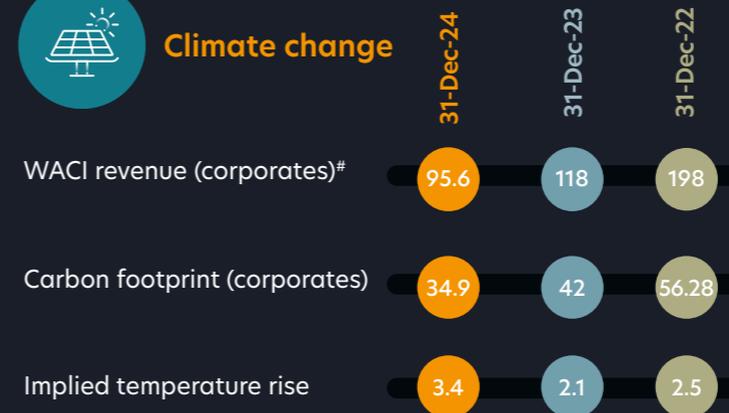
ESG integration



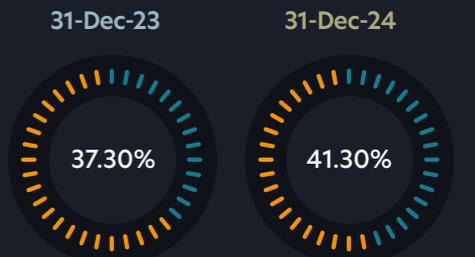
Gender diversity



Climate change



SBTi



As at 31 December 2024

Notes: The MSCI World Index has been included for comparative purposes only and is not the benchmark of the portfolio. It is however a common benchmark for many of the underlying Mercer funds, such as the MGI Global Equity Fund.

*This percentage reflects the female board representation of companies in the MSCI World Index.

[#]A high WACI number, e.g. 450 suggests a portfolio is highly vulnerable to carbon-related risks, whereas a measure around 90 indicates relative protection from such risks.

Source: Mercer



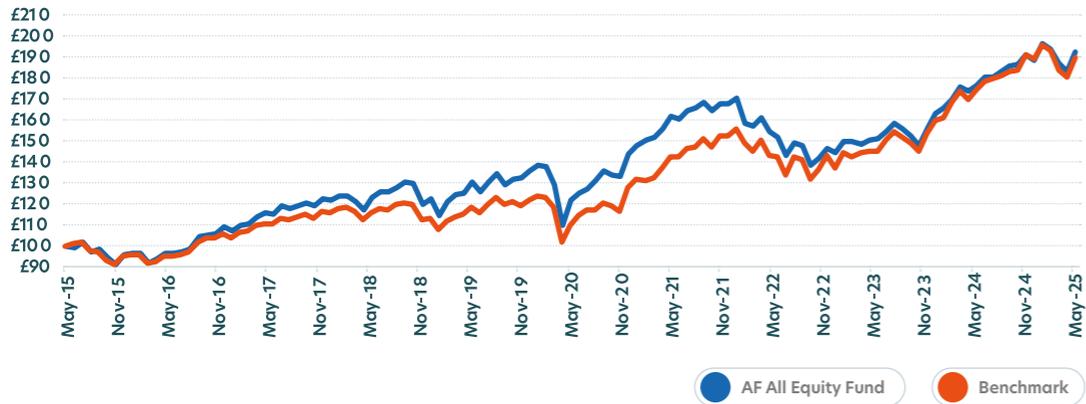
Alexander Forbes All Equity Fund (Class B-1)



Investment objective

Designed to generate capital growth over the long term by investing in a mix of collective investment vehicles across global equity markets. Where appropriate, the Class Fund will invest in SFDR Article 8 Funds.

Alexander Forbes All Equity Fund



Benchmark: 80% MSCI AC World (54% Hedged), 20% Morningstar EAA Fund GBP Allocation 80% + Equity

Portfolio performance

	Portfolio	Benchmark
3 Months	-0.54%	-1.76%
6 Months	0.81%	-0.72%
1 Year	9.40%	8.96%
3 Years*	8.36%	9.99%
5 Years*	9.00%	9.74%

