BORDER TO COAST EMERGING MARKETS EQUITY ALPHA FUND

ESG & CARBON REPORT

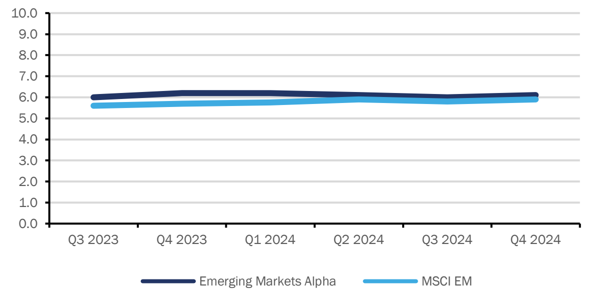
Q4 2024

MSCI ESG RATING

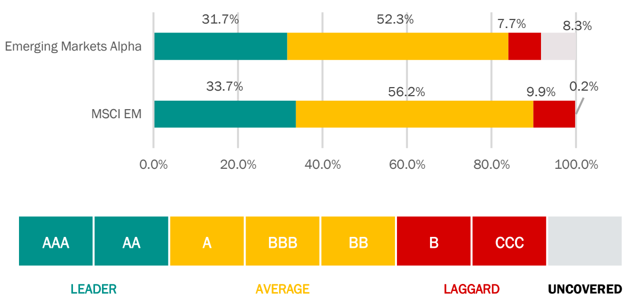
A

	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.
Emerging Markets Equity Alpha	A [1]	6.2 [1]			Fund has a *Weighted ESG Score* within 0.5 of the benchmark.
MSCI Emerging Index	A [1]	5.9 [1]			Fund has a *Weighted ESG Score* more than 0.5 below the benchmark.

MSCI Weighted Score Trend[1]



MSCI ESG Weightings Distribution[1,2]



Highest ESG Rated Issuers [1]				Lowest ESG Rated Issuers [1]			
	% Portfolio Weight	**% Relative Weight**	**MSCI Rating**		**% Portfolio Weight**	**% Relative Weight**	**MSCI Rating**
Taiwan Semiconductor	12.4%	+1.9%	AAA [1]	PDD Holdings	0.5%	-0.4%	CCC [1]
China Merchants Bank	1.0%	+0.8%	AAA [1]	Hyundai Motor Company	0.5%	+0.2%	CCC [1]
Allegro	0.4%	+0.3%	AAA [1]	Jiangsu Hengli Hydraulic	0.4%	+0.4%	CCC [1]
KB Financial Group	0.4%	+0.1%	AAA [1]	Amber Enterprises	0.4%	+0.4%	CCC [1]
Old Mutual Limited	0.2%	+0.2%	AAA [1]	Saudi Tadawul Group	0.2%	+0.2%	CCC [1]

Quarterly ESG Commentary

- The Fund continues to score above the benchmark across all ESG metrics. Relative performance is driven by the lower proportion of ESG “laggards” held by the Fund and higher proportion of “ESG leader” rated companies held by the Fund.
- This quarter the Fund saw the downgrade of PDD holdings to a ‘CCC’ ESG rating. This increased the number of ‘CCC’ rated companies held by the Fund from four to five. PDD Holdings is this quarter’s feature stock.

Feature Stock: PDD Holdings

PDD Holdings Inc. is a multinational commerce company that is focused on opportunities in the digital economy. The company has built a network of sourcing, logistics, and fulfillment capabilities that support its underlying businesses. PDD combines a social-commerce concept with a strong emphasis on supply chain efficiency that provides consumers with value-for-money products. Under this model the company is one of the fastest growing internet companies in China with 90% YoY revenue growth in 2023. PDD’s domestic business is expected to grow at 15% YoY over the next 5 years, driven by market share gain through its strong value-for-money proposition. PDD’s global business Temu has seen significant growth since its inception in 2022. PDD’s domestic and global growth make it an attractive holding.

The two major areas of ESG risk for PDD come from the company's supply chain and data management. The company's extensive logistics and delivery network results contributes to a substantial carbon footprint. As the company continues to grow, growing emissions need to be managed to avoid regulatory risks and adverse public opinion. Ensuring fair labour practices throughout its supply chain is another crucial action to prevent reputational harm and potential legal issues. PDD manages large volumes of consumer information, making it vulnerable to data breaches and privacy concerns. PDD’s management of this complex and evolving global regulatory landscape needs to be a key focus as it continues to grow.

