BORDER TO COAST UK LISTED EQUITY ALPHA FUND

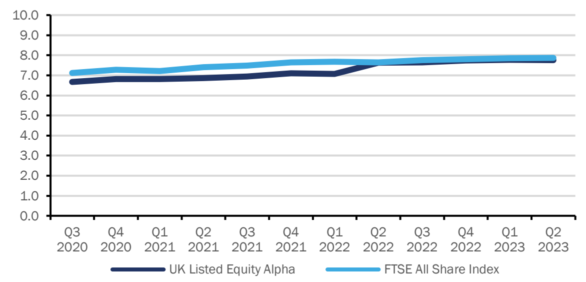
ESG & CARBON REPORT

Q2 2023

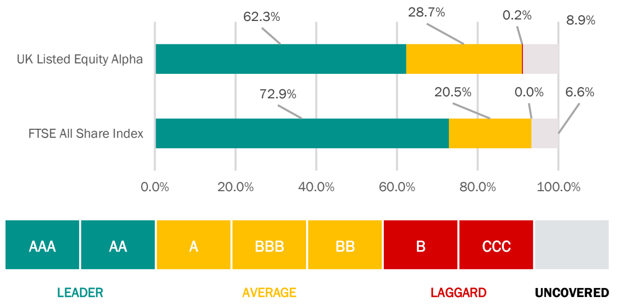
MSCI ESG RATING
AA

	End of Quarter Position[1]			Key	
	MSCI ESG Rating	Weighted ESG Score	vs. Benchmark		Fund has an equal or better *Weighted ESG Score* than the benchmark.
UK Listed Equity Alpha	AA [1]	7.8 [1]			Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
FTSE All Share Index	AA [1]	7.9 [1]			Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1]



Highest ESG Rated Issuers[1]				Lowest ESG Rated Issuers[1]			
	% Portfolio Weight	% Relative Weight	MSCI Rating		% Portfolio Weight	% Relative Weight	MSCI Rating
Diageo	3.4%	+0.1%	AAA [1]	Youngs & Co Brewery	0.1%	+0.1%	B [1]
Burberry	2.9%	+2.6%	AAA [1]	Fevertree Drinks	2.5%	+2.5%	BB [1]
Relx	2.5%	+0.4%	AAA [1]	Lancashire Holdings	0.6%	+0.5%	BB [1]
The Sage Group	2.4%	+2.0%	AAA [1]	Alpha Financial Markets Consulting	0.2%	+0.2%	BB [1]
Unilever	2.3%	-2.2%	AAA [1]	Learning Technologies Group	0.2%	+0.2%	BB [1]

Quarterly ESG Commentary

- The Fund's weighted ESG score was stable over the period and remains marginally below the benchmark, due to its greater allocation to companies rated A-BB. This is driven primarily by an overweight to smaller companies, which are often less mature in their reporting and disclosure practices.
- The Fund's overall ESG rating fell during the period from AAA to AA. This is due to a change in methodology at MSCI, whereby the weighted ESG score was adjusted based on several factors including momentum of recent ratings changes and exposure to laggards. This adjustment has now been abolished; therefore, Funds with a high proportion of recent upgrades and/or low exposure to laggards no longer experience an upward adjustment resulting in the rating being adjusted downward.

Feature Stock: Learning Technologies Group

Learning Technologies is a global provider of software and services related to digital learning and talent management. The business seeks to help companies to develop and retain their talent. The investment case is premised on management's ability to consolidate and increase share of a fragmented market through both organic growth and acquisitions.

Whilst the Company has a large opportunity to influence the reduction of scope 3 emissions generated for travel on behalf of customers, the main ESG consideration in relation to the Company is around corporate governance. The Non-Executive Chairman Andrew Brode and CEO Jonathan Satchell, own 15% and 8% of the equity in the Company respectively. Given the acquisitive nature of this Company the main concern is regarding effective scrutiny of the board strategy.

Engagement with the board has taken place on two occasions this year, on both occasions board composition was discussed alongside the need to put succession planning in place for Mr Brode, name a Senior Independent Director and to hire more non-executive directors. Board succession planning is on the agenda for the Company and the situation will continue to be monitored and discussed going forward.

