

MBA GLI Article 10 Information Statement

The Maple-Brown Abbott Global Infrastructure Fund (the “Fund”) has been categorised as meeting the provisions set out in Article 8 of the SFDR in relation to products that promote environmental and social characteristics. This document details the following information:

Important notice

This document provides information on the Fund in relation to the Sustainable Finance Disclosure Regulation (SFDR). It is not marketing material. This information must be read in conjunction with other relevant documentation on the Fund available on the Maple-Brown Abbott website.

Summary

Environmental or social characteristics promoted

The environmental and social characteristics promoted by the Fund relate to emissions reduction measures, the strength of emissions reduction targets, alignment with the Paris Aligned Investment Initiative (PAII), valuation changes according to different climate change scenarios and gender diversity.

The minimum proportion of investments aligned with environmental and social characteristics promoted by the Fund in category is 80%. This number is derived from the Fund’s emissions reduction targets, which apply to all investee companies, and dedicated engagement efforts to help achieve the stated environmental and social characteristics. The Fund promotes environmental or social characteristics but does not have as its objective sustainable investments.

Approach to sustainable investments

The Fund is partially invested in sustainable investments according to article 2(17) of the SFDR. The sustainable investment objective (of the sustainable investments that the financial product partially intends to make) is to contribute to climate change mitigation efforts to help achieve the long-term temperature goal of the Paris Agreement. The methodology employed by the Portfolio Manager is guided by SBTi commitments and/or level of alignment with the PAII framework.

Environmental and social integration in the investment strategy

The Portfolio Manager integrates ESG factors into the investment process. The stock ranking process includes a 50% weighting to valuation upside, 20% weighting to corporate sustainability and governance, 15% weighting to inflation protection and 15% weighting to cash flow volatility. The Portfolio Manager also engages with certain companies on specific environmental, social and/or governance matters to help minimise ESG risks and contribute to more sustainable outcomes. Further detail can be found in the Fund offer documents.

Assessing, measuring and monitoring the environmental or social characteristics

The investment team is responsible for monitoring and promotion of environmental and social characteristics. Different roles and responsibilities include:

- The Portfolio Managers are responsible for factoring in environmental and social considerations into buy and sell decisions and when setting target weights for the Fund.
- The analysts, with the input and guidance of a dedicated ESG Analyst, are responsible for identifying and assessing environmental and social factors relevant to their industry and stock coverage.
- Various investment committees provide an additional layer of due diligence to these monitoring activities.

Methodologies used by to measure the promotion of environmental and social characteristics include:

- ESG integration through the use of the CS&G scorecard.
- Emissions metrics and monitoring of investee companies and the Fund.
- Assessment and categorisation of investee companies' emissions reduction targets and energy transition plan.
- Use of climate scenario analysis to inform valuation of risks and opportunities associated with climate change.
- Regular ESG-focused engagements with investee companies to assess performance against environmental and social characteristics.

Data sources

The Portfolio Manager uses various data sources to assist with monitoring the environmental and social characteristics promoted by the Fund. These include data sourced from the companies themselves, third-party data providers and broker research. The Portfolio Manager seeks to reconcile third party data points with companies' public reporting as a quality check.

These data points are used in monitoring systems and dashboards to assist with guiding and informing:

- ESG integration in the investment process;
- ESG-focused engagements with investee companies;
- Active monitoring of GHG emissions;
- Research on low carbon and transitioning companies; and
- Proxy voting decisions.

There are some known limitations to certain data points in terms of completeness and accuracy of estimates. To help overcome this challenge, the Portfolio Manager may contact the investee company directly to source the information or engage with the company to improve their disclosure practices.

Due diligence and policies

Investment Committees, company research meetings and the oversight of the dedicated ESG Analyst provide an additional layer of due diligence to the monitoring activities highlighted in section 'Monitoring of environmental and social characteristics'. Due diligence is governed by the relevant internal policies and procedures, which are available on the Portfolio Manager's website.

