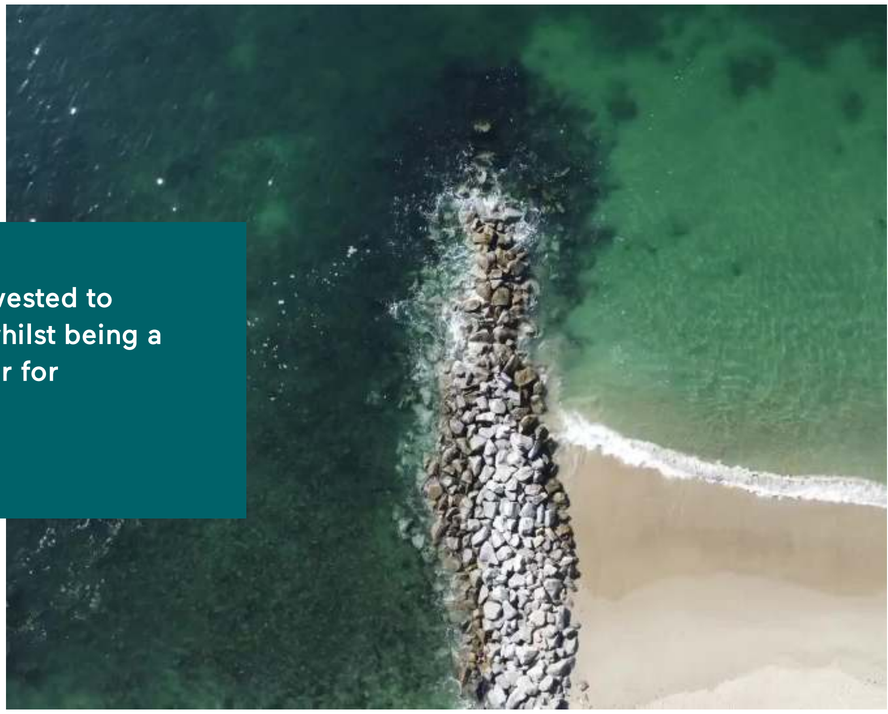
ANTHOS
Fund & Asset Management

Responsible Investment Report 2022

Anthos Fund & Asset Management

Letter from our CEO



**For almost a century, Anthos has invested to secure long-term financial returns whilst being a force for good. In a challenging year for responsible investors,
our values guided us through.**

Jacco Maters

Chief Executive Officer

LinkedIn

Dear investors,

At Anthos Fund & Asset Management (Anthos), our mission is to give trust-worthy advice and deliver holistic values-based asset management services to professional investors who share our values of sustainability, human dignity and good corporate citizenship.

These values are our lens to see the world. We inherited them from our first client, the Brenninkmeijer family, whom we have served for nearly a century. Having opened our doors to like-minded clients, we have found that they resonate with others too.

As I reflect on the past year, I think of the many challenges we faced as a global society.
It began with hope for the end of the COVID-19 era, only to be disrupted by the Russia/Ukraine war, soaring inflation and consequent aggressive interest rate hiking. Meanwhile, COVID-19 continued to impact lives differently across economies, depending on vaccine equality, healthcare infrastructure, and stringency of COVID policies. Aside from the immediate crises, we confronted the environmental and social challenges that are coming to define what our future looks like.

In the face of these challenges, how we act will equally define our future. More and more, asset owners are moving on from 'simple' environmental, social and governance (ESG) awareness, to wanting their capital to help move the needle with such things as tackling climate change; treating human rights as essential, and; acting responsibly, and expecting the same of others.

> "Our mission propels us to help investors generate stable investment returns over multiple generations whilst also aligning their capital with their values, beliefs and goals."

Our mission propels us to help investors generate stable investment returns over multiple generations whilst also aligning their capital with their values, beliefs, and goals. We harness the full capital spectrum to achieve this—from listed markets to private markets and alternatives, including dedicated positive-impact portfolios. We also offer outsourced chief investment officer (OCIO) solutions to help unburden our clients by constructing and managing their entire portfolios for them. Underpinning all investment activity is our responsible investment (RI) practice, which ensures that we incorporate our values in all stages of the investment process.

One of the most concerning issues that requires investor attention is decarbonising our economy to keep global temperatures in line with a 1.5-degree Celsius pathway.

In 2021, Anthos set an ambition to be net zero across our investment platform by 2040. That means we assessed our baseline emissions, calculated an emissions reduction pathway, and committed to achieving this publicly.

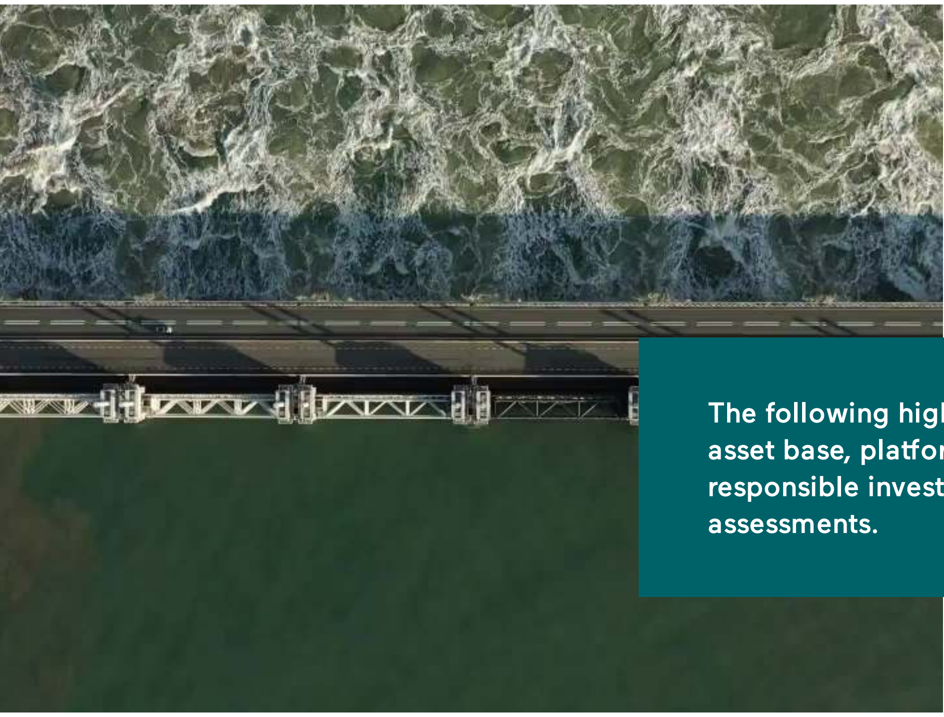
We realise how steep the learning curve is and that our strategy will necessarily evolve along with developments in data quality, regulatory changes, and a better understanding of how to approach such a seismic task. Anthos joins many relevant initiatives to gain a broad insight into how to tackle the problem from our unique perspective. These too will develop and change over time. As we continue down this road, we look forward to engaging with our clients and partners by providing honest and fair assessments of opportunities and challenges, as well as progress.

As you will read in this report, 2022 saw many challenges when it came to responsible investment, which reflects the events that took place in the real economy. Meanwhile, the extensive work to adhere to the Sustainable Financial Disclosure Regulation (SFDR) was a considerable firm-wide effort. Crucially, it was a challenging year for financial returns and balanced portfolios where high correlations and concentrations in markets meant most asset classes declined in step with the negative sentiment in the year. We were proud that our uncorrelated asset classes helped our clients' portfolios fare better than the traditional 60/40 portfolios while we continued to deliver on our ESG promises. That said, there are very real responsible investment challenges ahead, which will no doubt be amplified as the fragility of the global system becomes increasingly evident as we strive to improve it.

As responsible investors with conviction in our approach and who are committed to our values, we will approach what comes with the humility that our clients continue to trust us as the stewards of their capital for many years to come.

Sincerely,

Jacco Maters
Chief Executive Officer



2022 in numbers and letters

The following highlights cover areas such as our asset base, platform, and people, as well as our responsible investment ambitions, priorities, and assessments.

What we do

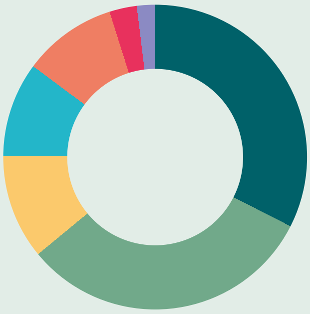
The way we invest reflects our belief that all-weather portfolios stand the test of time.
Our responsible investment policy applies to all asset classes, with variations and exceptions in implementation depending on the asset class.

Anthos' active fund-of-funds portfolio of investments spans six asset classes across public and private markets: public equities, public fixed income, private real estate, private equity, absolute return strategies, and multi-asset impact. We select the best managers globally and combine them in portfolios to deliver stable financial performance whilst contributing to the common good.

Our investment capabilities expand to OCIO solutions, where we help investors translate their values, beliefs, and goals into appropriate portfolios that we manage on their behalf. As we share the values of sustainability, human dignity and good corporate citizenship with our clients, we also strive to develop and align our responsible investment ambitions and targets together.

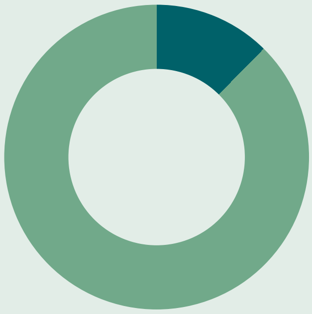
Find out more about our investment strategies and solutions on Anthos' website.

Our 2022 assets under management



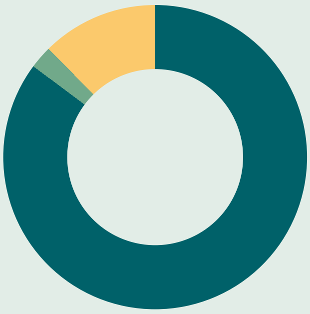
Asset class offering

Equities	**32.49%**
Fixed income	**31.55%**
Private equity	**11.13%**
Global real estate	**10.00%**
Absolute return strategies	**9.96%**
Multi-asset Impact	**2.90%**
Cash/other	**1.72%**



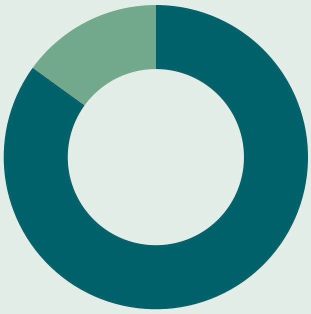
Approach

Indirect	**87.63%**
Direct	**12.37%**



Vehicle

Funds	**85.20%**
Mandate	**2.43%**
Direct allocations	**12.38%**



Geography

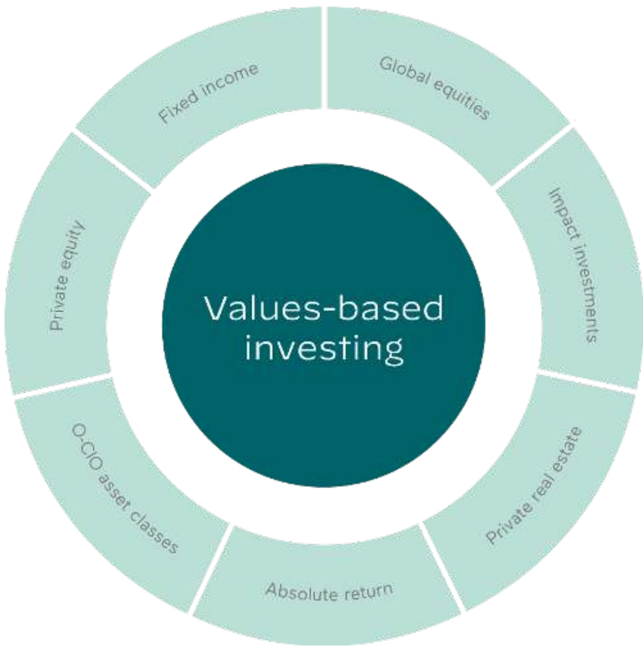
Developed markets	**84.98%**
Emerging markets	**15.02%**

Expanding our platform

After nearly a century of investment success as the investment manager of the Brenninkmeijer family, their charities, and pension funds, we officially opened our doors to other professional investors who share our values.

In 2022, our client platform expanded to include

Our distinct skillsets



Our people

Countries

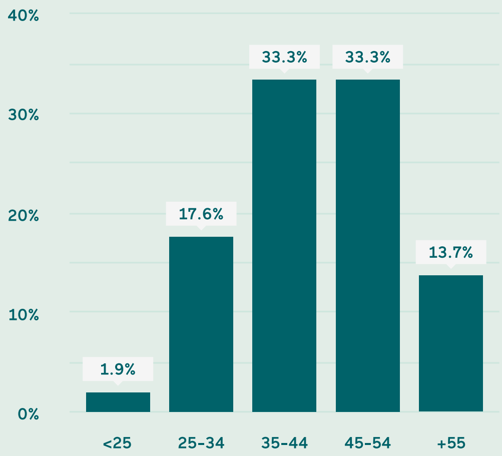
- Bulgaria
- France
- India
- Germany
- Korea
- Republic of North Macedonia
- Netherlands
- Romania
- Switzerland
- United Kingdom
- United States
- Azerbaijan

Gender distribution

Approach

Female	35%
Male	65%

Age distribution



Numbers reflect full-time employees only.

Our responsible investment ambition

Our responsible investment ambition is to be a force for good in society by helping investors allocate capital according to our three values.