*Annualised

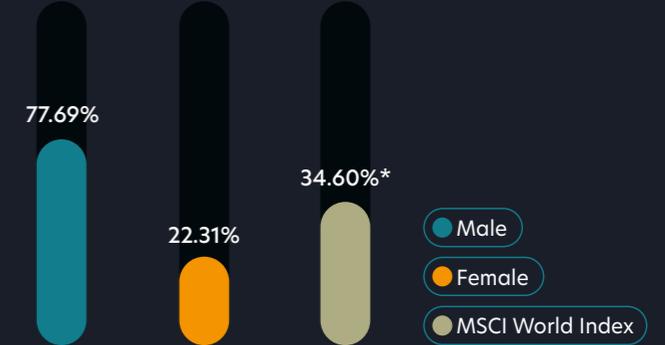
Source: Alexander Forbes Investments



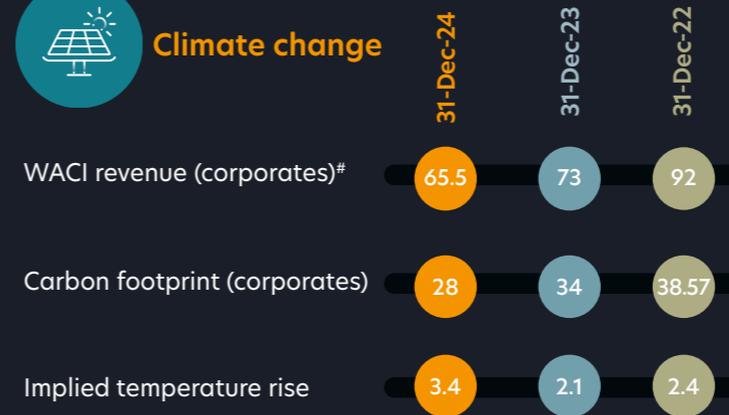
ESG integration



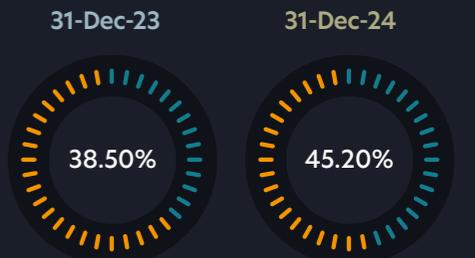
Gender diversity



Climate change



SBTi



As at 31 December 2024

Notes: The MSCI World Index has been included for comparative purposes only and is not the benchmark of the portfolio. It is however a common benchmark for many of the underlying Mercer funds, such as the MGI Global Equity Fund.

*This percentage reflects the female board representation of companies in the MSCI World Index.

#A high WACI number, e.g. 450 suggests a portfolio is highly vulnerable to carbon-related risks, whereas a measure around 90 indicates relative protection from such risks.

Source: Mercer



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Just a simple guide to the world of sustainable investing

The world of sustainable investing is not exactly new – but the noise around it is louder now than ever before. There are so many new developments and terms: ESG, responsible investing, impact investing... sustainability, sustainability, sustainability.

It can be quite difficult to navigate and understand all these terms and quite frankly, overwhelming. What do these concepts really mean? And more importantly, what do they mean for your investment strategy?

Let's start with the basics.

What is sustainability?

Firstly, the broad definition of sustainability refers to meeting present needs without compromising the ability of future generations to meet theirs. In investing, this means putting your money into investments that seek not only to deliver financial returns but also to make a positive impact on the environment, society and governance (ESG) structures.

Investing sustainably often means looking beyond just the profit margins and asking questions like: How does this company treat the environment?

How does it interact with its employees and the community? Is the business governed in a transparent and ethical manner?

By considering these factors, you as an institutional investor can align your institution's financial goals with a broader purpose that contributes to a more sustainable future for all.

What is ESG?

I know, there are so many acronyms in the investing world, and it's hard to keep up! As mentioned above, ESG stands for environmental, social and governance factors. But it's more than just an acronym; these are the three key factors used to evaluate the sustainability and ethical impact of an investment.

> Environmental:

This considers how a company manages its environmental impact, including carbon emissions, waste management and resource conservation.

> Social:

This looks at how a company manages its relationships with its employees, suppliers, customers and the



Kurtney Durgaparsad
Technical Investment Specialist
Alexforbes Investments

communities where it operates. Think diversity and inclusion, labour rights and customer satisfaction.

> Governance:

This assesses how a company is run – from executive compensation to board diversity and shareholder rights.

Investors use ESG criteria to evaluate the merits and risks of an investment that may not be evident through financial analysis alone. ESG is simply a framework that complements traditional financial analysis and portfolio construction techniques, ensuring that the risk of investment failure is tightly controlled.

Responsible investing versus impact investing

These terms are often used interchangeably, but they are not the same.

> Responsible investing:

This is the broad practice of integrating ESG factors (such as carbon emissions and diversity in the workplace) into investment decisions to better manage risk and generate sustainable, long-term returns.

