Sustainability-related disclosures for Ailis M&G Multi-Asset ESG

This document provides you with a summary of sustainability-related information available on our website about this financial product. It is prepared in relation to Article 10 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. The information disclosed is required by law to help you understand the sustainability characteristics and/or objectives and risks of this financial product.

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Summary	This Sub-fund promotes environmental or social characteristics.The Investment Manager identifies the sustainable investments according to SFDR on the basis of UN SDGs as described in more detail below in the section “Methodologies”.No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.The indicators used to measure the attainment of each of the environmental or social characteristic promoted by the Sub-fund are: • the absence of investments in securities that are on the exclusion list as result of the application of the exclusion policy. The Investment Manager excludes investment in sectors which it deems to be harmful from an SRI/ESG perspective or which do not follow good governance practices. The Sub-fund complies with an exclusions policy which refers to: i) the production, maintenance, sales and storage of weapons of mass destruction (WMD); and ii) the extractive activities, production and distribution of electricity connected with thermal coal, the energy source among fuels which represents the highest contributor in terms of carbon dioxide emissions; therefore, issuers deriving at least 25% of their revenues from these activities are excluded. The exclusion is extended to those issuers in breach of the Principles of the UN Global Compact which include principles relating to human rights, labour conditions, environmental issues and anti-corruption practices; • the ESG rating of the portfolio. To undertake the ESG rating analysis, sustainable characteristics of the underlying investments are defined by reference to a combination of data generated internally by the Investment Manager’s proprietary models and data provided by external ESG research providers. The assessment of the good governance practices is a central pillar of the investment process adoped by the Investment Manager and it consists on the assurance that the governance of each investee company is based on rules of conduct aligned to international best practices and inspired by the consideration of all stakeholder’s interests also by means of a remuneration policy. The good governance assessment takes into account sound management structures, employee relations, remuneration of staff and tax compliance. In order to guarantee compliance with the strategies adopted to promote environmental and social characteristics, the Investment Manager relies on external info-providers.The Investment Manager’s approach includes the adoption of strategies in line with the Principles for Responsible Investing (the “PRI principles”). These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy.In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 80% of the portfolio (box #1Aligned with E/S characteristics). The remaining proportion (20% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to: • cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes; • derivatives which may be held for for investment purposes, efficient portfolio management and hedging but not for promoting environmental and social characteristic ; • securities for which relevant data is not available.
No sustainable investment objective	This Sub-fund promotes environmental or social characteristics, but does not have as its objective sustainable investments.
Environmental or social characteristics of the financial product	The main environmental and social characteristics promoted by the Sub-fund through the Investment Manager’s ESG methodology are the following: • Environmental: Climate Change prevention (in terms for example of reduction of carbon emission, carbon footprint, climate change vulnerability), pollution & waste prevention (with reference to toxic emissions & waste, packaging material & waste, electronic waste), environmental opportunities (in clean tech, in renewable energy); • Social: Human Capital (labor management, health & safety, human capital development, supply chain labor standards), product liability (product safety & quality, chemical safety, consumer financial protection, privacy & data security, responsible investment, health & demographic risk), social opportunities (access to communications, access to finance, access to health care, opportunities in nutrition & health), stakeholder opposition (controversial sourcing, community relations). No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund.
Investment strategy	The Investment Manager’s approach includes the adoption of strategies in line with the Principles for Responsible Investing (the “PRI principles”). These strategies can be integrated into different steps of the investment process and they are based on exclusion criteria (for Issuers operating in non-socially responsible sectors or exposed to ESG risk) and in the integration of ESG factors into the analysis, selection and composition of managed portfolios with flexible approaches with regards to asset class typology and product investment strategy. The Sub-fund’s investment policy is set out in the Sub-fund Appendix.Consideration of ESG Factors is fully integrated into analysis and investment decisions. In order to identify securities for purchase, the Investment Manager reduces the potential investment universe as follows:

	1. The exclusions listed in the ESG Criteria are screened out. 2. The Investment Manager then performs further analysis, including consideration of ESG factors, to identify and take advantage of investment opportunities. The Investment Manager favours issuers with better ESG characteristics where this is not detrimental to the pursuit of the financial investment objective. This process should result in a portfolio with better ESG characteristics. In constructing a portfolio positively tilted towards investments with better ESG characteristics, the Investment Manager may nonetheless invest in investments across the full spectrum of ESG ratings. 3. The Investment Manager then performs further analysis to consider the valuation of these companies and the appropriate time topurchase in consideration of the Fund's financial objective. The Investment Manager operates a data driven quantitative good governance test used to consider investments into companies. M&G excludes investments in securities that are considered as failing the Investment Manager's good governance test. When assessing good governance practice the Investment Manager will, as a minimum, have regard to matters it sees relevant to the four identified pillars of good governance (sound management structures, employee relations, remuneration of staff and tax compliance).
Proportion of investments	In accordance with the binding element of the investment strategy adopted for promoting the environmental and social characteristics, the minimum proportion of the investments that meet the ESG criteria (in terms of ESG rating coverage) should be at least 50% of the portfolio (box #1Aligned with E/S characteristics). The remaining proportion (20% corresponding to the box #2 Other) of the investments (not included in the investments for promoting environmental or social characteristics) should be limited to: • cash and cash equivalent instruments which may be held as ancillary liquidity or for risk balancing purposes; • derivatives which may be held for for investment purposes, efficient portfolio management and hedging but not for promoting environmental and social characteristic ; • securities for which relevant data is not available.
Monitoring of environmental or social characteristics	The Fund's exclusions are coded and monitored on a pre and post trade basis as investment restrictions to prevent and detect investments that would not be compliant with the stated exclusions. Incidents are recorded, and resolved through an incident investigation process, and are reported as part of the SFDR reporting. The Fund's Positive ESG Tilt is coded and monitored on a pre and post trade basis as an investment restriction to prevent the Fund being managed in a way that is not compliant with the binding characteristic of the Positive ESG Tilt. The relevant characteristic is reported on as part of the SFDR reporting.
Methodologies	There are a variety of methods that can be used depending on the asset class or information type: • binary pass/fail test e.g. exclusion of sanctioned companies or countries • meets or exceeds a specific threshold e.g. revenue to contributes to an environmental outcome, or more than % of board diversity • industry certification evidencing sustainability performance e.g. Climate Bond Initiative (CBI) certified bond • contributes a set % of revenue to a climate, environmental or social cause • proprietary analysis to form an assessment of the sustainability characteristics e.g. net zero alignment In the case that particular data points are not available or insufficient, it is expected that the Investment Manager's own assessment will be sufficient.
Data sources and processing	Information can be sourced from third party data vendors including companies such as MSCI, Bloomberg or sourced from proprietary research and analysis. Data received from third party vendors typically comes from reputable and, in some cases, audited sources, such as annual reports of sustainability reports. Upon receipt, the data is checked by the analysts. To ensure that interpretation of data is consistent, benchmarking exercises are performed where appropriate. Collected ESG data is evaluated via use of a proprietary ESG scorecard, which is populated by the analysts. Data is processed through a combination of external and internal proprietary systems and digital platform tools which monitor the exposure of the funds both at fund and security level both pre and post trade. Use of estimated data is limited. However when an estimation is needed proprietary analysis and tools are used. For example, if a portfolio company does not disclose its greenhouse gas emissions, an estimation is made using the Investment Manager's proprietary carbon emission tool which estimates portfolio companies' carbon intensity levels.
Limitations to methodologies and data	ESG information from third party data providers and/or obtained directly from the issuers may be incomplete, inaccurate, stale or unavailable. As a result, there is a risk that the Fund may incorrectly assess an issuer. This in turn can result in the incorrect inclusion or exclusion of a company in the portfolio of the Fund. Incomplete, inaccurate or unavailable ESG data may also act as a methodological limitation to a non-financial investment strategy (such as the application of ESG risk and opportunity characteristics). Where identified, the Investment Manager will seek to mitigate this risk through its own assessment and take any appropriate remediation as necessary. Where limitations in the methodologies and data have been identified, the Investment Manager seeks to mitigate these through governance and oversight. Whilst, as with financial data, it is impossible to completely eliminate the risk of impact of an external data vendor error, the Investment Manager does conduct its own reviews and challenges where it believes investments have been misclassified. Where the methodologies and/or data are insufficient post mitigation to evidence that an investment is in compliance with the promoted characteristics, such investment may only be purchased if it is suitable for inclusion as an "Other investment, and the Investment Manager will continue to consider what further information can be obtained through additional research.

Due diligence	ESG due diligence is carried out as a part of fundamental investment research. Research analysts assess the Principal Adverse Impact metrics and identify key sustainability risks in order to evaluate and express their materiality for the subject company or investment. Analysts reflect their assessments in either written research or an ESG Scorecard. Where applicable, the analyst uses the ESG Scorecard to evaluate 15 mandatory and common factors and additional idiosyncratic factors deemed relevant to the subject company's risk profile and business mix. The mandatory factors for evaluation are as follows: • Climate: Disclosure, Intensity, Footprint, Vulnerability, Intent • Governance: Ownership & Control, Political Interference & Sovereign Concerns, Strategy and Financial policy, Disclosure and Transparency, Board, Regulation, Compliance and Oversight, Cybersecurity, Corporate culture and controversy • Social: Modern Slavery, Diversity & Inclusion • Sector-specific Key Issues determined from the SASB Materiality Map. In addition to the proprietary assessments described above, investment decision-making may also take account of third party ESG ratings, where available. Appropriate consideration of ESG factors is a mandatory objective in the due diligence process for analysts and fund managers. The section above entitled 'Monitoring of environmental or social characteristics' details the controls associated with the components of due diligence listed herein.
Engagement policies	With the aim of preventing, containing and managing the main adverse impacts of investment decisions on sustainability factors, the Management Company conducts engagement actions - both individual and collective with other investors - and exercises its voting rights on the issuers in its portfolio, in order to create awareness and orient the issuers' behaviors towards specific sustainability issues, according to the times and methods formalized in its "Engagement Policy" and in the "Strategy for the exercise of the attendance and voting rights attached to the financial instruments held by the UCITS under management". In this case, the Company informs the issuer about the identified criticalities, directing its decisions towards their immediate reduction. If these actions are not addressed in an effective and timely manner by the issuer, the Company evaluates to initiate specific reduction or disposal initiatives, even of a progressive nature, of the investment in these issuers. The initiatives carried out and the decisions taken regarding these activities are reported and formalized in order to guarantee a thorough traceability of the decision-making processes and outcomes
Designated reference benchmark	No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-fund .