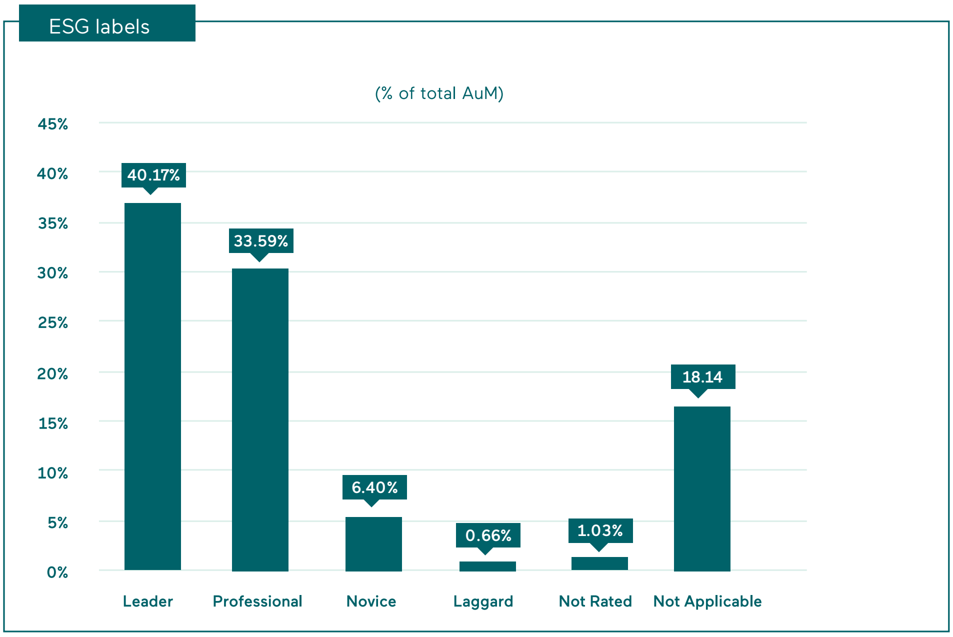
To do this, we aim to minimise the negative impact and increase the potential for positive impact of the investments we manage in line with our values.

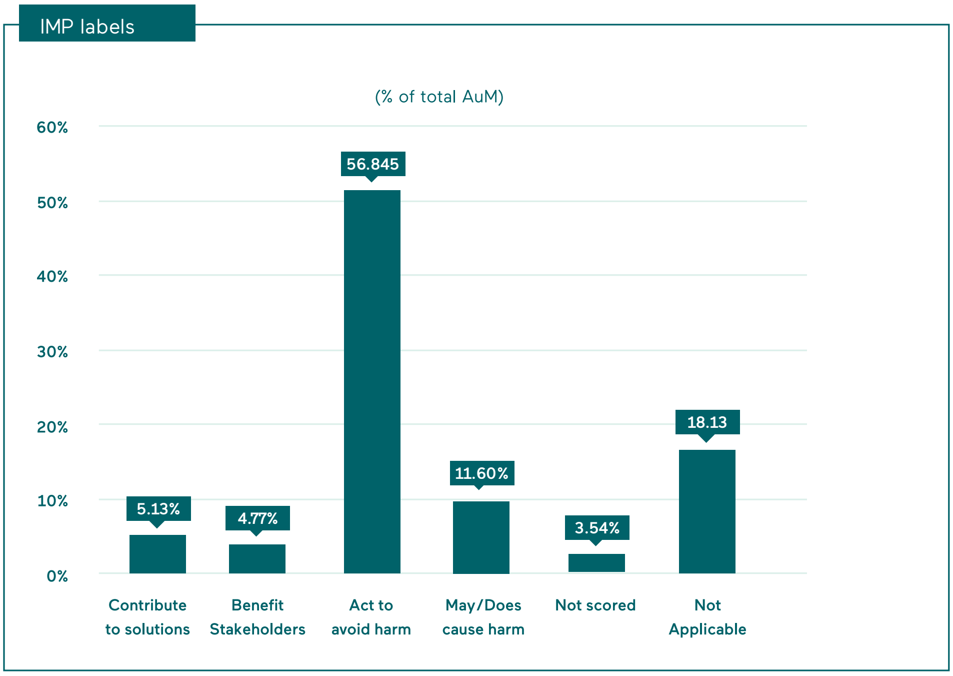
A key component of our approach assesses the sustainability strategies of all underlying managers, and translating this into a language that makes sense to our stakeholders: our ESG and IMP methodology.

About our ESG and IMP scoring methodology

Anthos' ESG and IMP scorecard is a proprietary tool used by investment teams at Anthos to score the sustainability credentials of underlying managers and strategies during due diligence and post-investment for engagement and monitoring. The scorecard assessment is based on the guidance by the Principles for Responsible Investment (PRI), the OECD guidelines for institutional investors, the Global Real Estate Sustainability Benchmark (GRESB) and guidance from the Impact Management Project (IMP) for impact.

Find out more about the assessment in our responsible investment policy and impact policy both on Anthos' website.





ESG explained

Leader: The thought leaders, influencers, and proactive implementers. Leaders voluntarily set standards and develop new approaches and solutions to society's problems.

Professional: Fully compliant with regulations, professionals sign up to global commitments and implement clients' policies without complaint. They have sufficient resources and good, practical governance.

Novice: Novices refers to managers that are aware of the importance of integrating ESG issues, and are starting to formulate policies and processes. Some have good integration but are lacking in the documentation or facing data gathering challenges. They do what is required legally, and often have gaps in their responsible investment approach.

Laggard: Laggards may think responsible investment and sustainability issues are important, but outside the remit of how they invest. They don't have much to show in terms of ESG integration and lack willingness to change.

Not applicable: Cash; FX positions; other cash instruments; FX hedge; money market funds (unless it is in an impact fund); direct government bonds; direct real estate; legacy assets.

Anthos’ top five RI priorities

In 2022, we conducted Anthos' first double materiality assessment where we sought to understand our greatest responsible investment priorities according to our stakeholders.

We were encouraged to see that the topics we were already working on were considered top priorities—read about those in the chapter about our climate and human rights commitments. For the others, we highlight our thinking and action plans below:

1. **Climate action**

   We have a net-zero ambition, we expanded our measuring and monitoring capabilities, we engaged in conversations with managers more proactively, and we trained 100% of our staff on climate change.

2. **Good corporate governance**

   Recognising this is a priority for our stakeholder group, we see a need to take further action and codify our efforts more concretely in 2023.

3. **Financial inclusion and decent work**

   This is a core theme in our impact portfolios. We see it as an investment opportunity and from the perspective of decent work it is also part of the human rights and labour practices work we do.

4. **Human rights & labour practices**

   Taking action to safeguard human rights in our entire value chain is fully aligned with our value of human dignity. We raised awareness internally, drafted our human rights statement, and held workshops with strong firm-wide representation to understand the topic within the investment context.

5. **Biodiversity & ecosystems**

   We intend to begin raising awareness in a similar way to human rights in 2023 and use datasets as a starting point to understand the issues and our current impact. We will also research and discuss with the experts and peers within our manager and broader industry network.

Reflections from our Director of RI

All investments have an impact on the world—positive or negative. Anthos' responsible investment ambition is to minimise the negative and increase the positive over time.

Anthos is committed to upholding the values of sustainability, human dignity, and good corporate citizenship, but what does this look like in terms of practical implementation?

Sustainability is about our commitment to keeping global temperatures in line with a 1.5-degree Celcius pathway. Human dignity is about our commitment to respecting human rights across all our business activities, the majority of which means our investments. Good corporate citizenship is about how we invest responsibly and how we always strive to improve.

2022 was a whirlwind of a year in the world of responsible investing (RI). From the implementation of the SFDR and continuing confusion over definitions, thresholds and 'ESG versus impact', to accusations of greenwashing, and even heated anti-ESG discussions in the US, the industry experienced it all. At Anthos, we believe this should be expected of an industry that is growing in maturity.

Jelena Stamenkova van Rumpt

Director Responsible Investment

LinkedIn

> "With time, clarity emerges. Till then, our progress thrives on a well-defined vision bolstered by tools and industry-approved standards. Distinguishing between sustainable risk assessment for portfolios and a portfolio's impact on the world becomes the foremost inquiry in policy execution."

With time, clarity emerges. Till then, our progress thrives on a well-defined vision bolstered by tools and industry-approved standards. Distinguishing between sustainable risk assessment for portfolios and a portfolio's impact on the world becomes the foremost inquiry in policy execution.

At Anthos, we firmly believe in continuous learning and integrating new knowledge into our investment process. In 2022, we embarked on an exciting RI roadmap, with the motto: "going deeper and further." It was about taking our efforts to the next level, moving on from the process improvements we made last year towards deepening the quality of our implementation of themes like climate, impact measurement & management, and SFDR. We rolled our sleeves up to understand how to harness data & technology to advance our understanding of the impact of our portfolios and improve the depth of our client reporting. We also delved into human rights, making our first steps towards understanding how to improve our efforts to respect and implement human rights in our investments.

Climate and human rights speak to our values of sustainability and human dignity. You will find detailed information about our commitments to both in this report. For our third value, good corporate citizenship, we are proud of the strides we've made so far as we consider all the efforts in our RI roadmap as meeting this value. That said, we want to solidify our efforts more concretely in 2023.

Assessing progress is vital, and we have identified and joined the relevant networks, working groups, global frameworks and datasets to ensure our efforts are based on industry-tested practices that are focused on change in the real economy. We strive to align all of these memberships and policy engagements with our RI policy and our values.

To communicate progress concisely, we emphasise our ESG and IMP scorecard. In essence, this powerful tool measures two critical things: the level and sophistication of ESG integration for each manager we invest in; and the impact each manager is striving to achieve with its strategy based on the Impact Management Project's ABC framework (Acting to avoid harm, Benefitting stakeholders, Contributing to solutions, or May/Does cause harm). Our clients also find this tool valuable for understanding the responsible investment strategies underpinning their portfolios.

In 2022, we went "deeper and further" with our responsible investment ambition. We increased the coverage of assets mapped by our ESG and IMP methodology significantly, providing us with a clearer picture of the level of ESG integration and impact intention across our investment platform. Stewardship activities were strengthened through focused engagement plans with our most material managers. We conducted our first double materiality assessment, aligning our work with the expectations of our stakeholders.

Data and technology advancements allowed us to onboard new datasets, helping us map our investments to the Sustainable Development Goals (SDGs). I was particularly proud of our firm's efforts on human rights, reflecting our value of human dignity. Through collaboration with experts and colleagues across departments, we are building awareness and understanding of how to invest in a way that respects and upholds these essential rights for all.

Despite the progress, 2022 presented challenges for investments. We observed a disparity between ESG performance and financial performance, and meeting the requirements of SFDR proved challenging. We hope for clearer guidance from regulators to ensure consistent and transparent reporting practices. One concerning observation was some funds downgrading their ESG labels and SFDR classifications, obscuring the potential for positive impact.

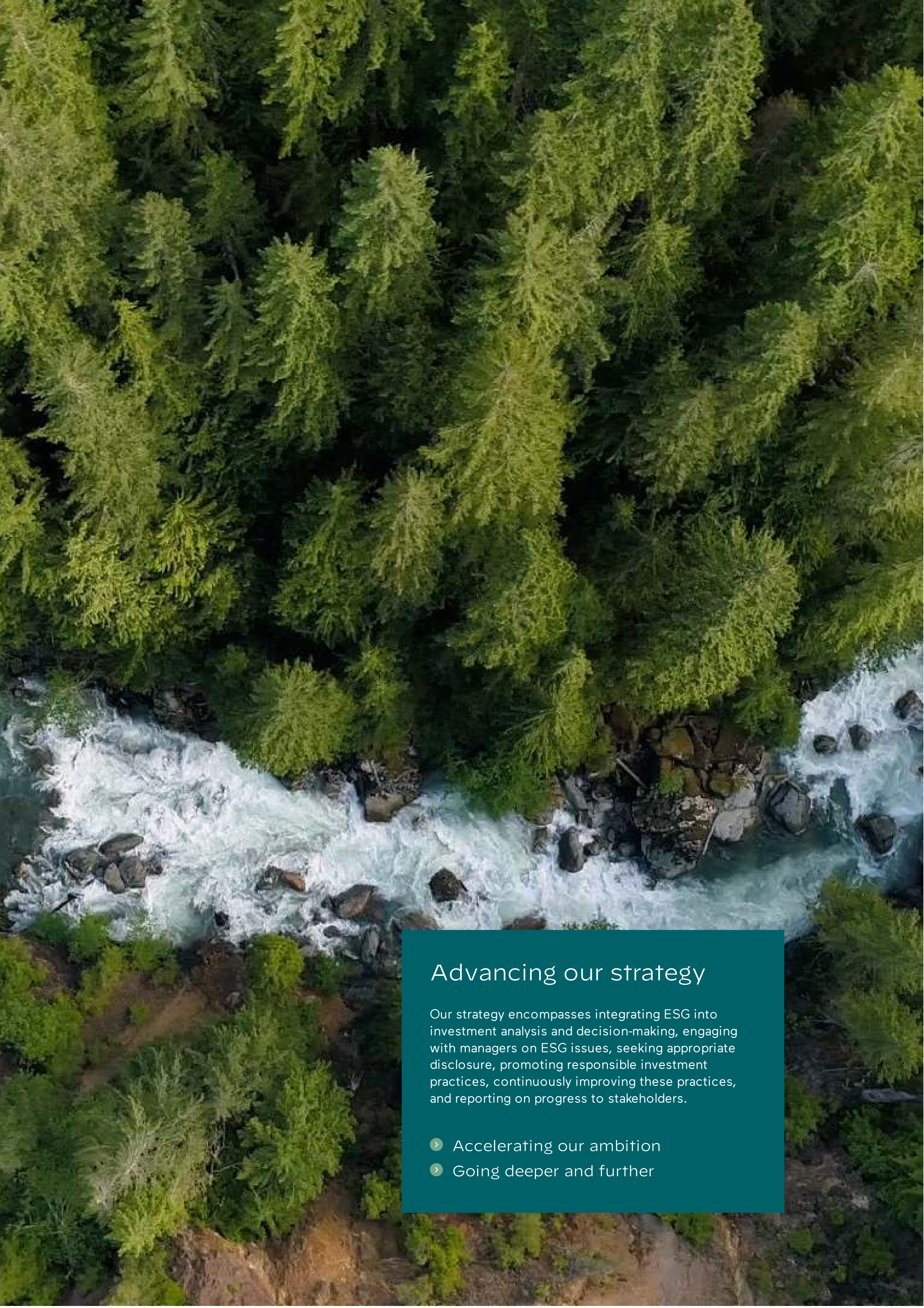
We think these challenges will remain and probably worsen before the industry has a good grasp of how to measure, assess, and invest for impact. We always knew it would be a complex task. All the same, balancing what is right to do and the easier option can sometimes feel burdensome and overwhelming, especially for investors whose capital is at risk. At Anthos, we use our RI strategy to cut through the immediate and problematic to envision what investments today are creating long-term and sustainable value.

We hope you agree that this report showcases our commitment to transparency and improvement. We value your honest feedback and encourage dialogue and collaboration as we strive to help our clients allocate capital more responsibly. Achieving our responsible investment ambition is no easy task, but we are dedicated to learning, sharing, and making positive contributions as we go.