> Impact investing:

This is a distinct investment strategy which explicitly seeks to do good by pursuing and generating measurable, positive social or environmental impact alongside financial returns. For example, investing in renewable energy projects to reduce carbon emissions or investing companies that provide affordable healthcare solutions to improve quality of life.

In simple terms responsible investing is making sure you're not doing harm (think of it as trying to avoid processed food), while impact investing is about actively doing good (like eating more veggies!).

So why does this matter to you as an institutional investor?

We know that having a sustainable fitness routine delivers long-term health benefits, similarly, embedding ESG considerations into your investment strategy can drive long-term value creation. ESG isn't just about ticking boxes – it's about managing risks, seizing opportunities and staying competitive.

Companies that effectively manage ESG risks are often more resilient and better positioned for sustainable growth. As an institutional investor, understanding ESG dynamics allows you to make better-informed decisions, meet stakeholder expectations and potentially enhance financial outcomes.

Regulatory and market forces are increasingly demanding transparency and accountability on ESG practices from companies. So, staying ahead of these trends not only strengthens your reputation but also ensures alignment with evolving investment and governance frameworks.

Don't forget

And remember, no single strategy is a silver bullet. Diversifying your portfolio across different asset classes, regions and investment styles is also essential for managing risks and capturing growth opportunities. And a multi-management approach, which blends the expertise of various asset managers - including ESG-conscious ones - can help you achieve a balanced and resilient portfolio that aligns with your institution's investment goals.



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Fund in focus

Mercer Global Select Equity Fund

Sustainability / Thematic exposures

The Mercer Global Select Equity Fund promotes environmental and social characteristics through selecting or combining those strategies that have received the highest (ESG 1) or second highest (ESG 2) ESG rating by Mercer's global manager research team i.e. strategies considered best-in-class, which are responsive to ESG risks as well as opportunities, and those with strong stewardship processes.

Renewable and alternative energy
Solar, wind, wave, biofuels, and geothermal technology

Energy efficiency
Storage plus power network, industry, building, and transport efficiency

Waste management and technologies
Recycling processing, hazardous and general waste management

Water infrastructure and technologies
Irrigation, storage, treatment, drainage and flood protection

Sustainable consumer goods
Meeting shifting consumer demands in sourcing and technology

Responsible finance
Supporting role for real economy efficiency

Pollution control
Pollution control solutions and environmental testing

Health and social services
Positive impacts for social development and poverty or aging population

In this section, we focus on one of Mercer's funds – also known as a building block – and showcase its asset manager ratings, ESG characteristics, engagement examples and the fund's three ESG scoring metrics.

ESG metrics	Portfolio	Index
Weighted average carbon intensity (tCO2e/\$M Sales)	82.0	96.6
	14.6% less than benchmark	
ESG integration assessment	1.2	1.5
Gender diversity	36.0	34.7

Benchmark: MSCI World Net Return Index
Source: Mercer at 31 March 2025

ESG disclosure

The investment objective of the Mercer Global Select Equity Fund is to seek long-term growth of capital and income, while seeking to promote environmental and social characteristics within the meaning of Article 8 of the SFDR.

This financial product promotes environmental and/or social characteristics; however, it does not have sustainable investment as its primary objective. The 'do no significant harm' principle applies only to investments underlying the financial products that consider the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not consider the EU criteria for environmentally sustainable economic activities.

Mercer Global Select Equity Fund

Current portfolio lineup:

Fund overview

Performance objective:
The investment policy of the Sub-Fund is to seek to outperform the MSCI World Net Return Index by 0.75% to 1.5% per annum, on average over the medium to long term, gross of the fees of the manager, investment manager and distributor, but net of all other fees and expenses of the Sub-Fund. The outperformance range indicates the level sought after the sub-investment manager(s) fee and other Sub-Fund fees and expenses have been paid but before the Management Fee is deducted.

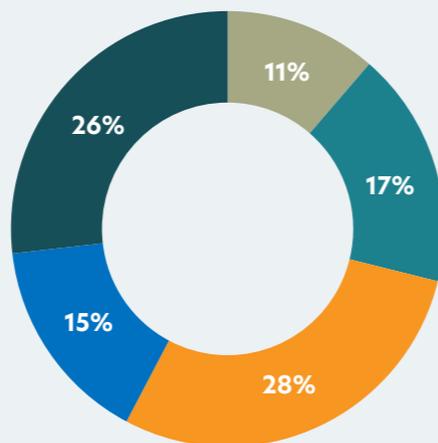
Benchmark:
MSCI World Net Return Index

Tracking error:
Within a range of 1.5% to 4% p.a. on an ex-post basis

ESG characteristics:

The four ESG characteristics that the Fund encompasses cover various ESG factors such as climate change, renewable energy, board engagements and protect against the risks that they may present. The Fund also boasts an impressive ESG integration score that is above the investment universe's average score.