No sustainable investment objective

The Fund promotes environmental or social characteristics but does not have as its objective sustainable investments.

Environmental or social characteristics promoted

The Fund promotes environmental and social characteristics in the manner contemplated by Article 8 of the SFDR. The characteristics promoted by the Fund include investee companies' emissions reduction measures, the strength of emissions reduction targets, alignment with the Paris Aligned Investment Initiative (PAII), valuation changes according to different climate change scenarios and gender diversity. These characteristics are in addition to good governance practices assessed by the Portfolio Manager in the investment process.

Investment strategy

The Fund is invested in listed infrastructure securities that own and/or operate physical infrastructure assets around the world. The infrastructure assets targeted are the physical structures and networks that provide essential services to their relevant communities. The Portfolio Manager considers a narrower range of “core” infrastructure assets compared to many other portfolio managers and infrastructure indices. Attributes that the Portfolio Manager believes are important in determining whether the infrastructure assets should be defined as “core” infrastructure include a strong strategic position within the economy that they operate, inflation protection, low volatility and a high level of corporate governance. The Portfolio Manager will typically closely monitor more than 100 infrastructure securities by considering these attributes.

The Portfolio Manager integrates ESG factors into the investment process. The stock ranking process includes a 50% weighting to valuation upside, 20% weighting to corporate sustainability and governance, 15% weighting to inflation protection and 15% weighting to cash flow volatility. The Portfolio Manager also engages with certain companies on specific environmental, social and/or governance matters to help minimise ESG risks and contribute to more sustainable outcomes. Further detail can be found under sections of the Prospectus entitled ‘Sustainability Risks’ (under ‘Risk Factors’) and ‘Responsible Investment’ (under ‘The Company’).

With regards to portfolio construction, a bottom-up approach is pursued based on analysis and estimates prepared by the Portfolio Manager. The Portfolio Manager believes that rigorous analysis of the attributes and valuation as described above is necessary to find the best listed infrastructure investment opportunities. The Portfolio Manager considers investments on a long-term basis (approximately at least a four-year time horizon). Whilst not being a “top-down” manager, the Portfolio Manager is explicitly macro-aware throughout the investment process, focusing on the macro factors that it believes to have the greatest impact on infrastructure asset valuations. Once the portfolio has been constructed based upon the bottom-up approach, the Portfolio Manager reviews the portfolio for any unintended macro-economic risks such as country or currency exposures and may alter the portfolio if appropriate to address these risks.

The Portfolio Manager assesses the good governance practices of companies as part of its overall approach to ESG integration and looks to ensure that investee companies follow good governance practices, through methods including the review of company research reports, participation in company meetings and dedicated ESG engagements. The Portfolio Manager’s stock ranking process includes a 20% weighting to the quality and strength of management and the corporate governance of investee companies, of investee companies’ corporate sustainability practices and management and corporate governance.

Proportion of investments

The minimum proportion of investments aligned with environmental and social characteristics promoted by the Fund in category is 80%. This number is derived from the Fund's emissions reduction targets, which apply to all investee companies, and dedicated engagement efforts to help achieve the stated environmental and social characteristics. Actual levels range between 80-100% depending on cash held in the Fund for liquidity and portfolio management purposes.

Of that 80%, the Portfolio Manager expects a minimum of 40% of investments to be classified as sustainable investments in line with Article 2 of the Sustainable Finance Disclosure Regulation (SFDR) and provided they do not cause significant harm.

The remainder of the investments relate to cash and therefore do not incorporate any environmental or social characteristics.

Monitoring of environmental and social characteristics

The Portfolio Manager promotes environmental and social characteristics, in addition to good governance practices, throughout the investment process. Please refer to the following section for further information on methodologies employed to help monitor these characteristics.