Thank you for your continued support and engagement.

Sincerely,

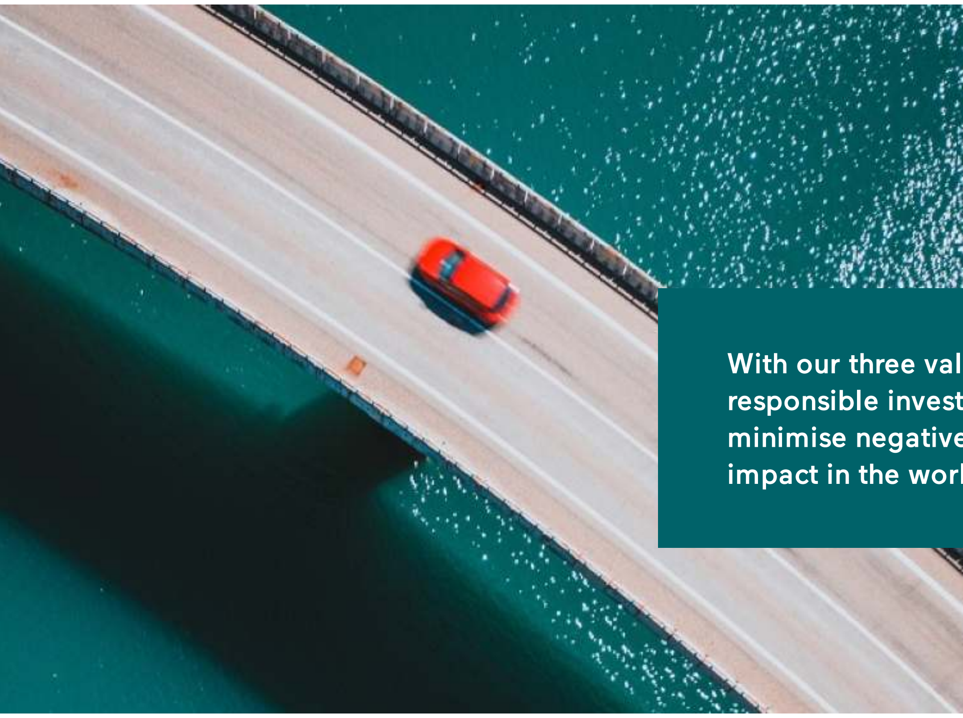
Jelena Stamenkova van Rumpt
Director Responsible Investment



Advancing our strategy

Our strategy encompasses integrating ESG into investment analysis and decision-making, engaging with managers on ESG issues, seeking appropriate disclosure, promoting responsible investment practices, continuously improving these practices, and reporting on progress to stakeholders.

- Accelerating our ambition
- Going deeper and further



Accelerating our ambition

With our three values as our compass, our responsible investment ambition aims to minimise negative impact and increase positive impact in the world and society.

Practical implementation is integrated, logical and systematic—based on industry guidance from the Principles for Responsible Investment (PRI), Global Real Estate Sustainability Benchmark (GRESB), and the Impact Management Platform (IMP), amongst international reporting standards and regulations.

Our overall approach and philosophy, ESG integration, exclusions, stewardship, and impact integration processes are well documented in our responsible investment policies, which are available on Anthos' website. All our policies help us assess how we are doing well, areas for improvement, and where we can use our influence to better achieve our ambition. We review our policies every year.

We define our overall responsible investment ambition with three sets of objectives with nine sub-ambitions. Some of these are significant in scope and level of resource required, whilst others we see as baseline necessities.

We are reviewing these ambitions in 2023 while working to improve the methodologies that help us categorise the various types of impacts an investment could have. We report progress below, but we caution the reader to the various underlying criteria that affect the outcomes for these high-level targets, and the level of aggregation which for better or worse hides some of the nuances.

Nevertheless setting these ambitions helps us improve and sharpen our assessments and understanding of the market and, as always, we invite further dialogue.

Strategic

Process

The foundations

Strategic objectives

Progressing on net zero

Our net-zero ambition reflects our commitment to climate action. In 2022, we did significant work in this area which included developing our carbon emissions methodology to include nearly 80% of all assets under management, across public and private markets.

This is significant because it provides a strong baseline for us to execute our levers of influence to reduce emissions. Namely, engagement, investing in green solutions, and exclusions as a last resort. To document these efforts, Anthos developed its first climate policy and investment handbook which we intend to use as a foundation in conversations with clients in helping them achieve their net zero goals.

Increase allocations in funds that benefit stakeholders and contribute to solutions

We have slightly increased our allocations in funds that benefit stakeholders (B). This is due to the addition of new B funds that were introduced to our portfolios in 2022. The increase in B funds is a result of the addition of new funds to absolute returns, fixed income and equities, as well as rescoring one fund in private equity from an IMP score of A (acts to avoid harm) to B, following a review of their scorecard.

On the other hand, there has been a slight decrease in allocations to funds that contribute to solutions (C).
The only asset class that added new C funds was multi-asset impact, which constitutes a small portion of our overall assets under management. However, the money previously invested in C-rated funds has been reallocated to other types of funds. This may be attributed to the challenges faced by impact/sustainable investments in 2022, which may have influenced some asset classes not to allocate more assets to C-rated investments.

Decrease allocations in funds that may/do cause harm

Our investment portfolios saw a notable rise in the share of funds that may/do cause harm (MD). The increase is due to several factors, including the reallocation of assets from other funds, potentially from IMP A funds, to MD funds. 2022 was also a challenging year for investments, where our investors made prudent risk management judgments to invest in passive funds, which do not score on the IMP methodology. A restructure of our asset base may have also impacted the overall scores.

Anthos’ responsible investment team works alongside the investment teams to monitor these scores and address ways to accelerate allocation to funds with more sustainable strategies, whilst ensuring risk-adjusted returns remain the priority.

↗ Find out more about how Anthos uses the IMP's ABC methodology in our Positive & Impact Investment Policy.

Process objectives

ESG and impact assessments

From 2021 to 2022, we increased the share of assets under management mapped to our ESG and IMP assessments as follows:

ESG

How to read this chart

We introduced our ESG scorecard in 2020. 75% is an estimated number of the managers we mapped, due to there not being a formal procedure in place to track this until 2021.

The remaining assets were either not scored, or not applicable to scoring.

IMP

How to read this chart

The remaining 4% of assets in 2022 are not applicable to scoring, which includes legacy assets and direct bonds.

Annual monitoring and engagement on ESG and IMP

ESG and IMP

How to read this chart

We introduced official engagement plans for each asset class team in 2022, which relate to the most material managers within the portfolios, and successfully engaged with the majority of them across asset classes. Previous engagements did take place, but did not follow a formal structure and were not tracked so we have left them out.

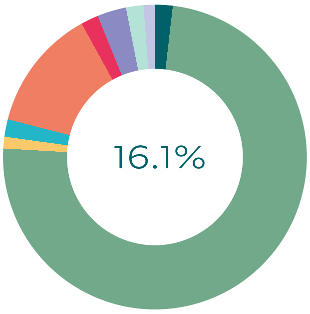
The foundations

SDG mapping and alignment

The SDGs are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. Mapping investments to the SDG framework helps to align our investments with global priorities and action plans.

In 2022, we joined the SDI Asset Owner Platform (SDI AOP) which combines human and artificial intelligence to produce a way to map investments to the SDGs. It does this by focusing on revenues derived from specific products and services that contribute to the SDGs, based on a well-developed taxonomy.

Initial screens of our equities portfolios showed that 16.1% of invested capital is aligned with the SDGs, versus 14.5% for the MSCI World index. However, we note the conservative limitations as we have an allocation to a listed real estate investment trust (REIT) strategy which we believe contributes to SDG 11 (sustainable cities) due to its focus on real assets and advanced ESG. As we venture into more complex asset classes, we are curious to see whether the results reflect our own intel derived from deep due diligence of the investments.



Asset class offering

SDG 2	**0.30%**
SDG 3	**12.00%**
SDG 4	**0.20%**
SDG 6	**0.30%**
SDG 7	**2.10%**
SDG 9	**0.30%**
SDG 11	**0.50%**
SDG 12	**0.30%**
SDG 13	**0.00%**
SDG 14	**0.20%**
SDG 15	**0.00%**

SDG	Example	Description
	US equities	This fund invests in high-growth US companies. It's highest sector allocation is healthcare.
	Global equities	The strategy has a dual financial and impact return objective. It invests in companies that deliver positive change. It invests in several healthcare companies.
	Global equities	This fund invests in companies expected to gain from the green energy transition.
	Global equities	The team seeks to drive transformational change towards net zero by investing in high-performance companies with sustainable credentials.

16.1% of our equities portfolios aligns with the SDGs. This only reflects companies that, through their revenues coming from specific products and services, align with a relevant sub goal of the SDGs. This includes 'majority' and 'decisive' assets, which means that the companies are involved in positive activities for more than 50% of the total revenues for 'majority' assets and between 10% and 50% for 'decisive' assets. Companies where the SDI percentage was less than 10%, or that were involved in disqualifying (negative) activities for more than 10% of the total revenue are left out of the analysis. 8% of the portfolio involved assets that are not able to be mapped to the SDI data, such as liquidity, real estate (REIT), or other instruments that did not result in a match with the data.

Exclusions exposure

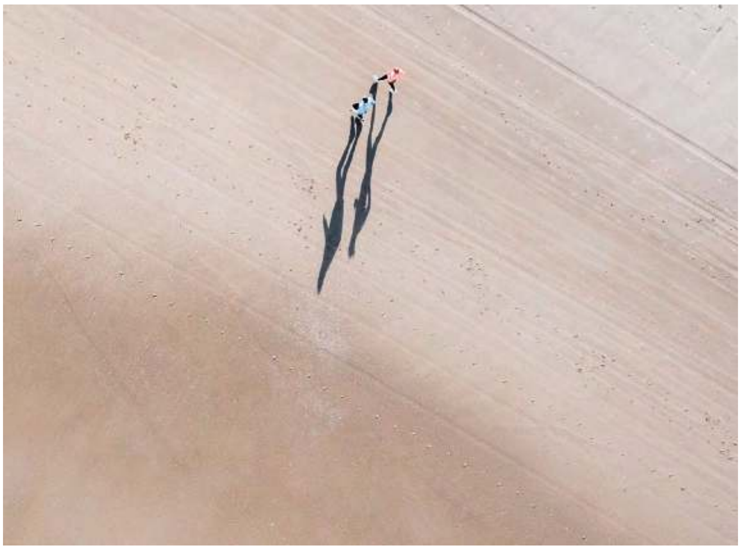
We remained well below our exclusions threshold for listed assets in 2022. For more information, see our Exclusions policy found on our website.

Sector exclusions	Equities	Fixed income - high yield	Fixed income - investment grade
Total exposure to exclusion criteria	1.53%	0.61%	0.38%
Military contracting	0.47%	0.44%	0.17%
Nuclear weapons	0.47%	0.20%	0.11%
Biological and chemical weapons	0.00%	0.00%	0.00%
Small arms	0.00%	0.00%	0.00%
Gambling	0.01%	0.14%	0.00%
Tobacco	0.02%	0.00%	0.16%
Adult entertainment	0.00%	0.00%	0.00%
Depleted uranium	0.30%	0.00%	0.00%
Anti-personnel mines	0.00%	0.00%	0.00%
Cluster weapons	0.00%	0.00%	0.00%
Arctic oil & gas	0.00%	0.00%	0.00%
Thermal coal extraction	0.55%	0.03%	0.05%
Oil sands	0.02%	0.00%	0.00%
White phosphorus	0.00%	0.00%	0.02%
Global standards	0.00%	0.00%	0.01%
Disengaged	0.03%	0.00%	0.00%

Country exclusions	
	Fixed Income - emerging markets debt
Country screening	0.06%
Belarus	0.00%
Central African Republic	0.00%
Iran	0.00%
Libya	0.00%
Myanmar	0.00%
North Korea	0.00%
Russia*	0.05%
Somalia	0.00%
South sudan	0.00%
Sudan	0.00%
Syria	0.00%
Venezuela	0.01%
Zimbabwe	0.00%

Powered by Sustainalytics, 2022.
*The Russia country exposure refers to non-disclosure forwards which cannot be sold.

Continuous learning



In 2022, our workforce undertook trainings which helped us to better understand the challenges associated with these challenges so we can better invest in the solutions:

- Climate: Almost all employees took climate training, developed in collaboration with our parent company, COFRA.

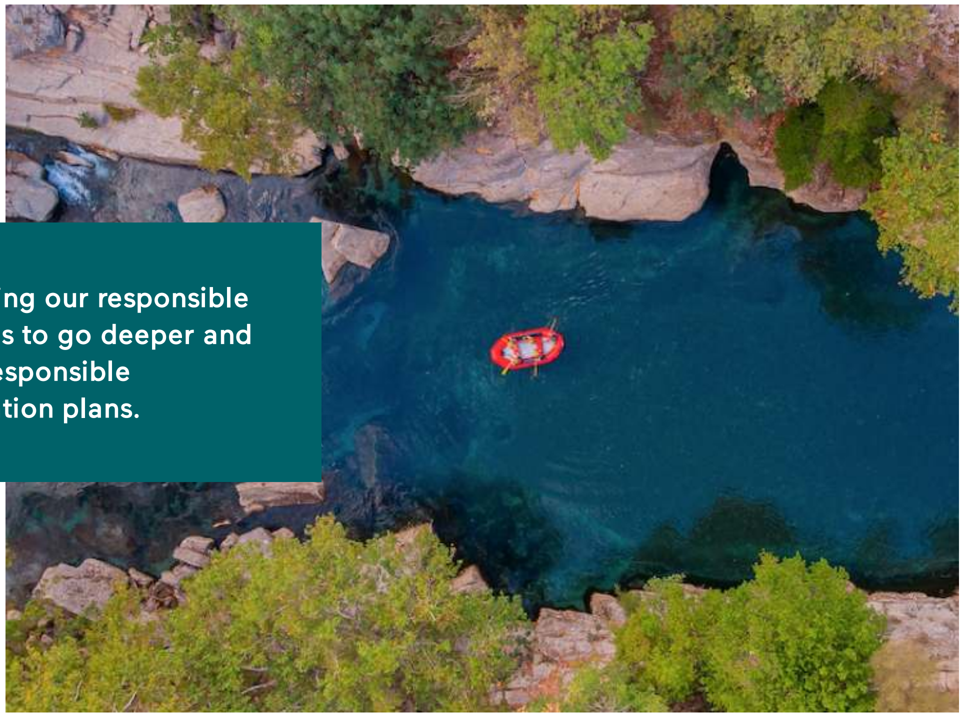
- Human rights: As part of our commitment to human rights, we conducted several focused workshops with Shift, the leading centre of expertise on the UN Guiding Principles on Business and Human Rights. We had strong representation from across functions at Anthos, including investments, management, data & technology, client advisory & solutions, operations, as well as the Board.