Source: Mercer



- SSGA**
 Ratings: B, ESG 2
 A systematic multi-factor ESG solution targeting style exposures such as value, quality, size, momentum and low volatility
- Impax**
 Ratings: A (T), ESG 1
 Environmental strategy with a quality growth focus
- RBC**
 Ratings: A, ESG 1
 Invests in high-quality companies that are sustainably growing their earnings and trading at attractive valuations

- Wellington**
 Ratings: A (T), ESG 1
 Impact manager investing in companies aiming to achieve a positive environmental and social impact
- Mirova**
 Ratings: A (T), ESG 1
 Quality growth thematic manager focusing on four major transitions - demographics, environmental, technological and governance

Mercer Global Select Equity Fund

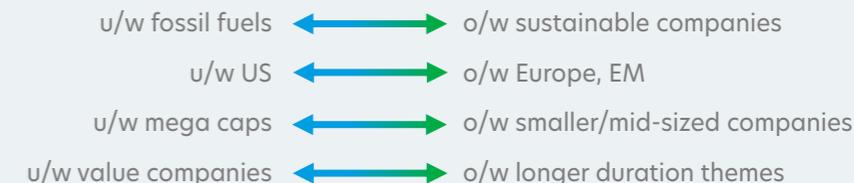
Goals and natural positioning

Goals: Invest sustainably and deliver returns

To invest sustainably, you need to do something different to market cap

- Won't invest in fossil fuels or other activities deemed as not sustainable
- Allocates less capital to the world's biggest companies that don't address sustainability
- Allocates more capital to real companies finding real solutions to real sustainability challenges
- If the fund invested like market cap, examples of reasonable questions are: Q. Can you evidence how this is considered sustainable? Q. Do you own fossil fuels? Q. Why do you own lots of big tech names that don't tackle sustainability?

Being sustainable results in natural positioning and performance differences to market cap:



Mercer Global Select Equity Fund

Evidencing sustainability

Social impacts

- **AstraZeneca** enhances global health by developing innovative treatments for diseases, improving quality of life, and reducing health inequalities. The company ensures affordable access to medicines in low- and middle-income countries and supports health initiatives, promoting health equity, social wellbeing and ethical practice.
- **GoDaddy** empowers entrepreneurs and small businesses by providing accessible web hosting and digital marketing tools, particularly for underrepresented groups. The company promotes sustainability and corporate responsibility while fostering social change through initiatives like "GoDaddy for Good", supporting nonprofits and community projects to create a more inclusive global economy.
- **Laureate** positively impacts social mobility by providing accessible, high-quality higher education to underserved communities. Through financial aid and support services, it fosters opportunities for skill development and economic improvement. The company emphasises social responsibility and sustainable development, empowering individuals to drive positive change in their communities.
- **Novo Nordisk** and **Eli Lilly** improve global health by providing innovative treatments for diabetes and obesity, enhancing quality of life for millions. They ensure affordable access to medications in low- and middle-income countries and support disease prevention education. Their commitment to sustainability and social responsibility advances public health and reduces inequalities, promoting healthier communities.



Environmental impacts

- **Hubbell** enhances the efficiency and resilience of the aging electric grid, addressing challenges from climate change and population growth. The company provides products that improve grid efficiency and support the energy transition, positioning itself as a leading electrical infrastructure provider. Its innovative solutions contribute to a more reliable and sustainable electricity system.
- **Xylem** is a global water technology company addressing water challenges across various markets. Its solutions improve water and energy efficiency, enabling water reuse and promoting conservation. Xylem's innovative products and systems, including aeration, advanced filtration, and chemical-free disinfection, contribute significantly to mitigating water scarcity and optimising community water systems.
- **Republic Services** is a leading non-hazardous waste operator in the US, dedicated to diverting waste from landfills through recycling and organic waste recovery. Its operations significantly reduce reliance on virgin plastics and promote material recovery, benefitting the environment and local communities. The company contributes to a more sustainable waste management system by processing key materials.
- **Trane Technologies** enhances energy efficiency in commercial and residential settings, as well as in refrigerated transportation. Its efficient HVAC solutions reduce harmful F-gas emissions and improve the cold chain, minimising food waste. Committed to sustainability, Trane aims to achieve carbon-neutral operations by 2030, while also targeting zero waste to landfills and reducing energy use.



