



3D Fund Lite Profile:

Triodos Sterling Bond Impact Fund

OUR VIEW



Triodos is known as a real pioneer in sustainable investing, chiefly through its banking operation. This fund invests in a concentrated portfolio of investment-grade, GBP denominated corporate, sovereign and sub-sovereign bonds that fall into one of seven transition themes which are key to helping society to overcome systemic sustainability challenges. We have a very high level of confidence in Triodos' commitment to impact investing, evidenced by its wholesale focus on impact investing and extensive advocacy. Indeed, this fund is far more focused on investing in solutions to social and environmental challenges than the vast majority of fixed income funds with a Responsible investment mandate and, for the proportion of the fund that is not invested in solutions, there is considerable evidence of delivering positive impacts through good operational practices, which underpins our AA rating.

RESPONSIBLE INVESTMENT APPROACH

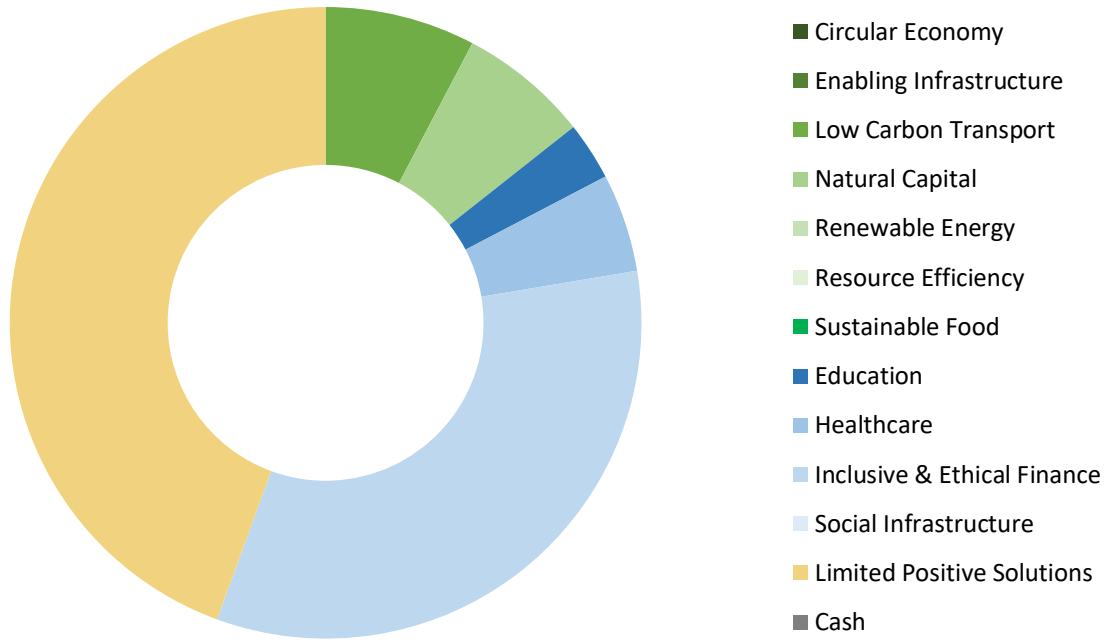
Ethical Screening Responsibility Engagement Sustainability Impact

Key Approach: Impact

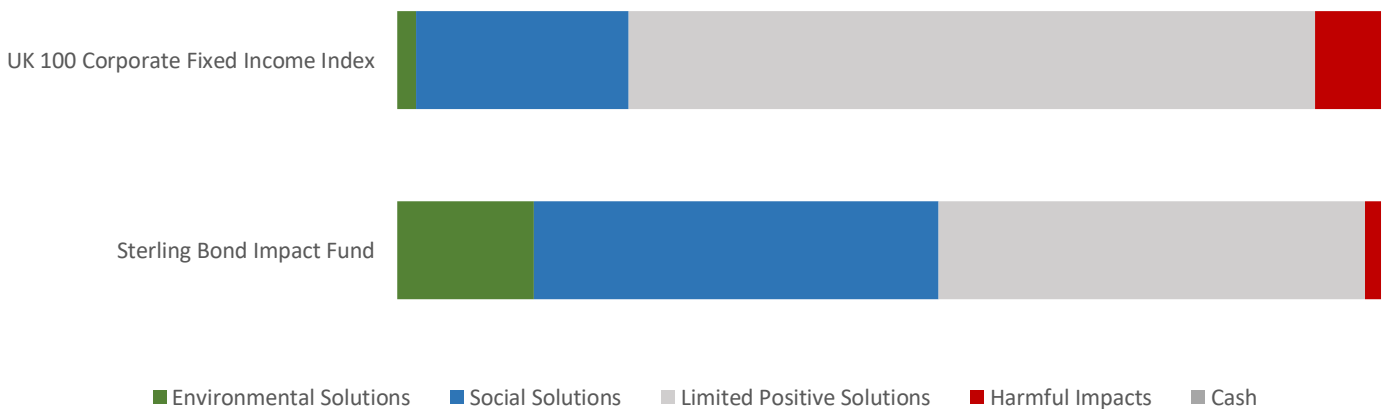
RI DIMENSION	RATING*
PROCESS	
RI Capability	3D Gold
RI Strategy	3D Gold
RI Reporting	3D Silver
OUTCOMES	
Investment in SDG Solutions	3D Silver
Controversy Avoidance	3D Silver
Leading Change	3D Silver