Principles for Responsible Investment (PRI) assessment

The PRI is an important layer of external validation for responsible investors. Anthos has been a signatory since 2019. Unfortunately, the PRI faced a delay with reporting in 2022 due to some enhancements to the assessment. Whilst the delay in reporting is not optimal, we continue to use the PRI as a central source of guidance for our own ESG implementation framework.

We are eagerly anticipating the next assessment in 2023, as we use it to identify any gaps in our current process and to further improve our responsible investment practices.

Going deeper and further



Beyond our ambition, advancing our responsible investment strategy requires us to go deeper and further on all aspects of our responsible investment policy implementation plans.

Harnessing ESG data & technology

How we consider ESG data governance

When it comes to ESG data, proper data governance becomes even more crucial given the evolving data landscape and inconsistency in methodologies used by data providers. At Anthos, we acknowledge the importance of validating ESG datasets against our own policy and values to ensure informed decision-making and transparent reporting. Our data and technology team works closely with the investment strategy and research, and responsible investment teams to ensure the right datasets are selected for analytics, as well as for reporting to clients and regulators.

Integrating and monitoring ESG datasets

The data and technology team plays a crucial role in integrating ESG datasets, monitoring data quality, and generating dependable analytics for investment decisions and client reporting. This involves following a data governance process for new ESG data, to ensure proper definition by the data owners and assessment of data quality using relevant KPIs. Once approved, the data is integrated into a central platform to ensure a 'single source of truth.' Regular reporting on data quality is provided to maintain its integrity. Finally, the data and technology team provides ESG analytics to support informed decision-making.

Creating ESG 'digital products' for effective decision-making

The data and technology team utilises various methods to integrate and analyse ESG data. We are broadening our range of (internal) digital offerings within the ESG arena. Our portfolio now includes the ESG and IMP scorecard, a portal for collecting ESG data, exclusions screening, and SFDR reporting. These powerful tools deliver valuable intelligence to our investment teams and clients alike. Our products are at varying stages of maturity, and we continuously enhance their functionality using an agile approach.

- ESG and IMP scorecard uses an automated workflow to capture ESG attributes during the fund selection process. The data is then integrated with additional datasets, quality-checked, and analysed to produce ESG scorecards and other relevant dashboards.

The recently launched ESG data collection portal enables Anthos to enrich fund ESG data directly provided by fund managers.

"We believe ESG data and technology is the foundation of our responsible investment strategy, and so is a critical component of achieving our responsible investment ambition.

Our nimble team is a strong advantage when it comes to the collaboration necessary to innovate and test new ideas.

That's why the technology team works closely with the research, responsible investment, and investment teams to continually create, learn, assess, and improve how we are harnessing data and technology to achieve our sustainability and investment outcomes."

Anshum Goel
Head of Data & Technology

Strengthening stewardship

We engage on two levels: directly with underlying managers and indirectly via a third-party engagement specialist called Sustainalytics. Read more about our Stewardship policy on Anthos' website.

Direct engagement with managers

We've always sought to influence our underlying managers by engaging with them and, indirectly, the companies they invest in. Our ESG and IMP scorecard is the main tool for these conversations. The goal is to embed ESG risks in their investment process and strategy, and we want our managers to be as transparent as they can about how they do this. We also aim to reduce the negative impacts in our portfolios, even though we mostly invest in pooled funds, by engaging on topics related to our values. This adds to our own portfolios' impact and indirectly helps make us a more active asset owner.

Throughout 2022, we embarked on engagement plans for each investment team. All managers were selected for engagement except for: funds from which we were divesting; funds in liquidation and; private equity legacy funds. We completed nearly 100% of the engagement plans for all asset classes (98% for private equity) by year-end.

The table below highlights some examples of how we consider engagement across asset classes.

Engagement examples	
Equities	Our investment strategy is to invest in ESG leaders, so the majority of our managers are advanced in their policies and practices. We hold quarterly engagements with all our managers to learn from them and challenge them on portfolio companies and whether the team is fulfilling its sustainability objectives as best as possible which we track in our ESG and IMP scorecards. Moving forward, we hope to leverage our network to maximise our own learnings so we can implement this across Anthos.
Fixed income	Emerging market debt is a notoriously tricky space to assess in terms of ESG due to a lack of data and the fact that bondholders are not company owners. That's why we engaged with this manager as it made significant progress in terms of awareness and integration of ESG factors. Our expectations for the future are mostly on reporting the varying ESG risks, ESG potential, and momentum for the countries they invest in.
Absolute return	For one of the equity market-neutral strategies we invest in, it is challenging to incorporate ESG factors into the investment process. That's because the manager takes buy and sell signals from a large, diverse group of investment analysts who are not employed by the manager but have agreements in place to share details of their research. This means the investment manager does not control the way ESG information is used by the analysts. We first suggested that the manager should create a restricted list of companies in which they will not invest, even if they receive research on them. This has been implemented by the manager in 2022. Our next suggestion is for the manager to purchase ESG data from one of the leading vendors and incorporate the data into their portfolio management tools. This would allow the manager to provide ESG scores for the portfolio and enhance reporting.
Private equity	Within the private equity markets, those strategies with strong climate incorporation are still quite rare. That's why we are excited to see one of our longstanding managers take the lead in integrating sustainability and ESG management practices into day-to-day operations within the firm. Our expectations for the future are to engage with the fund to share best practices both at the portfolio and company levels.
Impact	This fund focuses on bottom-of-the-pyramid businesses in East and southeast Asia. Through our Limited Partner Advisory Committee (LPAC) involvement, we are able to engage in a highly proactive and formalised way. Two ways we engaged in 2022 were to help them formalise their negative impact assessment and to help them create case studies to prove their impact further.
Real estate	Whilst this fund scores highly on our ESG scorecard, one of their key focus areas is on ESG data and decarbonisation in 2023. By using our scorecard as our key engagement tool, we hope to hold them to account on their plans for decarbonisation and hope to see positive improvement based on science-based and timebound targets.

Indirect engagement via Sustainalytics

In addition to the engagement by the external managers we select, we aim to influence companies through the engagements provided by Sustainalytics. The three types of engagement align with our values and the ambition to lower the negative and increase the positive impact of our investment portfolios.

These engagements address companies that violate global standards, they aim to improve the risk profile of the companies in the portfolio and engage for a better impact in relevant thematic engagements. Anthos also provides the opportunity for its clients to directly support engagement letters to the non-responsive companies and its portfolio managers address these, where relevant, with the external managers that are invested directly in these companies.

Global Standards commitment

Engagement with companies about the negative impact and possible or actual violations of the UN Global Compact standards and the thematic chapters of the OSEO guidelines.

Results

157 companies engaged
71 of those in Anthos portfolios

Of the 71, business ethics, labour rights, human rights and environment were the top themes.

Material risk engagement

Targeting high-risk companies on all ESG topics.

Results

359 companies engaged
180 of those in Anthos portfolios

Of those 180, carbon emissions measurement, product governance, ESG risk assessment and disclosure, and waste were the top themes.

Thematic engagement programmes

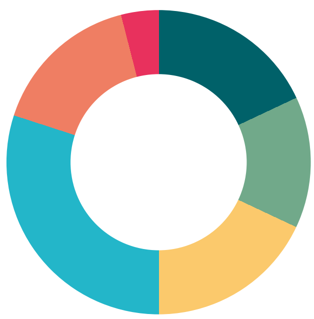
Aimed at improving the impact of companies through engagement and on specific themes. The six themes we focus on: future food supply, sustainable afforestation and financing and climate change, responsible cleantech, modern slavery, improving human rights, and human capital and the future of the labour process.

Results

251 companies engaged
184 of those in Anthos portfolios

Of those 184, biodiversity and natural capital, SDGs, human rights and tomorrow's board were the top themes.

Share of companies engaged and types of topics



Topic

Business ethics	27%
Labour rights	13%
Human rights	51%
Environment	10%

Resolution

Resolved	112
Associated	14
Disengage	6
Engage	354

Progress

Engage	18%
Commitment to address issue(s)	14%
Strategy established	18%
Early implementation of strategy	30%
Implementation of strategy	16%
Comprehensive implementation	4%

Powered by Morningstar Sustainalytics, 2022.

Partnerships and alliances

Collaborations and partnerships are essential for driving positive social and environmental outcomes.

Anthos prioritises building effective partnerships where activities specifically help us to align our investment activities with our values. Through these partnerships, we conduct our policy engagement and therefore we make sure that this is aligned with our RI policy and values.

In 2022, a selection of those included:

Sustainability

Partnership or alliance	Activity and rationale
Institutional Investors Group on Climate Change (IIGCC)	IIGCC provides relevant working groups, policy engagement through consultations on the topic of Climate Change. We join these groups as needed to develop our views and contribute to the development of understanding how to implement for a fund of funds.
Dutch Climate Agreement	We signed the agreement to show our commitment and start the path towards Paris Agreement alignment.
Science Based Targets initiative (SBTi)	We took part in their private equity sector expert advisory group (2021) and started the process to sign up to the SBTi as a company together with our broader company ecosystem.
Clean, Renewable and Environmental Opportunities (CREO) Syndicate	In 2022, we took part in their thought leadership seminar to share our insights on how to invest for systemic change.
Carbon Disclosure Project (CDP)	We use their datasets, measurement methodologies, and joined their science-based target engagement campaigns.
Partnership for Carbon Accounting Financials (PCAF)	We are part of the working group for emerging market sovereign bonds. We also took part in the private equity working group with our sister company Bregal.

Human dignity

Partnership or alliance	Activity and rationale
United Nations' Principles for Responsible investment (PRI)	Anthos has been a signatory since 2019. In 2022, we endorsed the human rights engagement initiative 'Advance' and joined asset-class specific working groups.
SHIFT	We partnered with them throughout 2022 to enhance our human rights approach.
Investor Alliance for Human Rights (investorsforhumanrights.org)	We joined this initiative to learn and align with other investors on the same path. We advised them for our human rights statement for example, next to SHIFT.

Good corporate citizenship

Partnership or alliance	Activity and rationale
SFDR working group organised by the Dutch Fund and Asset Management Association	We actively participate in the SFDR expert sessions and initiated an expert group for SFDR implementation for funds of funds. We also contribute via DUFAS in the industry relevant consultations regarding EU policy developments.
Impact Frontiers	Over 2022, we participated in a working group with other funds and fund-of-funds to share best practices in integrating the IMP norms in investing, determining investor contribution, sharing knowledge, etc.
Global Impact Investing Network (GIIN)	We took part in their annual conference, speaking about investing for systemic change. We are also members of their investor advisory council.

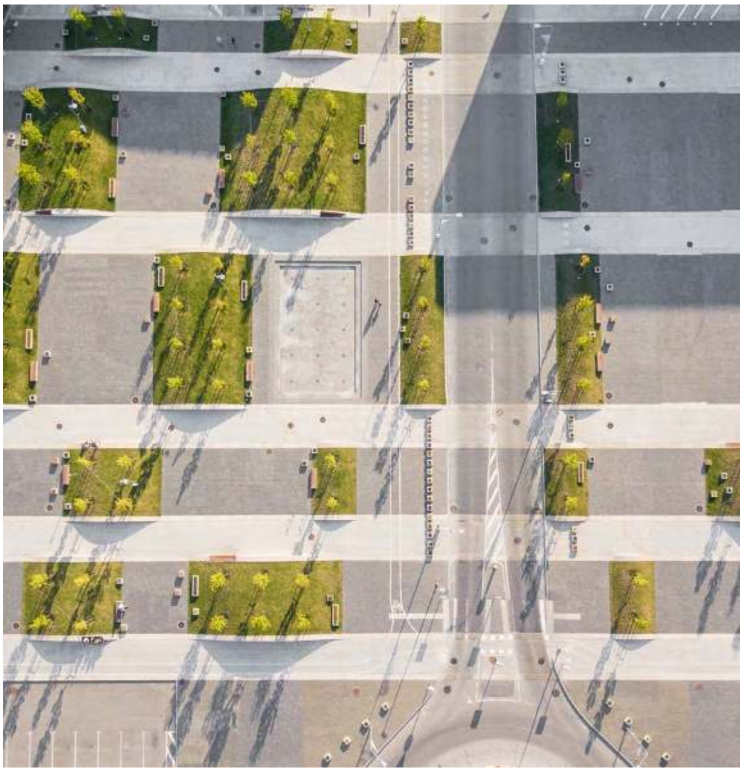
Sustainable Financial Disclosure Regulation (SFDR)

In 2022, Anthos focused heavily on the implementation of SFDR level II requirements and translating our frameworks and processes into the language of the regulation.

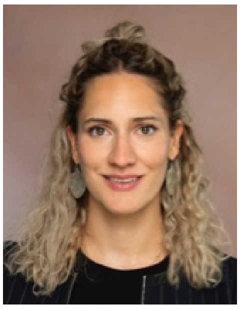
The outcomes showed that our proprietary frameworks and processes already included a lot of the elements put forward by the SFDR regulation, but also showed us where the improvement areas are, going forward.

Anthos views this regulation as necessary and welcomes the high standards it puts in place in the financial industry. For fund-of-funds investors, the challenge remains to think about the most relevant and efficient ways to translate this regulation to the kind of investments we do. We believe that the value of the regulation is in improving the processes and improving the data flow from the real economy to investors.

We note that a lot of investment and alignment across teams is needed to make successful reporting to SFDR possible. Streamlining data collection and workstreams is a priority moving forward so that the SFDR does not become too burdensome on teams.



Find out more about the SFDR regulation and how Anthos complies on Anthos' website.