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Partnership with Healing Waves

Creating waves with Healing Waves in a three-year charity collaboration

AFO is proud to announce a three-year charity collaboration with Healing Waves Ocean Therapy. Healing Waves is a young Jersey-based charity which provides life-changing services to individuals living with disabilities, mental health challenges and other conditions by harnessing the transformative power of being in and near the ocean.

Carefully selected by our team, this partnership reflects AFO's community objectives to create meaningful impact for the charity as well as providing advice and insights that will benefit the Healing Waves community.

Healing Waves provides free ocean therapy to over 500 families, all with varying needs. Their award-winning services provide invaluable support and respite, offering their athletes a chance to redefine their capabilities through surfing and water sports. The organisation's ethos of compassion, equality, patience and love underscores their mission to celebrate what people 'can' do, challenging preconceived notions and unlocking potential.

AFO's commitment to this partnership goes beyond financial sponsorship. We aim to actively contribute through collaborative activities which will help not only raise awareness of the charity but we will assist with fundraising, volunteering and use our financial expertise to support their athletes and families.

This holistic approach to charity collaboration ensures that the impact is felt throughout the community and will help to ensure a lasting legacy of realised potential for individuals and families in need.



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Alexforbes Offshore Sustainability Committee

At Alexforbes Offshore, we recognise the impact of businesses on the world we share, and we embrace the responsibility to foster a sustainable future for our peers, clients, and community.

The AFO Sustainability Committee is dedicated to championing environmental, social, and economic progress through integrated strategies that uphold our values and drive positive change.

We exist to proactively drive sustainability initiatives that harmonise our corporate objectives, embrace positive change and improve wellbeing.

Our purpose is to inspire a culture of conscious decision-making, innovation, and collaboration throughout Alexforbes.

Our AFO Sustainability Committee has representatives across a variety of business areas such as Investments, Wealth, Employee Benefits and Human Resources to ensure that consideration is given in all we do.



Peter
Rondel



Amy
King



Ady
Bougourd



Tim
Townsend



Jacqui
Richards

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Providing meaningful insights for meaningful impact

Our responsible investing journey is one that we have established and refined over time, being sensitive to changes in our environment and in our communities so that we can respond to them appropriately. We continuously identify key areas in our business that we can improve such as the Alexforbes Impact Academy and Alexforbes Impact Advisory service, based on the insights that we receive and on the priorities that our clients have expressed.

Content library

-  [2024 PRI scorecard](#)
-  [Alexforbes Group Holdings Limited Climate Change Policy](#)
-  [Alexforbes Investments Limited climate change policy](#)

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Alexander Forbes Offshore is the registered trading name of Alexander Forbes Channel Islands Limited. **Registration number:** 9596

Regulated by the Jersey Financial Services Commission



“ Responsible investing is not something we do merely for the sake of speaking about it. It is something that is embedded in our investment approach because we recognise the inherent value it has for our clients and for our society. ”

Dawie de Villiers
Chief Executive Officer

Disclaimer

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The unit trusts are valued at the end of the day and at their final closing prices. Unitholders may agree to pay additional ongoing advice fees to their appointed financial planners. Completed application forms and notification of deposits must be received before 11:00 Jersey time for the investment to be executed on that day. If received after the applicable cut-off time, the money will be invested at the subscription price of the following day. The 11:00 Jersey cut-off time also applies to redemptions and switches. The Class Funds that are feeder funds only invest in participatory interests of a single underlying collective investment scheme portfolio. The Class Funds that are fund of funds only invest in participatory interests of more than one underlying collective investment scheme portfolio, which levy their own charges, which could result in a higher fee structure. The Class Funds are accumulation funds and do not distribute income. At the time of going to press the above information was correct. However, the information is subject to change. A Prospectus is available upon request from Alexander Forbes Investments Jersey Limited (the "Manager"). The interests of directors and management are available on request from the Manager. The registered office of the Manager is 2-6 Church Street, St Helier, Jersey, Channel Islands. The Trustee is BNP Paribas Depositary Services (Jersey) Limited, IFC1, The Esplanade, St Helier, Jersey, Channel Islands (the "Trustee"). The Manager and the Trustee are regulated by the Jersey Financial Services Commission for the conduct of fund services business. Alexander Forbes Investments Limited, registration number: 1997/000595/06 is an authorised Financial Services Provider (FSP 711) under the Financial Advisory and Intermediary Services Act (No. 37 of 2002), to act in the capacity as investment adviser.

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