

MIFID II PRODUCT GOVERNANCE

IFSL CAF ESG Income and Growth Fund

Product

The product is a non-complex, FCA authorised non-UCITs fund. The Fund is actively managed.

The aim of the Fund is to increase the value of an investment over a minimum of 5 years through a combination of capital growth - which is profit on investments held, and income received by the Fund - which is money paid out of investments, such as dividends from shares and interest from bonds.

The Fund also aims to outperform, over any rolling 5 year period, inflation plus 3% per annum. Inflation is measured as the UK Consumer Prices Index for these purposes.

The Fund is actively managed which means the Investment Manager decides which investments to buy or sell and when.

The Investment Manager uses a responsible investment selection process which consists of selecting assets that have a strong focus on Environmental, Social and Governance (“ESG”) considerations along with the potential to grow in value. The Fund aims to deliver a mixture of income and growth from a medium risk level of return.

The Fund will have exposure to ESG focused investments through a broad range of asset classes and investments across different industries and geographical regions, however not all asset classes may be held at all times. This will include:

- Between 40% and 70% in shares of companies.
- Between 10% and 40% in bonds.
- Up to 20% in investment trusts providing exposure to alternative assets such as, property and infrastructure.

Bonds, which are loans typically issued by companies, governments, and other institutions, may be either investment grade, where the issuer has a high and reliable capacity to repay the debt, or sub-investment grade, which can be more vulnerable to changing market conditions but typically pay a higher rate of interest.

The Investment Manager applies their own ESG rating mechanism to the investment selection process to identify assets that look to benefit from changes within the economy whilst offering robust management of ESG risks and opportunities. This process involves detailed research and analysis using both investment expertise combined with independent data.

The responsible investment process initially involves negative screening to avoid investing in companies that generate more than a defined percentage of revenue from the following activities:

- Tobacco, gambling services and armaments (military weapons and equipment) and civilian firearms – maximum of 5% of revenue.
- Pornography – maximum of 3% of revenue.
- Predatory lending, cluster munitions and landmines – 0% of revenue.
- Coal, unconventional oil or gas extraction (e.g. tar sands and shale), or coal power generation – maximum of 5% of revenue.

Following this analysis and asset selection the Investment Manager will then use an independent ESG ratings agency to verify their conclusions to ensure an overall high quality ESG rating for the Fund which can be independently verified.

The Fund will not invest in other collective investment schemes.

The Fund may hold up to 20% in cash to enable the ready settlement of liabilities, for the efficient management of the portfolio or in pursuit of the Fund's investment objective.

The Fund can use derivatives or forward transactions, instruments whose returns are linked to another asset, market or other variable factor, for efficient portfolio management purposes including the reduction of risk (hedging), although their use is expected to be minimal.

Target Market

The type of client to whom the product is targeted

As a non-complex fund it is targeted at retail investors, professional investors and eligible counterparties.

Clients' knowledge and experience

This fund is suitable for the basic investor. Investment experience is not a necessity however a basic understanding of the kind of underlying investments of the scheme is important. It has no complex features or guarantees in place that would require more than a basic understanding of investment markets or instruments.

Investors should read the Key Investor Information document which is intended to help investors understand the nature and risk of investing in this fund.

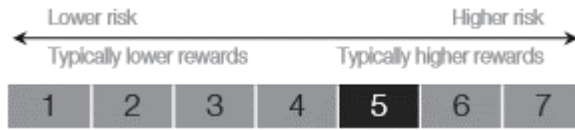
Investors are also advised to read the fund's prospectus which contains details on the objectives, investment strategies, risk, distribution policy, fees, expenses and Fund Management.

Clients' financial situation, with a focus on the ability to bear losses

Clients should be prepared to commit to their investment for the long term or risk losing part of their investment in the short to medium term. The minimum investment horizon should be greater than five years.

Investors will have no risk of loss greater than their invested amount. As a fund with exposure to financial instruments investors should be aware that the potential exists for a total loss of assets and should therefore be able to bear such losses. However, the fund will be managed in such a way to reduce this risk considerably.

Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market



This Fund has been measured as 5 because its investments have experienced moderate to high volatility in the past. The Fund's volatility is affected by various risks.

The Fund is therefore compatible with clients who have a higher than medium risk tolerance.

Perceptions of risk will vary from person to person. The risk tolerance identified here refers to a fund which invests in such a way as to maintain moderate to high volatility. It will not take significant positions in single markets or asset classes or invest in highly speculative assets.

Clients' objectives and needs

The client's objectives should be in line with the Fund's investment objective, which is to generate Capital Growth and Income over the longer term (5 years +) by gaining exposure to a balanced mix of asset classes.

Clients who should not invest (the 'negative-target market')

The Fund may not be suitable for certain investors, including but not limited to those whose objectives and needs are not consistent with the nature of the Fund, those who are unable to commit capital for a sufficient term or do not have sufficient resources to bear any loss which may result from an investment in the Fund. The Fund is also not committed to meeting any specific ethical, social, religious or environmental restrictions which some investors may be seeking.

Distribution channel

The Fund will be distributed primarily via fund platforms, wealth managers, discretionary fund managers and financial institutions.