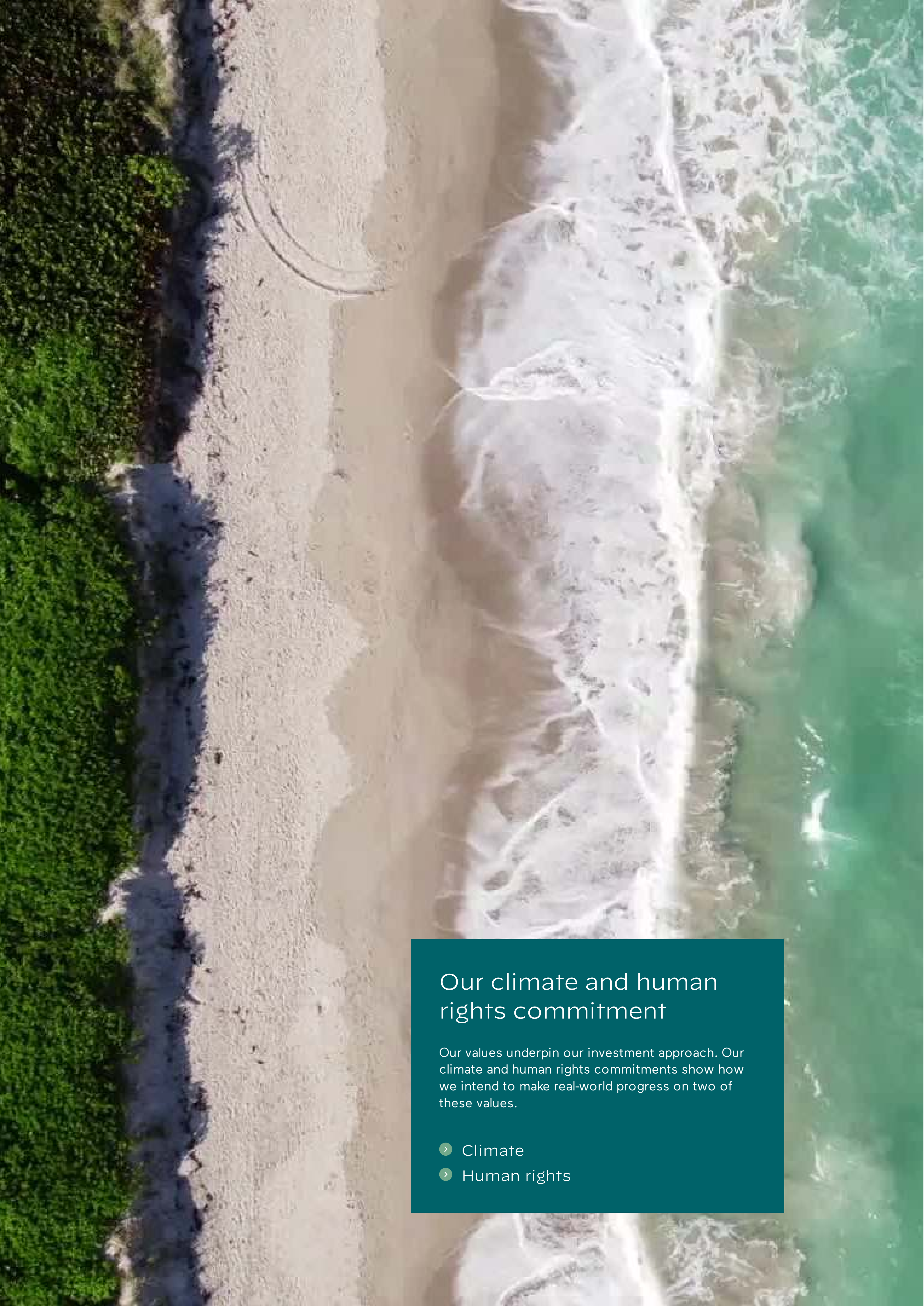
Claire Dumont
Responsible Investment Officer

"As a fund of funds, we see the importance of transparency as it enables us to make informed decisions.
We recognise the need for collaboration within our industry to ensure the successful implementation of SFDR, even when it means stepping out of our comfort zones.

While guidance on implementing level II requirements hasn't always been readily available for fund-of-funds, we have been all hands on deck to adapt and improve our processes accordingly.

Moving forward, a challenge we anticipate is effectively translating these requirements for external investment funds outside of the EU.

Nonetheless, we remain committed to supporting them throughout this journey and working with them to determine the relevant information to track and report."



Our climate and human rights commitment

Our values underpin our investment approach. Our climate and human rights commitments show how we intend to make real-world progress on two of these values.

- Climate
- Human rights

Climate

As a Dutch Climate Agreement signatory, our net-zero ambition reflects our commitment to climate action.
We hope to achieve our goal to be net-zero across all investments by 2040.

Setting a net-zero ambition

If 2021 was the year we set our target, 2022 was the year to embed that target across our entire investment platform. In a year where global emissions levels increased and energy prices soared, the financial risks associated with decarbonisation were brought to the fore.

Despite this, we pushed on with our net-zero ambition. Moving from concept to consolidation, we sought to cover more assets in our carbon modelling, to define specific pathways for each portfolio, and we started to use our levers of influence to enact change more meaningfully.

We provide a summary of our targets, principles guiding those targets, and developments in emissions for 2022 below. A detailed look at how we measure carbon emissions, assess climate-related risks and opportunities and set targets to manage performance against these can be found in our Taskforce for Climate-related Disclosures (TCFD) report. We will be publishing our second TCFD report in 2023.

We have set the following net-zero ambition targets

To be net-zero across all investments by 2040

25% reduction in emissions by 2025*

*Based on 2019 baseline.

50% reduction in emissions for each asset class by 2030*

*Based on 2019 baseline.

Our target-setting principles

The principles governing our net-zero ambition and implementation plan are:

1. **Leverage on our multi-asset expertise and positioning across the whole capital spectrum (equity, debt, private markets, alternatives) to realise our ambitions**

   The level of insight we'll gain from our unique position across all asset classes is something we intend to share broadly to help drive climate action.

2. **Recognise the difference in transition pathways across asset classes**

   Use a common approach and framework across all asset classes, but one which also allows for pragmatic asset class-specific implementation.

3. **Pursue a beyond-exclusions strategy, rooted in engagement**

   Prioritise engagement with the heaviest emitters within our portfolios.

4. **Approach the low carbon transition through managing climate risk and investing in climate solutions**

   We see the transition through a double materiality lens: it poses both additional financial risks for the portfolio as negative impact on all stakeholders; we also acknowledge that climate action presents portfolio opportunities for active investors, both in financial returns and in generating positive impact.

Carbon emissions for 2022

Total carbon emissions across asset classes for 2022					
	% of AUM	Reported	Estimated	Unknown	Economic Intensity (tCO2e/m. invested)
Listed equity	33%	77%	20%	2%	25
Listed corporate Debt	10%	50%	21%	28%	84
Investment grade bonds	4%	60%	14%	25%	32,8
High yield bonds	5%	42%	28%	30%	126,8
Developed sovereign bonds	11%	-	99%	-	138
Global real estate	10%	-	67%	21%	11
Private equity	11%	-	73%	16%	40
Multi-asset impact	3%	17%	37%	9%	9

As at 31 December 2022.

How to read this chart

The first column indicates the % of assets under management represented by a particular asset class. We show this to signify the materiality of each portfolio, which goes someway to explaining the levels of carbon emissions.

The middle column expresses the level of data quality for these emissions measurements. This is important to a) assess how reliable the emissions data is b) know if the measurements are good enough to 'steer' the portfolio and actively engage. Our data quality emissions measurement is based on PCAF guidance. As the table shows, data quality is high in listed asset classes, and nascent in private markets and alternatives although we are encouraged to see things changing.

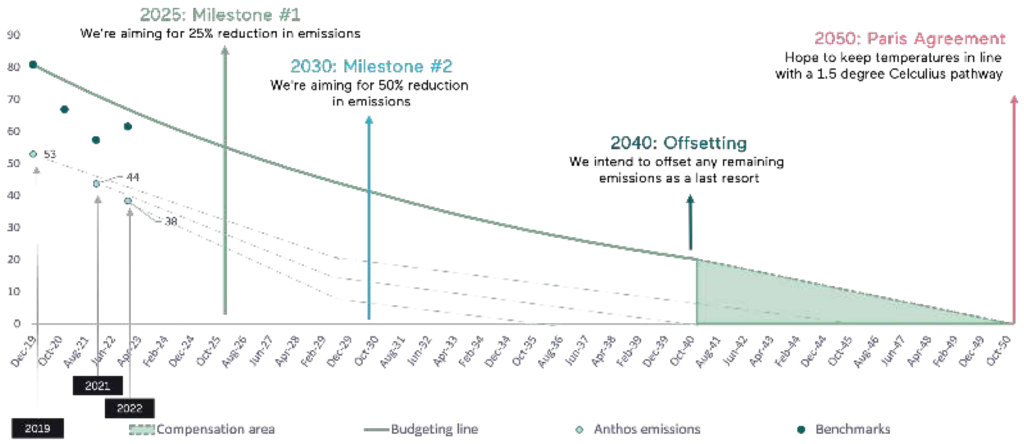
The right column shows one of the carbon emissions metrics we look at: we measure and actively use the economic intensity (tCO2e per euro million invested). We also report on absolute emissions in terms of 'tCO2e' (metric tons) to our clients.

Our climate commitment in action

For the total portfolios emissions that are known, we track the path since 2019 and assessed how this fares versus our net-zero ambition pathway.

Anthos net-zero ambition pathway carbon emissions

(Ton CO_2e/€ m Inv):



As at 31 December 2022.
Carbon metrics ©2022 MSCI ESG Research LLC.
Reproduced by permission.

How to read this table

The 'Anthos emissions' dots represent Anthos' reported emissions which make up 40% of total assets under management and encompass listed equities and listed corporate debt (European investment grade and global high yield). The 'budgeting line' represents the maximum threshold of emissions to enable these portfolios to reach net zero. The 'compensation area' from 2040 onwards represents the expectation that we will need to offset any remaining emissions using natural capital solutions. 'Benchmarks' represents the total emissions of the respective benchmarks for the equities and listed debt portfolios: MSCI World ACWI, Bloomberg Barclays Euro agg, and Bloomberg Barclays Global high yield, respectively.

"

Bastiaan Pluijmers
Head of Investment & Strategy Research

In 2019 Anthos signed the Dutch Climate Agreement, thereby signalling we are serious about decarbonisation. Since then, we have come a long way in developing an ambitious net-zero framework that makes sense for a fund-of-fund investor like us. This year has been all about consolidation of the development work done.

This was also clearly the case for the broader industry, illustrated by the progress report published on the Dutch Climate Agreement towards the end of last year by KPMG. We have been actively contributing to this progress report through our work for DUFAS, and happily can say the conclusion of the report tentatively confirmed that we (and the industry) are on the right track.

Our corporate carbon footprint

Scope 1				
Year	2019	2020	2021	2022
Fuel combustion	7.0	12.1	16.5	11.6
Company vehicles (Investments/ downstream leased assets in direct control)	50.0	5.5	13.9	18.0
Total Scope 1	**57.0**	**17.5**	**30.3**	**29.5**

Scope 2				
Year	2019	2020	2021	2022
Purchased electricity Purchased heating or cooling Investments/ downstream leased assets in direct control	35.0	5.6	11.7	17.0
Total Scope 2	**35.0**	**5.6**	**11.7**	**17.0**

Scope 3 Direct				
Year	2019	2020	2021	2022
Fuel- and energy- related activities	8.0	22.0	13.5	10.9
Waste generation in operations	0.0			
Business travel	424.4	30.9	58.8	280.2
Employee commuting	64.1	25.2	32.4	26.9
Total Scope 3 Direct	**496.6**	**78.1**	**104.7**	**318.0**

Total Direct	588.6	101.3	146.7	364.5

Scope 3 Indirect				
Year	2019	2020	2021	2022
Purchased goods and services	-	-	-	-
Capital goods	-	-	-	-
Upstream transportation and distribution	-	-	-	-
Upstream leased assets	-	-	-	-
Downstream transportation and distribution	-	-	-	-
Processing of sold products	-	-	-	-
Use of sold products	-	-	-	-
End-of-life treatment of sold products	-	-	-	-
Downstream leased assets	-	-	-	-
Franchises	-	-	-	-
Investments	-	-	-	-
Total Scope 3 Indirect	**-**	**-**	**-**	**-**

As at 31 December 2022.

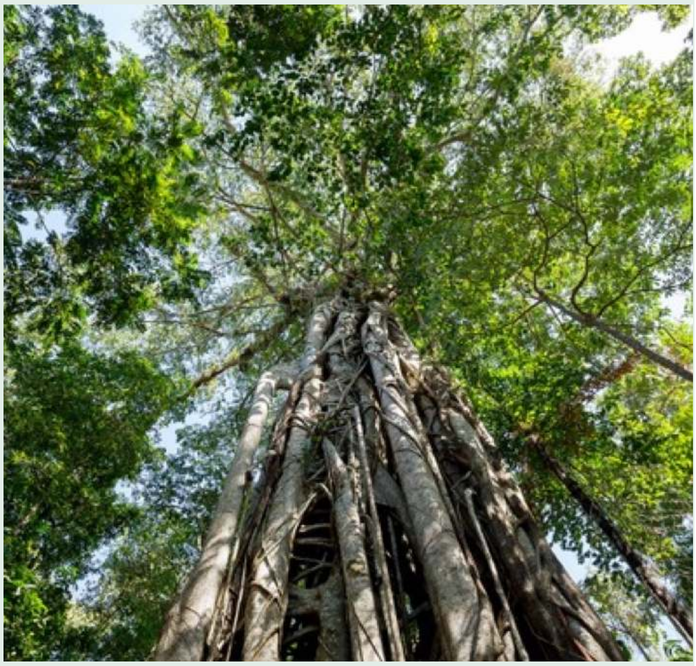
Carbon emission offsetting

Anthos has set out to compensate for its directly-controlled emissions. The carbon emissions for Anthos over 2022 are not yet finalised, so the compensation has not yet taken place.

About our emissions data, metrics and models

In general, Anthos follows the PCAF standard, the MSCI carbon metrics and GRESB datasets for its analysis. A detailed look at how we measure carbon emissions for our portfolios including how and why we chose those metrics, the importance of data quality, forward-looking climate metrics, and much more can be found in our TCFD report.

A detailed look at how we measure carbon emissions for our portfolios can be found in our TCFD report.