The investment team is responsible for monitoring and promotion of environmental and social characteristics. The Portfolio Managers are responsible for factoring in environmental and social considerations into buy and sell decisions and when setting target weights for the Fund. The analysts, with the input and guidance of a dedicated ESG Analyst, are responsible for identifying and assessing environmental and social factors relevant to their industry and stock coverage. A discussion of these factors is included in every research report and discussed at subsequent research meetings. The ESG Analyst is involved in various stages of the investment process to help promote environmental and social characteristics. These stages include company research, discussions on stock buy and sell decisions, company meetings and engagements and proxy voting decisions. Various investment committees provide an additional layer of due diligence to these monitoring activities.

The sustainability indicators used to measure the attainment of the environmental and social characteristics are described in the Fund Prospectus in Annex II.

Methodologies for measuring environmental and social characteristics

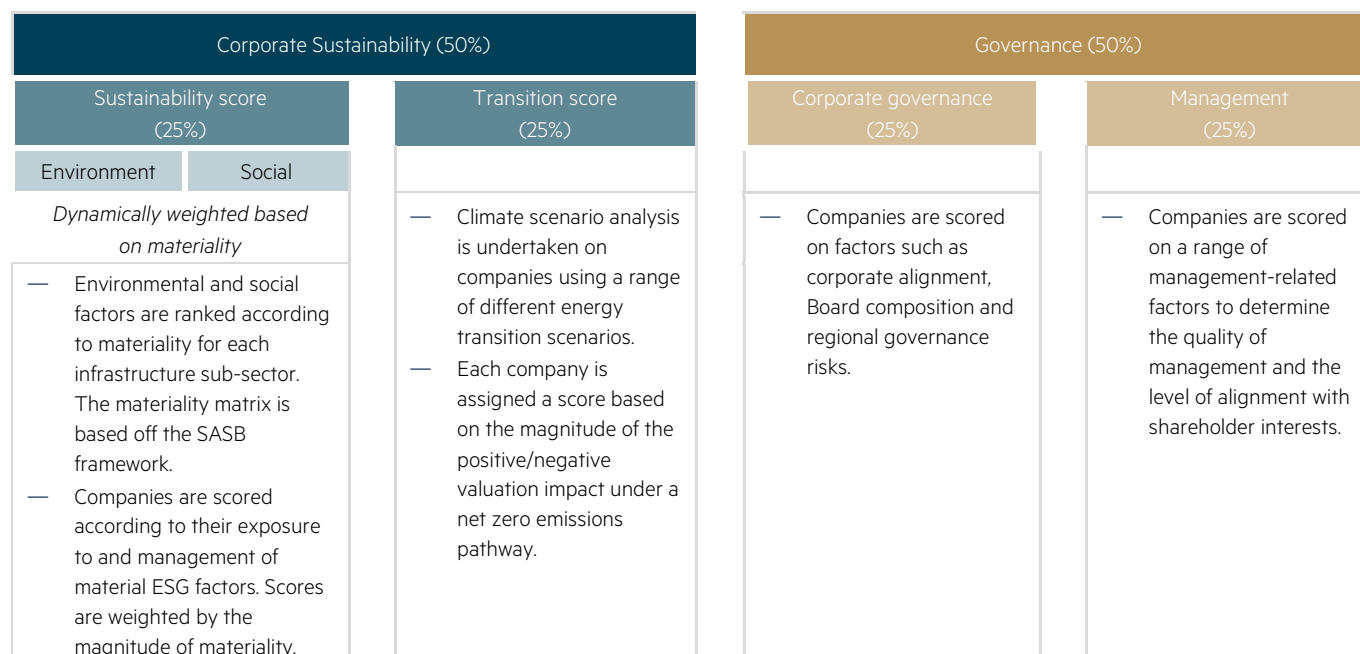
Methodologies used by the Portfolio Manager to measure the promotion of environmental and social characteristics include:

ESG integration

The Portfolio Manager's stock ranking process includes a 20% weighting to corporate sustainability and governance (CS&G) factors through the CS&G scorecard. ESG factors are assessed in all company research and factored into any sell decisions. All investee companies are subject to an ESG assessment and consideration of associated risks and opportunities. The following diagram provides an overview of how the CS&G scorecard works.