[1]Source: MSCI ESG Research 31/12/2024
[2]We have restated Q3 2024 ESG % Coverage Values to the following:
EM Alpha Leader:28.7% Average:53.6% Laggard:10.2% Not Covered:7.5% MSCI EM Leader:33.7% Average:58.7% Laggard:11.6% Not Covered:0.9%

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A

BORDER TO COAST PENSIONS PARTNERSHIP

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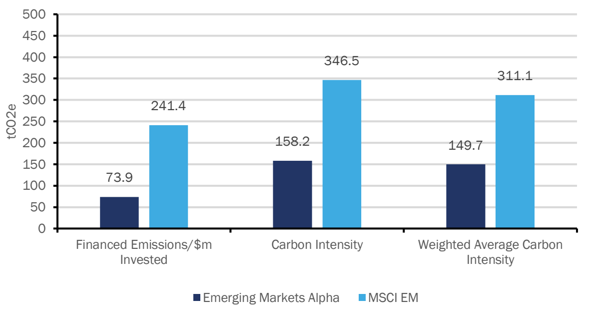
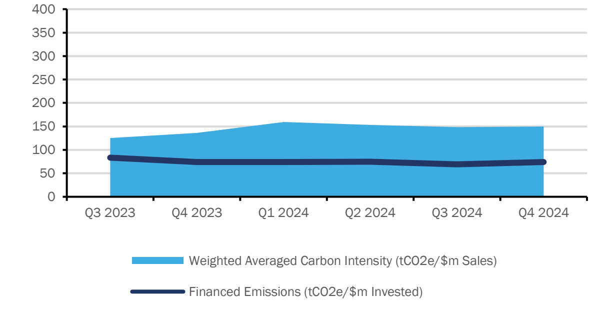
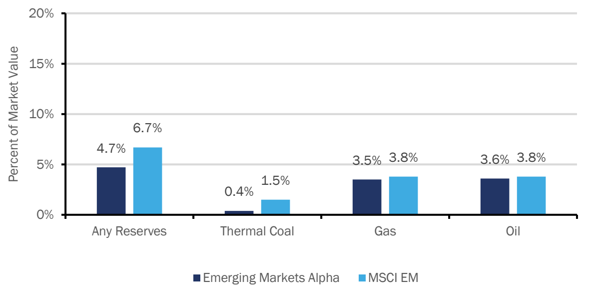
Carbon Emissions and Intensity[1]



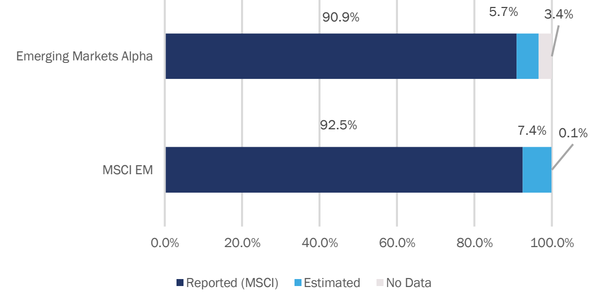
Carbon Trends[1]



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
Hindalco Industries	0.4%	+0.3%	11.2% [1]	N/A	3
Cemex	0.2%	+<0.1%	9.2% [1]	Yes	4
UltraTech Cement	0.3%	+0.1%	8.1% [1]	Yes	3
PetroChina	0.6%	+0.4%	7.1% [1]	Yes	3
Petroleo Brasileiro	0.8%	+0.4%	6.2% [1]	Yes	4

Quarterly Carbon Commentary

- The Fund remains materially below the benchmark across all emissions metrics.. Despite reduced positions in Hindalco and Petrobras and reduction in the reported emissions from Cemex and Petrobras, material reductions in Hindalco's and Petrobras's market capitalisation drove a 7% net increase in the Fund's financed emissions.
- The Funds top five contributors to financed emissions account for 43% of the Fund's financed emissions. The top five emitters consist of material and energy companies despite being overweight in the energy sector, the Fund's absolute emissions from these sectors are 50% lower than the benchmark. PetroChina, an active position in the energy sector, is this quarter's feature stock.

Feature Stock: PetroChina

PetroChina is the listed arm of one of China's two integrated oil majors and is China's largest oil and gas producer. The company has monopolistic rights to produce oil and gas within its operating area, mainly onshore China, due to China's regulation on oil production. PetroChina is well positioned to benefit from an upcycle in the global oil market.

The company has set a 'near-zero' net emissions target by 2050. The company's rich natural gas resources are an essential part of China's carbon neutral roadmap. The company is also targeting US$0.4–0.7 billion per year investment in geothermal, solar, wind and hydrogen between 2020 and 2025; rising to US$1.5 billion per year following.

China's carbon capture, utilization and storage ("CCUS") capacity was 3.5mn tons in 2023, only 6% of global capacity. PetroChina is leading China's CCUS construction and application. The company's largest CCUS project is in the Jilin province with 0.8mn tons capacity and it is planned to expand to 3mn tons in the next 5 years and 30mn tons by 2035. The CCUS project will not only reduce carbon emissions but will also increase its oil recovery rate.

[1]Source: MSCI ESG Research 31/12/2024

Issuers Not Covered		
Reason	ESG (%)[1]	Carbon (%)[1]
Company not covered	6.7%	1.8%
Investment Trust/ Funds	1.6%	1.6%

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* In accordance with the licence agreement between Border to Coast and MSCI

[1]Source: MSCI ESG Research 31/12/2024

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