Human rights

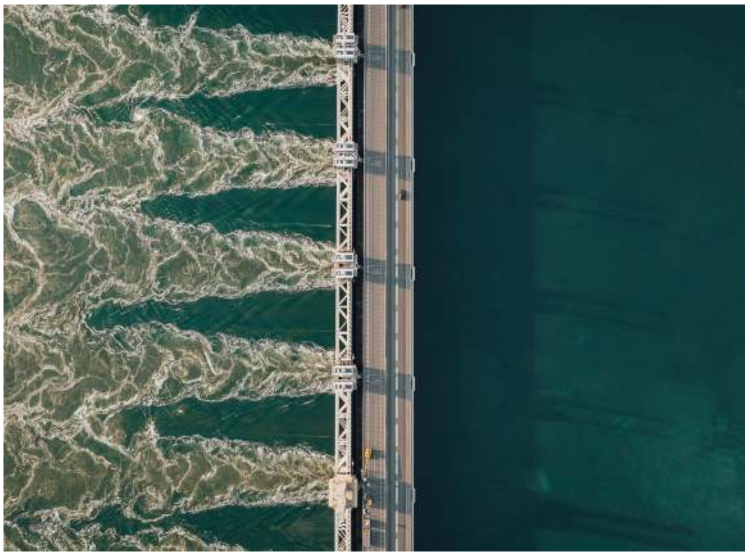
Anthos' value of human dignity encompasses its commitment to human rights. We recognise the Universal Declaration of Human Rights and seek to adopt it as our standard.

Human dignity is a basic human right: universal, inviolable and inalienable. We use the UN Guiding Principles on Business and Human Rights (UNGP) as a framework to safeguard human dignity and follow the UDHR. As a fund-of-funds asset manager, we strive to exclude weapons, tobacco, gambling and adult entertainment from our investments because of their negative impact on human rights and human dignity. Where we cannot, we use our exclusion policy and thresholds to send the strongest possible signals to our external managers, which we combine with dialogue to bring about change.

1 Understand

In 2022, we took our first steps to developing our human rights commitment. In order to understand the issue and develop Anthos' position on human rights, we first sought expert advice from our network of mangers deemed leaders in human rights practices. We then created a number of workshops together with the leading expert on the UN Guiding Principles on Business and Human Rights, SHIFT, to develop our knowledge and position on this topic. By the end of the year, we had published our first Human Rights Statement, as a commitment to further strengthen our capacity to respect human rights from the different roles we have as an employer, business owner, through to our investments.

Our statement includes our initial plan from 2022 to 2025 and the steps we believe we should take. We are sure that we will learn a lot on the way and we invite our stakeholders to join us on this path.



2 Implement

Our intentions, as laid out in our Human Rights Statement are to:

- Publish a Human Rights policy
- Update current tools for external managers selection in due diligence and monitoring (via our ESG and IMP scorecard)
- Training for engagement with our external managers
- Client support for human rights policy and implementation where needed

3 Influence

Our intentions, as laid out in our Human Rights Statement are to:

- Report according to UNGPs Reporting Framework
- Set targets for external managers engagement and outcomes
- Continue improving tools and engagement
- Continue training, reporting and organising events

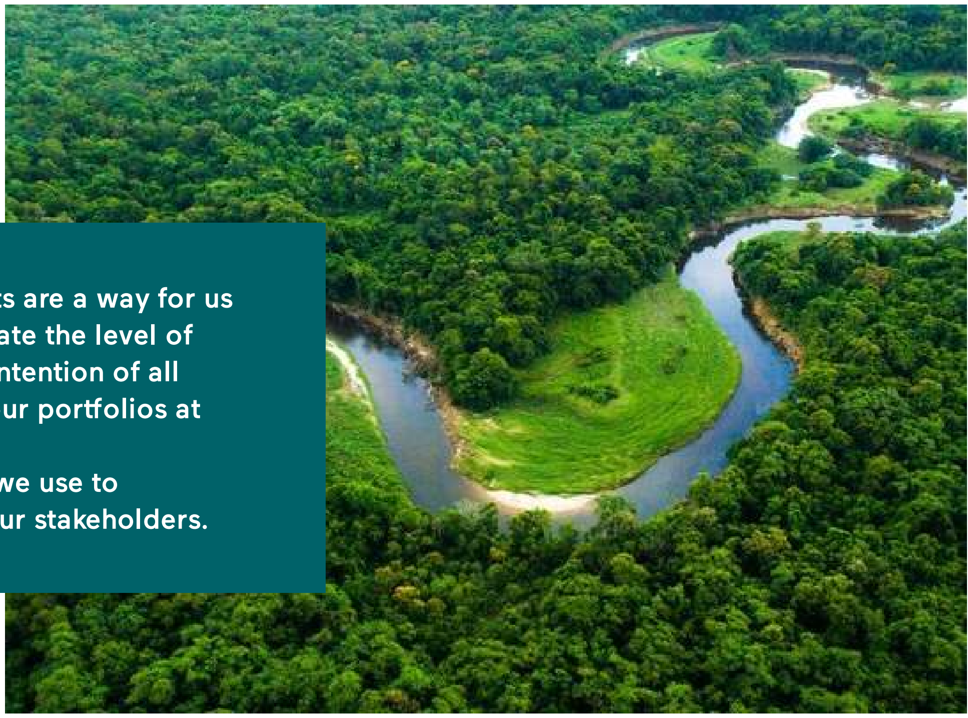
Find more information at our website

Investments in action

From public to private markets, to alternatives and OCIO services, we are striving to increasingly invest in line with our values. 2022 was a year of lessons, which strengthened our understanding of how to invest responsibly in difficult investment environments.

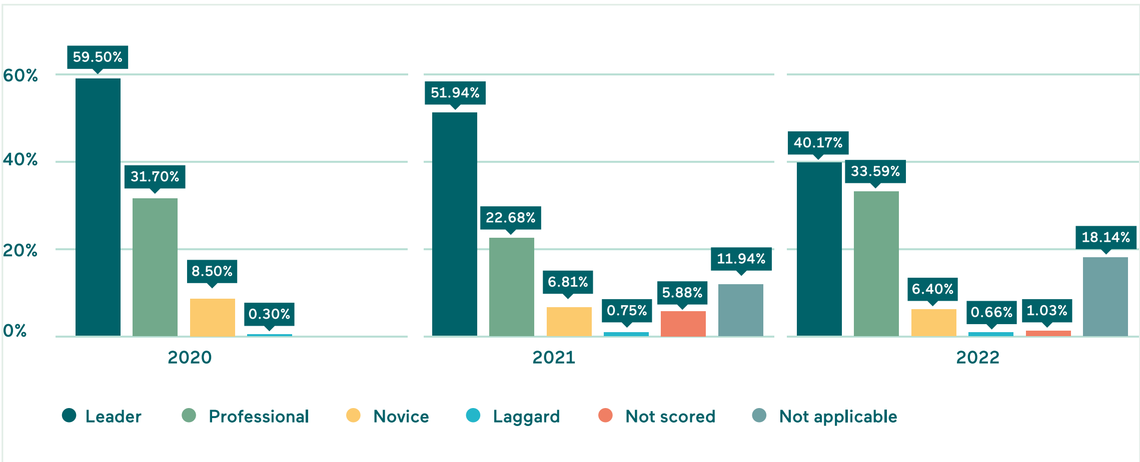
- ESG and IMP assessments
- Equities
- Fixed income
- Global real estate
- Absolute returns
- Private equity
- Multi-asset impact
- Outsourced chief investment officer (OCIO) services

ESG and IMP assessments



Our ESG and IMP assessments are a way for us to understand and communicate the level of ESG integration and impact intention of all underlying managers within our portfolios at Anthos.
They represent the language we use to communicate progress with our stakeholders.

ESG assessments
(% of total assets under management)



'Not scored' and 'not applicable' numbers for 2020 are unknown, so we use the same numbers as 2021 as an estimate.

How to read this graph

Overall in 2022, our exposure to A-rated funds decreased, to MD-rated funds increased, and to B-rated and C-rated funds remains unchanged as at the end of December 2022.

Diving deeper into the same movements per asset class, we can see that most asset classes increased their exposure to As and decreased their exposure to MDs. Many asset classes also added new Bs to their portfolios in 2022.

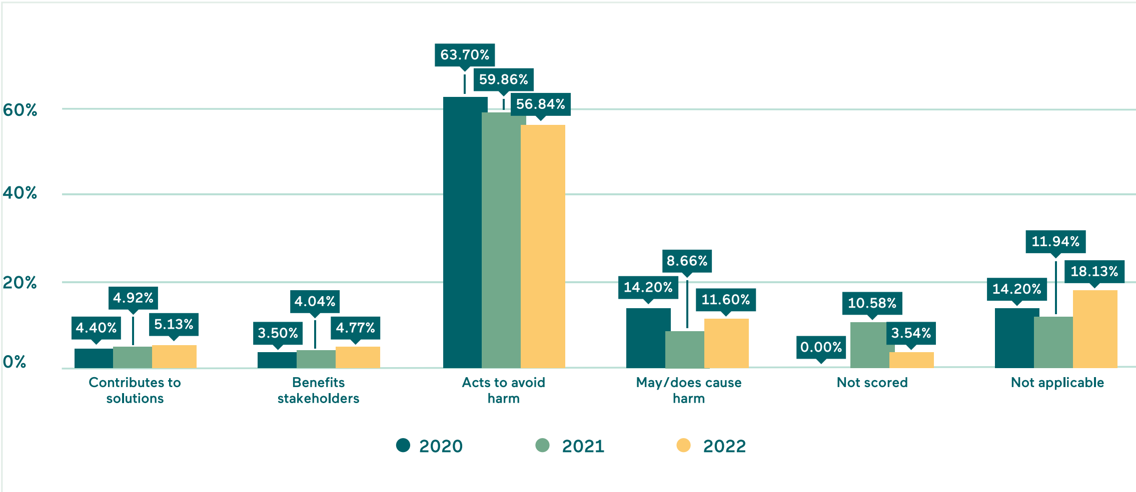
The slight decrease in As is due to rebalancing, new funds other than As, and divestments away from A funds. The lion's share can be attributed to fixed income for tactical reasons (you can read more on this in the fixed income section later in this chapter).

The slight increase in Bs was driven by the new B funds onboarded in several asset classes. However, the slight decrease in Cs reflects the lack of increased allocation to sustainable strategies, which probably reflects the difficult environment for such funds in 2022.

The same challenging environment saw the increase in MDs, due to a reallocation of assets to funds with this profile in a year which challenged sustainable strategies. In addition, some funds were rescored from As to MDs in light of review conversations with the investment teams.

IMP assessments

(% of total assets under management)



As at 31 December 2022.

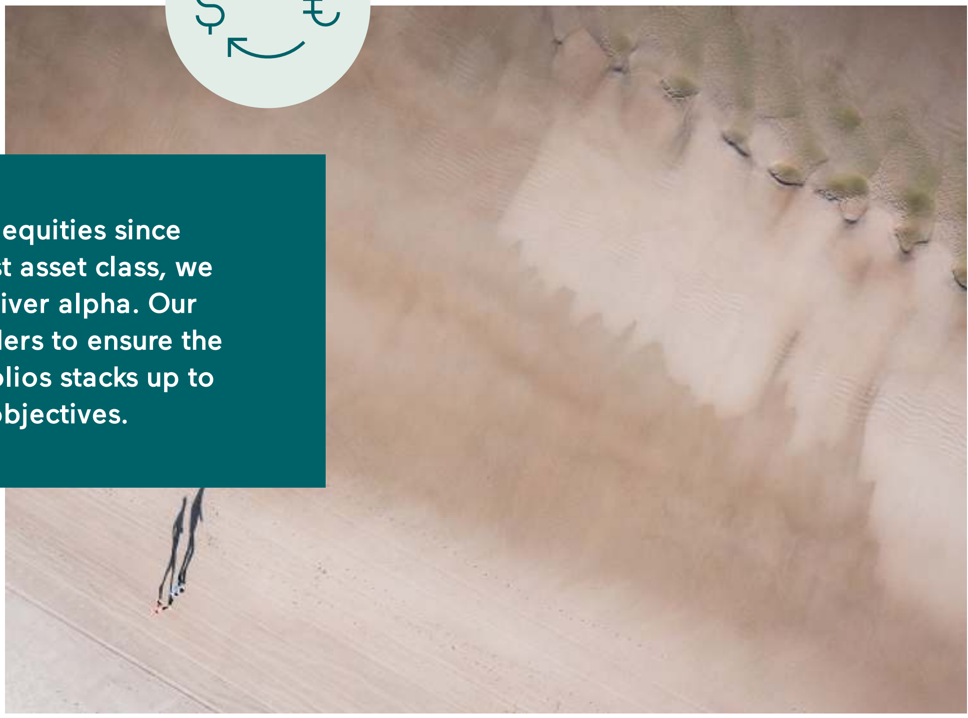
How to read this graph

Overall in 2022, Anthos remains invested primarily in leaders, then professionals. There are some novices in the portfolio, but the share of investments in novices remains in line with 2021, and the part in laggards is negligeable.

If we focus on the largest share of our assets, we can see that our overall exposure to leaders decreased and our overall exposure to professionals increased between 2021 and 2022. The decrease in leaders is mainly driven by movements in equities, which is our largest asset class and so influences moves more prominently than others, which all actually increased their share of assets in leaders.

Elsewhere, the impact portfolios saw a significant increase in leaders (8,6% in 2021 to almost 60% in 2022), in large part due to newly added listed equity strategies in the portfolio. Real estate also increased significantly its share of leaders mainly through scoring unscored funds and reassessing some of their funds as leaders. The same effect is observed for absolute returns.

Equities



Anthos has invested in public equities since 1929. Representing our largest asset class, we invest in ESG leaders that deliver alpha. Our team engages with these leaders to ensure the company activity in the portfolios stacks up to the managers' sustainability objectives.

Find our more about our equities strategies

Boudewijn de Haan
Managing Director Equities

Lennart Frijns
Managing Director Equities

How does the strategy align with Anthos' values?

The ethos which drives the strategy and what we look for in underlying managers is: good performance, at reasonable costs, with strong ESG credentials. All the managers and strategies within the equities strategy follow this ethos. All managers are PRI signatories, all score as either 'Professional' or 'Leader' using our ESG and IMP scorecard, and several funds are generating measurable and positive impact on society and the world.