* See below for an explanation of the ratings. Full details can be downloaded at www.squaremileresearch.com/

INVESTMENT IN SDG SOLUTIONS*



Source: Triodos IM & Square Mile Research



Source: Triodos IM & Refinitiv

* See notes below for details of classifications

3D Impact Ratings*

The 3D Impact Rating can be thought of as an informed opinion based on detailed analysis of objective data. A holistic view is taken of the fund to arrive at an overall conclusion based on consideration of multiple factors, with funds of the same rating having different strengths and weaknesses. The rating is an expression of confidence in the social and environmental impact of the fund, with typical attributes (one factor may be partly compensated by another) including the following:

	Avoid Harm <i>Negative contribution to SDGs</i>	Do Good <i>Direct positive contribution to SDGs</i>	Lead Change <i>Indirect influence</i>
	No exposure to stocks that make a high negative contribution to SDGs	> 50% of fund invested in companies that make a positive contribution to SDGs through their core products and services	Some evidence of positive influence on investee companies
	No exposure to stocks that make a high negative contribution to SDGs	> 66% of fund invested in companies that make a positive contribution to SDGs through their core products and services. Clear intention to make a positive impact.	Some measurement of impacts and influence + evidence of engagement to raise standards on RI issues
	No exposure to companies which make a high negative contribution to SDGs. Any negative contributions to SDGs are minimised	> 90% of fund invested in companies that make a positive contribution to SDGs through their core products and services. Clear intention to make a positive impact.	Systematic measurement of impacts and influence + comprehensive engagement to raise standards on RI issues + participation in collaborative initiatives

* For more details of the 3D process and methodology please visit <https://www.squaremileresearch.com/Our-services/Research/3D-Investing>

Certification Rating Guidelines

	Gold	Silver	Bronze	Standard Not Met
RI Capability	Major resource (proportionate to size of organisation) including internal RI specialists; ability to produce detailed, granular RI reports and to make qualitative judgements.	RI Resource is significant and includes internal RI specialists and proprietary RI systems	RI resource is sufficient for effective delivery	RI resource is limited with a lack of senior level commitment.
RI Strategy	Sophisticated RI strategy which considers both the impacts of products and services of investee companies and their operational impacts; a clear engagement strategy; and a theory of change.	Rounded strategy which considers RI impact in terms of the operational practices of investee companies and of their products and services.	Clearly articulated RI strategy.	No clear strategy beyond ESG integration.
RI Reporting	Excellent standard of RI reporting with a high level of evidence. Typically this would include impact and engagement outcomes.	Good standard of RI reporting which may include detailed carbon reporting, annual RI Review, Engagement Report and Impact Report.	Some systematic RI reporting.	No systematic RI reporting.
Doing Good - Investment in SDG Solutions	Systematic reporting of positive impacts, with >66% of the portfolio invested in social and environmental solutions.	> 50% of the portfolio is invested in social and environmental solutions.	Clear evidence of above average positive impact (operational practices or core products & services) when compared with the benchmark index.	No clear evidence of positive impact (operational practices or core products & services) when compared with the benchmark index

Avoiding Harm - Controversy Avoidance	No exposure to companies which make a high negative contribution to SDGs. Limited exposure to different types of controversy with indirect, debatable or low negative contributions to SDGs.	Exposure to multiple types of controversy with an indirect, debatable or low negative contribution to SDGs; or isolated exposure to companies that make a high negative contribution to SDGs. Stocks meet any stated exclusion criteria.	Exposure to stocks that make a high negative contribution to SDGs, but meet stated exclusion criteria.	Stocks do not meet stated exclusion criteria and have significant exposure to stocks that make a high negative contribution to SDGs.
Leading Change – Engagement, Advocacy & Voting	Clear targets and systematic reporting of success on engagements with significant E & S component; Rationale for voting published; companies informed of reasons for voting against or abstaining; Leadership in educative, promotional or collaborative RI initiatives	Systematic engagement with an Intention to influence for benefit of wider stakeholders; Some evidence of E & S in voting policy; Extensive participation in educative, promotional or collaborative RI initiatives	Systematic engagement with evidence of wider stakeholder benefits; Full disclosure of voting; Participation in educative, promotional or collaborative RI initiatives.	Engagement lacking evidence of wider stakeholder benefits or systematic reporting; Voting not undertaken for ALL shares, or incomplete reporting on voting; No promotion of RI or participation in collaborative initiatives.



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