[1]Source: MSCI ESG Research 30/06/2023

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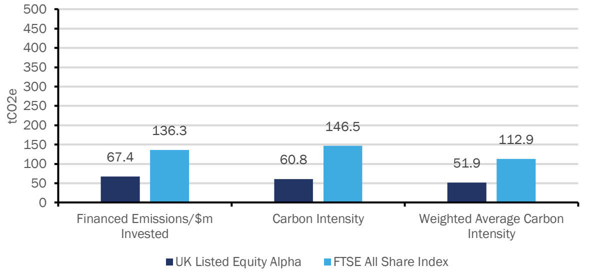
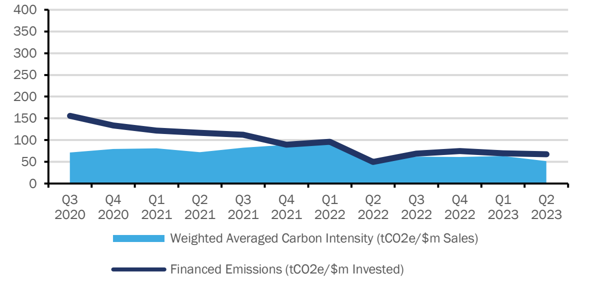
AA

PENSIONS PARTNERSHIP

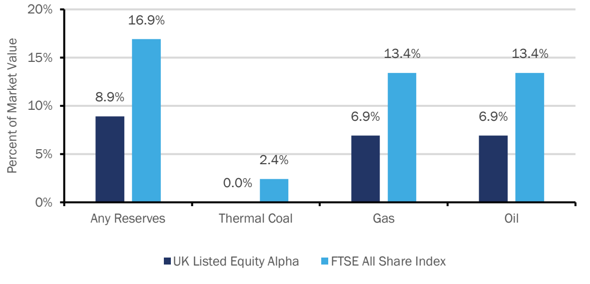
Carbon Emissions and Intensity[1]



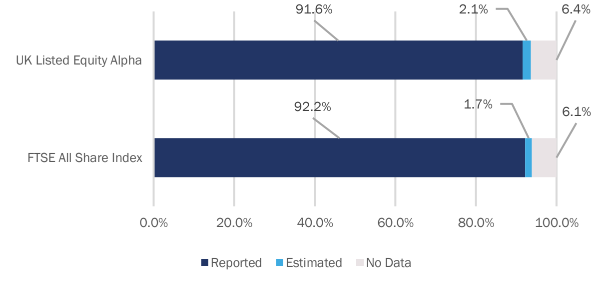
Carbon Trends[1]



Weight of Holdings Owning Fossil Fuel Reserves[1]



Availability of Carbon Emissions Data (% of Market Value)[1]



Largest Contributors to Financed Emissions[1]

	% Portfolio Weight	% Relative Weight	Contribution	CA100+	TPI Level
Shell	2.1%	-4.9%	22.1% [1]	Yes	4
easyJet	0.7%	+0.6%	17.2% [1]	No	3
BP	2.2%	-1.3%	11.6% [1]	Yes	4*
Centrica	2.3%	+2.0%	7.3% [1]	Yes	4
Anglo American	1.2%	-0.0%	6.5% [1]	Yes	4*

Quarterly Carbon Commentary

- Portfolio financed emissions and carbon intensity metrics fell marginally, largely in line with the benchmark over the period,
- The Fund remains materially below the wider index on all metrics, owing to the relative underweight allocations to high emitting sectors including materials and energy.

Feature Stock: Shell

Shell is an international energy company with operations divided into: Upstream (exploration and production), Integrated Gas, New Energies, and Downstream (refining and distribution). The large oil majors have strong balance sheets, high free cash flow yields and well covered dividends. The Company has upgraded its upstream portfolios making them more resilient if oil demand begins to wane at the end of the decade, as expected. The Company is also diversifying its businesses and deploying capital to participate in the energy transition.

Shell has a large carbon footprint. However, the Company has reduced its scope 1 and 2 emissions aggressively since setting targets in 2016 (absolute emissions are down 30%) and scope 3 down by 24%, driven predominantly by divestments. As a result of this divestment, production has fallen 22% since 2019. It is more challenging to shift the carbon intensity of the business away from fossil fuels as it will take time to scale up low carbon energy sources such as wind, solar, biofuels and hydrogen.

Alongside continued engagement as part of the CA100+ initiative, management was hosted for a separate engagement meeting over Q2. They recognised the Company's strength lies in its ability to participate in diverse value chains, with a particular advantage in low carbon sectors like bioenergy and hydrogen. While we will continue to challenge Shell's management and board, and may at times disagree with them, Shell remains a strong investment proposition from a value perspective as well as being a big and potentially positive player in the energy transition. As we have previously written, we believe in the importance of remaining invested, retaining our influence and, with other shareholders, co-opting these companies into being greater supporters of the energy transition.

[1]Source: MSCI ESG Research 30/06/2023

Issuers Not Covered [1]		
Reason	ESG (%)	Carbon (%)
Company not covered	7.6%	5.1%
Investment Trust/ Funds	1.3%	1.3%

Important Information

[1]Source: MSCI ESG Research 30/06/2023

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