One of the best ways to demonstrate this is with the carbon emissions footprint of the strategy, which is consistently lower than the benchmark with 2022 as no exception. When measured against Anthos' net-zero ambition pathway, the team's climate-conscious decisions mean that, so far, we are cautiously on track to achieve our ambition for net-zero emissions by 2040. These results show how the equity portfolios align with our value of sustainability.

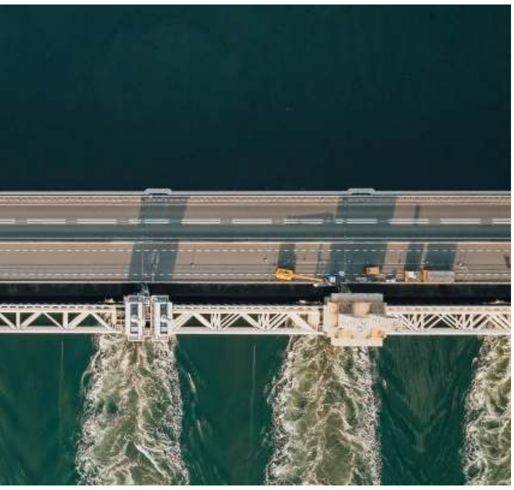
For our value of human dignity, we made strides in 2022 by collaborating with underlying managers we consider leaders in human rights to help us develop our understanding and approach at Anthos. Being able to ask for guidance and bringing that expertise into our ecosystem is one of the advantages we think of selecting and backing the best managers globally when it comes to ESG.

What were your greatest responsible investment challenges in 2022?

2022 was a year that saw energy prices soar, and this impacted our portfolios which have a strong ESG tilt and are typically underweight fossil fuel companies (as shown with our emissions). It was also a year where value outperformed growth, and managers with strong ESG credentials typically have a strong quality growth tilt as we did in 2022.

To address this, we took the following actions: we sought to add diversification by adding a quantitative value manager to counteract the growth tilt, we sought and selected a new manager with exposure to listed real estate to counteract inflation pressures and provide decent yields, and we engaged with our existing managers regularly to challenge their tactical decisions and risk mitigation in order to protect capital during this difficult environment.

Whilst we try not to assess either financial of ESG performance in short periods, we recognise 2022 as a challenging year for our portfolios and the broader sustainable movement. Despite that, we strongly believe our investment philosophy is future proof and reflective of the structural and sustainable trajectory the world is on. From the bottom-up, we will continue to seek out the leaders of that trajectory and from the top-down we continue to take comfort in the forces driving sustainability across all parts of the economic system.



Describe the opportunities for responsible investment for your portfolio?

We have invested in ESG funds since before it became mainstream, having seed funded several leading equities impact strategies which align with such frameworks as the SDGs and the Paris Agreement.

From 2022, there are now several strategies that fit that description, providing our investors with exposure to such themes as: green energy, healthcare, education, listed real estate, circular economy businesses and resource-efficiency. To mitigate financial risk from being too exposed to quality growth companies, we balance the exposure with contrasting managers such as quantitative value.

Over time, we intend to grow the portion of assets allocated to sustainable funds as the market grows better at pricing sustainability into valuations. We will always balance that goal with our number one priority which is to generate risk-adjusted financial returns for our clients.

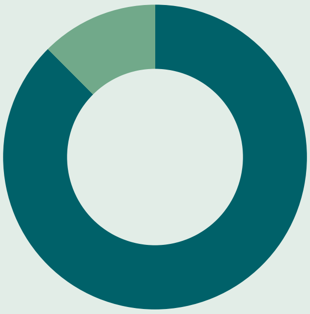
Assess how the ESG and IMP assessments have changed from last year?

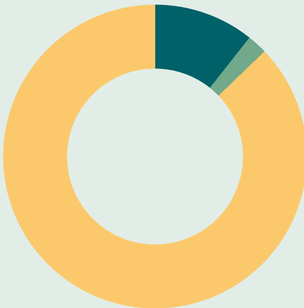
The entire portfolio is allocated to funds and managers that score as 'Leaders' and 'Professionals.' These high scores are consistent year after year given seeking out ESG leaders is a core part of our strategy. From 2021, you will see a slight decrease in leaders and increase in professionals due to tactical decisions to add more balance to the portfolios but we should expect swings like this in the challenging market environment.

For the IMP scores, like last year there were no funds that 'may or do' cause harm. The allocation to funds that 'act to avoid harm' increased from 82 to 82.7% this year, to funds that 'benefit stakeholders' decreased from 5.7% to 2.1%, and to funds that 'contribute to solutions' increased from 7.8% to 10.7%. Whilst we are pleased with these numbers, it's important to stress that they are just one indicator of sustainability performance and do not take into account the important of financial performance.

Moving forward, our focus is to continue engaging with all our managers to demonstrate progress on their sustainability ambitions whilst at the same time putting as much importance on generating long-lasting financial value.

ESG and IMP assessments





ESG assessment

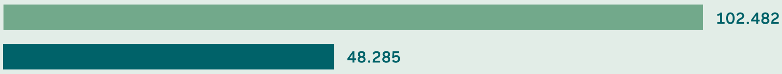
Leader	**87.51%**
Professional	**12.49%**
Novice	**0.00%**
Laggard	**0.00%**

IMP assessment

Contribute to solutions	**10.65%**
Benefit stakeholders	**2.13%**
Act to avoid harm	**87.22%**
May/Does cause harm	**0.00%**

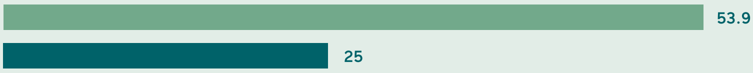
Total carbon emissions (Scope 1 + 2)

tCO_2e



Economic intensity

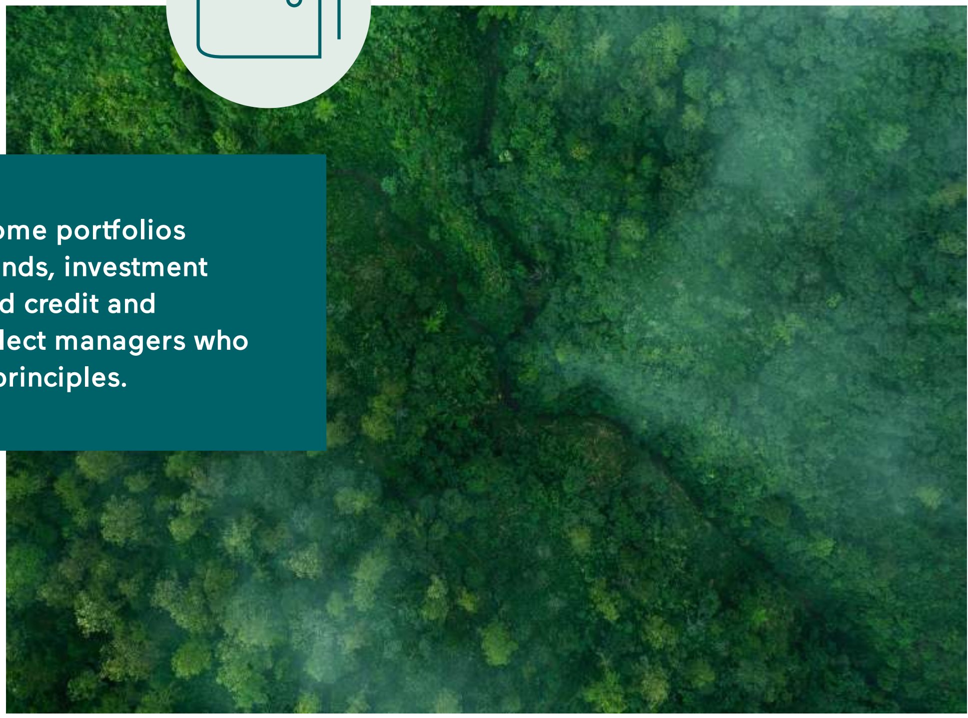
tCO_2e/€m invested



- Benchmark
- Anthos equity

Carbon metrics ©2022 MSCI ESG Research LLC. Reproduced by permission.
Benchmark: MSCI World ACWI

Fixed income



We manage diverse fixed income portfolios spanning global sovereign bonds, investment grade bonds, global high-yield credit and emerging market debt. We select managers who share our values, vision, and principles.

Find out more about our fixed income strategies

Hicham Zemmouri
Managing Director Fixed Income

Rodrigo Araya Arancibia
Managing Director Fixed Income

How does the strategy align with Anthos' values?

Our values are the backbone of our investment approach. Across the fixed income portfolios, a range of managers integrate these values in their investment process in various degrees. All of our managers are signatories of the PRI, and for those that do report under the SFDR, some report to Article 6, the majority report to Article 8, and a small portion to Article 9. All our managers have been assessed through our ESG and IMP scorecard where they are assessed in the 'Professional' or 'Leader' categories.

Some specific examples include:

- An emerging market sustainable sovereign bond strategy that employs a systematic ESG approach and excludes authoritarian states.
- A high yield credit strategy that delivers superior returns while engaging with their portfolio companies on ESG and climate in particular.
- A European investment grade corporate debt strategy with sophisticated management of ESG factors focusing on positive impact and exclusions, as well as a carbon intensity well below the benchmark.

Taking our value of sustainability, recognising that climate action is also a top priority for our stakeholders, we are pleased to see our efforts to manage the carbon emissions through selecting and engaging managers as productive. That said, we only use portfolio emissions as a rough indicator to guide conversations with managers. Our preferences is to focus on real-world economy decarbonisation through engagement with high emitters. To help these efforts, we joined the working group with the Partnership for Carbon Accounting Financials (PCAF) for tackling carbon accounting in emerging market sovereign debt.

A particular highlight for 2022 was our successful engagement with a major global manager to drop its sponsorship of a climate-skeptic organisation, which we expressed was a misalignment of values. This led to an enhancement of our ESG and IMP scorecard which means that sponsorships and partnerships will now be considered more specifically under the culture alignment section.

What were your greatest responsible investment challenges in 2022?

The main challenge for 2022 was the volatility in markets, which led us to make a tactical decision to allocate capital to a passive fund replicating the benchmark in order to mitigate financial risk. When it comes to the ESG and IMP scores, this negatively impacted them because, according to our current methodology, when a fund replicates the benchmark as a hedging strategy, and without an ESG overlay, this rates as 'May/Does cause harm' in its impact intent. We believe this shows the real challenges of balancing responsible investment with financial prudence as we continue on the sustainable transition. A key advantage we have in this arena, in our view, is the ability to make tactical decisions, allocate to diverse solutions as markets turn, all the while applying our robust responsible investment framework to keep our long-term philosophy central to what we do.

Data collection for SFDR compliance was a another challenge, but one that the team embraced by joining the internal SFDR working group and contributing views and guidance to tackle the reporting challenges. Data collection and reliability, coupled with unclear guidance from the regulation itself were particularly challenging. The result was, however, positive with the majority of managers that received high scores on our ESG and IMP scorecard aligning well with SFDR Article 8.

Describe the opportunities for responsible investment for your portfolio?

With equal measures of interest and scepticism, we are watching the market develop when it comes to strategies or managers focusing on specific sustainable themes or frameworks like the SDGs. Some observations are that higher-quality issuers are more advanced than lower quality ones, and in emerging markets a general rule is that all high-quality managers have a strong focus on democracy and sovereign governance already.

One area we are particularly interested in is the progress made on sustainable bonds in Europe. The top-down actions coming from the EU is driving innovation and transparency, and it’s an area of research we are currently exploring. Moving forward, the environment of higher interest rates and cautious signs of inflation peaking provide a benign market backdrop for investors to shift attention to solutions of long-term, sustainable yields.

In practice, we find that the rigour of our ESG and IMP scorecard assessment makes it a powerful and distinguished tool to engage both current and prospective managers on their alignment with international standards, trends and frameworks like the SDGs, the energy transition, human rights, and governance.

Assess how the ESG and IMP assessments have changed from last year?

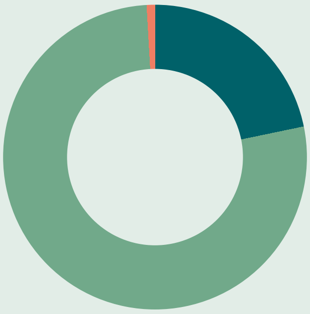
In the wake of the Russia/Ukraine crisis in emerging market debt markets, our emerging market debt portfolio significantly outperformed. With markets expressing uncertainty and volatility, we decided to reduce our active risk by half by adding a passive fund to the portfolio.

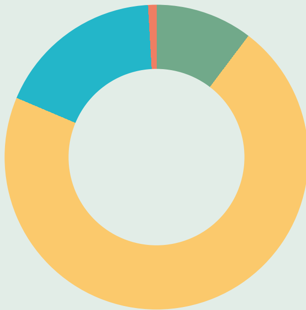
Whilst this was a positive for performance and risk management, it brought down the ESG and IMP scores because passive funds typically do not hold strong ESG credentials as they merely replicate a standard benchmark. This explains the increase in assets that 'May/Does cause harm' from 2.2% last year to 17.7% in 2022.

Elsewhere in our ESG scores from 2021 to 2022, our allocation to leaders increased from 17.5% to 21.7%, to professionals increased from 72.1% to 77.4%, and we continued to hold no managers considered a 'Novice' or 'Laggards.'

In terms of IMP scores, we described the reason why there was a higher allocation to funds that may or do cause harm. Elsewhere, our allocation to funds that act to avoid harm slightly increased from 69.4% to 71%, to funds that benefit stakeholders increase from 5.7% to 10.3%, and we have not yet invested in any funds that contribute to solutions by the IMP's standards.

ESG and IMP assessments





ESG assessment

Leader	21.74%
Professional	77.35%
Novice	0.00%
Laggard	0.00%
Not scored	0.92%

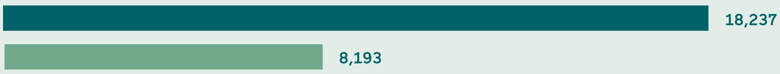
IMP assessment

Contribute to solutions	0.00%
Benifit stakeholders	10.31%
Act to avoid harm	71.06%
May/Does cause harm	17.71%
Not scored	0.92%

Investment grade bonds

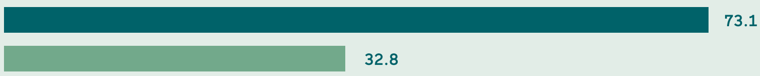
Total carbon emissions (Scope 1 + 2)

tCO_2e



Economic intensity

tCO_2e/€m invested



- Benchmark
- Anthos investment grade bonds

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Benchmarks: Bloomberg Barclays Euro agg, and Bloomberg Barclays Global high yield.