Corporate Sustainability and Governance (CS&G) Scorecard

Represents 20% of total company score



Emissions reduction progress of the Fund

The Portfolio Manager uses a weighted average carbon intensity calculation in line with the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD). This methodology is used to assess the emissions profile of the Fund and measure progress against the Portfolio Manager's commitments as signatory to the NZAMi.

The quality of companies' decarbonisation strategies

The Portfolio Manager uses the Science Based Targets Initiative (SBTi) and the Paris Aligned Investment Initiative's Net Zero Investment Framework (PAII) to assess the quality of companies' emissions targets and decarbonisation strategies. The SBTi and the PAII both use widely-used methodologies to help measure the strength of companies' commitment to next zero emissions.

Climate change risks and opportunities

The Portfolio Manager uses energy transition models developed by the IEA to assess climate risks and opportunities. These models are publicly available, updated annually and widely used. The Portfolio Manager uses these insights to assist with company scoring, modelling, research and engagement.

ESG-focused engagement with investee companies

The Portfolio Manager undertakes dedicated engagements with investee companies to gain a deeper knowledge of how boards and management teams are responding to environmental and social risks and opportunities. Information gained from these meetings informs the Portfolio Manager's research and evaluation of a company. Objectives are set for all engagement meetings and assist with the monitoring of investee companies' environmental and social characteristics.

Data sources and processing

The Portfolio Manager uses a combination of data sources to assist with the monitoring and promotion of environmental and social characteristics. These include:

- Proprietary data derived from investee company desktop research;
- Proprietary data sourced directly from investee companies through questionnaires;
- Third-party data providers, rating and assessment bodies and collaborative initiatives; and
- Broker research and data on environmental and social factors.

The Portfolio Manager seeks to reconcile third party data points with companies' public reporting as a quality check. The Portfolio Manager also sense checks environmental and social data to assess the extent to which it reflects the Portfolio Manager's understanding of a company's business operations, model and strategy.

The combination of these data points is used to develop monitoring systems and dashboards that are utilised by the Investment Management team. They assist with guiding and informing:

- ESG integration in the investee company assessments and scoring in the investment process;
- ESG-focused engagements with investee companies;
- Active monitoring of GHG emissions;
- Research on low carbon and transitioning companies; and
- Proxy voting decisions.

Limitations to methodologies and data

The Portfolio Manager makes best endeavours to check that data points and methodologies are as accurate as possible and based on the most up-to-date information. However, some proprietary and third-party data may be based on estimates where investee company disclosure is lacking, incomplete or not available. To overcome this challenge, the Portfolio Manager may contact the investee company directly to source the information or engage with the company to improve their disclosure practices.

Due diligence

Investment Committees, company research meetings and the oversight of the dedicated ESG Analyst all provide an additional layer of due diligence to the monitoring activities highlighted in section 'Monitoring of environmental and social characteristics'. Due diligence is governed by the relevant internal policies and procedures.

Engagement policies

The Maple-Brown Abbott Engagement Policy outlines the Portfolio Manager's commitment and approach to company engagement and summarises the ESG factors that are considered in engagement activities.

This policy is further supplemented by the Global Listed Infrastructure team's engagement framework and annual engagement reporting. The MBA Engagement Policy should be read in association with the MBA Responsible Investment, Proxy Voting and Climate Change Policies. These documents can be found at maple-brownabbott.com/responsible-investment/

Designated reference benchmark

No ESG reference benchmark has been designated for the Fund

More information

More information regarding the Fund and the Portfolio Manager's approach to sustainability can be found at maple-brownabbott.com/our-approach-to-esg-gli and maple-brownabbott.com/responsible-investment/