High yield bonds

Total carbon emissions (Scope 1 + 2)

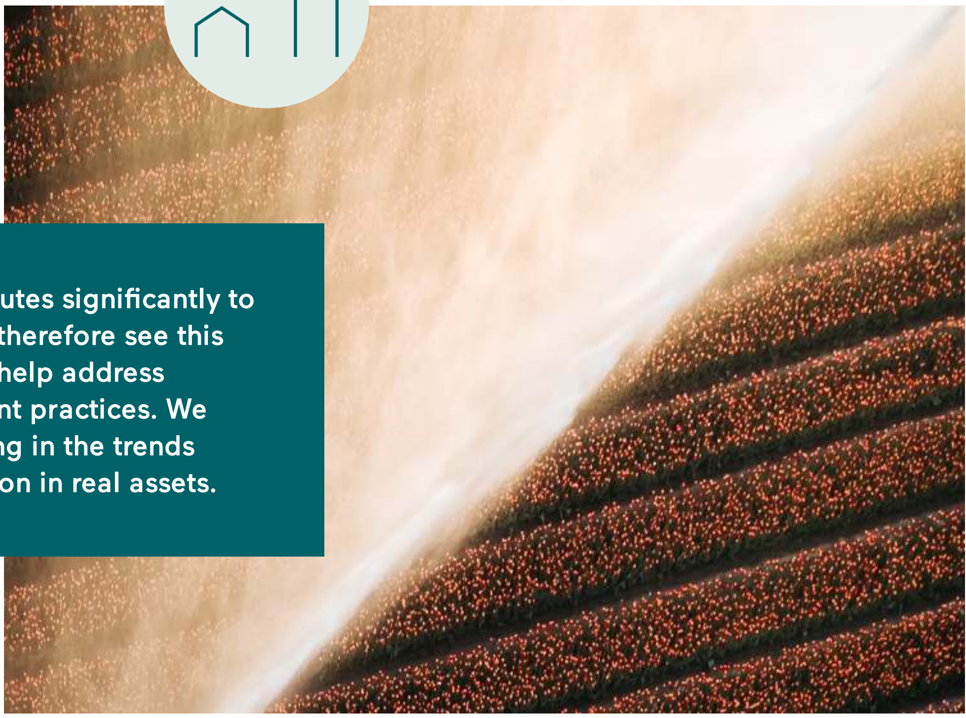
tCO_2e

Economic intensity

tCO_2e/€m invested

- Benchmark
- Anthos high yield bonds

Global real estate



The built environment contributes significantly to global carbon emissions. We therefore see this as a salient issue that we can help address through responsible investment practices. We strive to do this whilst investing in the trends driving long-term value creation in real assets.

Find out more about our private real estate strategies

John Linck
Managing Director Real Estate

Robert Lie
Managing Director Real Estate

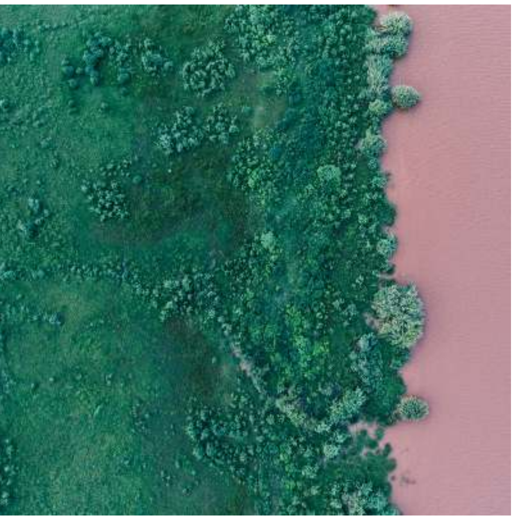
How does the strategy align with Anthos' values?

Our team places great emphasis on aligning the values of our prospect funds and managers with our own. Of the managers we have committed to in the portfolio, 100% participate in the annual Global Real Estate Sustainability Benchmark (GRESB) assessment and 100% report under SFDR as either an Article 8 or 9 fund. All but one manager are UN PRI signatories and all have been assessed through our ESG and IMP scorecard assessment, where they scored between 'Professional' and 'Leader.'

In 2022, a notable development is the increase in carbon emissions of the portfolio from 2021. As the world continues to recover from COVID-19, the depressed levels of economic activity and thus energy usage picked up to pre-pandemic levels in 2022. This makes our task as responsible investors all the more important to continue tracking, and engaging with our managers to make change happen.

A sure way to do this is to constantly increase the quality of our carbon emissions data collection to have more specific conversations with managers. The weighted average greenhouse gas (GHG) emissions coverage of the portfolio was 92% with the coverage of managers we have committed to ranging from 60-92%. As ESG transparency is the foundation for improving the operational performance of assets in real estate portfolios and making progress towards sustainable real assets, we are engaging with our managers to improve asset-level usage and GHG emissions data.

The funds we invested in during 2022 not only published firm-wide policies on ESG issues, but also developed systems and procedures to ensure that these policies are followed. One manager we invested in during 2022 additionally published a supplier code of conduct which must be adhered to at all development projects, as well as all operational assets. It requires safe working conditions, working hours and wages, prohibits child labour/human trafficking/slavery, freedom of association, and data privacy.



What were your greatest responsible investment challenges in 2022?

Most of the challenges we experienced in 2022 were about ESG data collection, increased reporting requirements and alignment with market standards and regulations, especially the SFDR. These requirements are demanding more resources and time from managers. On data collection, managers are struggling to obtain occupier data from some tenant areas, which is making reporting difficult for these managers. We believe this is a growing pain which will subside as RI integration becomes the new normal and technology will help to facilitate this shift.

At the same time, we embrace the steep learning curve. To help better understand these developments, the team undertook climate change and human rights training which helps keep informed and engaged on RI topics.

Describe the opportunities for responsible investment for your portfolio?

We try to invest in line with our values, which is also what we believe the world needs. As Europe's population ages, there are significant gaps in social infrastructure like healthcare and education.

In 2022, we committed to a European impact strategy that aims to contribute to seven SDGs by investing in social infrastructure assets: healthcare and education facilities, social and affordable housing and buildings related to justice, emergency and civic services. The fund seeks to achieve a dual return objective: generate financial returns and have a positive social and environmental impact in the community. Through this investment, we strongly believe that positive outcomes could be achieved by aligning long-term capital with purpose-driven solutions to environmental and social challenges.

Given the contribution to global emissions from the built environment, coupled with our proprietary methodology for measuring carbon, we have placed our emphasis on climate and decarbonisation as a focus theme for 2023.

Assess how the ESG and IMP assessments have changed from last year?

During 2022, the team's ambition was to assess every manager in the portfolio using our ESG and IMP scorecard, as well as engaging with them thereafter. We did this to ensure we improve oversight of every underlying manager's position with regards to ESG and responsible investing. The team achieved this goal and now has a strong foundation of intel to build on.

With the insights obtained in 2022, we managed to identify where certain managers are lagging or leading compared to their peers. We also found there is clear room for engagement as managers' policies are often better than their practices. This is not surprising as sustainability and responsible investment among real estate funds are still in their early stages, managers are learning as they go and guidance from regulators and policymakers is a work in progress.

During 2023, we plan on raising special topics with our managers, particularly climate, in addition to engaging on areas where the managers may be lagging. There is still a long way to go, but we believe there is an opportunity to have a positive impact as assessed by the IMP part of our assessment.

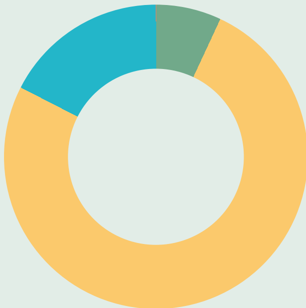
With that backdrop from 2021 to 2022, there was an increase in leaders from 25% to 43%, a decrease in professionals from 49% to 41.7%, a decrease in novices from 19.4% to 15.3%, and a decrease of laggards from 4.5% to none.

For IMP scores, we note that from 2021 to 2022 the number of funds that may or do cause harm increased from 14% 17.4%, a decrease of funds that act to avoid harm from 78% to 75.6%, an increase in funds that benefit stakeholders from none to 6.9%. Our allocation to funds that contribute to solutions remains at zero for the time being.

ESG and IMP assessments

ESG assessment

Leader	**42.95%**
Professional	**41.76%**
Novice	**15.26%**
Laggard	**0.00%**
Not scored	**0.03%**



IMP assessment

Contribute to solutions	**0.00%**
Benifit stakeholders	**6.94%**
Act to avoid harm	**75.60%**
May/Does cause harm	**17.44%**
Not scored	**0.02%**

Total emissions

6.357 $tCO2e$

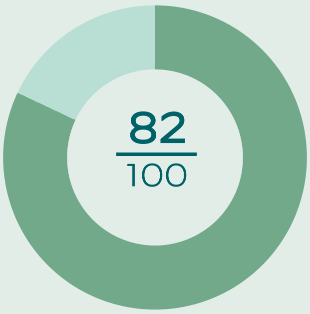
Economic intensity

11m

Data coverage

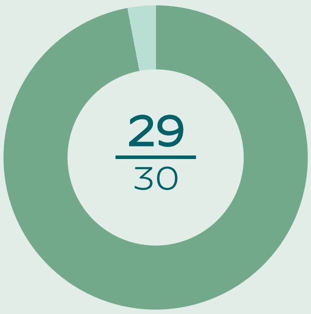
78%

GRESB management and performance scores



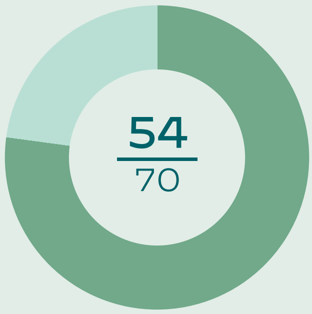
GRESB score

GRESB average	**79**
Benchmark average	**75**



Management score

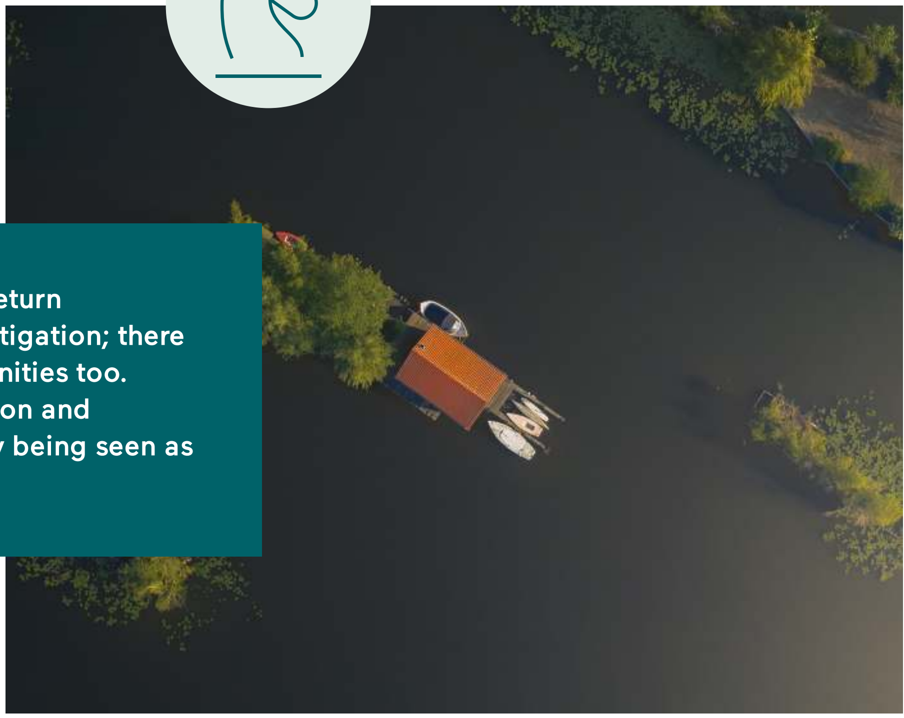
GRESB average	**28**
Benchmark average	**29**



Performance score

GRESB average	**52**
Benchmark average	**47**

Absolute return strategies



Investing responsibly in absolute return strategies is not only about risk mitigation; there are significant investment opportunities too. Themes such as the energy transition and resource efficiency are increasingly being seen as powerful drivers of future returns.

Find out more about our absolute return strategies

Reinoud van Ieperen Bokhorst
Managing Director Absolute Return Strategies

Matthew D. Kaplan
Managing Director Absolute Return Strategies

How does this strategy align with Anthos' values?

In the selection of managers and investment strategies for the absolute return portfolios, the Anthos values are fully integrated. In 2022, several strategies in our portfolios generated strong returns because trends in the global economy increasingly demand sustainable behaviour.

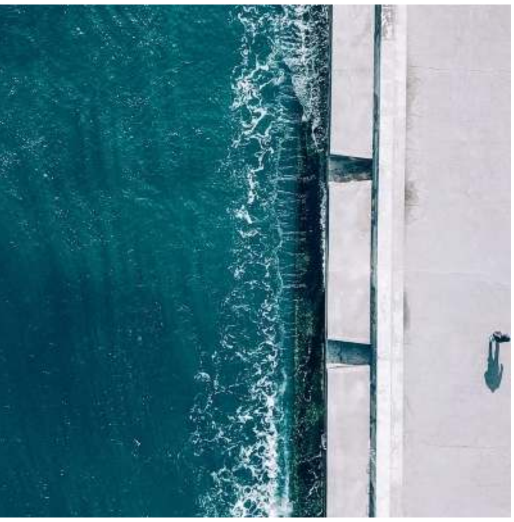
For example, rising inflation has pushed input costs higher across the board for all companies, putting their profitability under pressure. In this environment, companies with the most efficient production processes outperform peers creating much more waste, using much more energy and/or water. Two equity market neutral strategies in our portfolio have explicitly picked up on this company characteristic and apply it to select companies for their portfolio. In 2022, resource efficiency has been a more powerful driver of returns than it has been in years prior.

What were your greatest responsible investment challenges in 2022?

The inflation pressures in 2022 were in part caused by a lack of supply of a wide range of commodities. This development became clear to us in 2021 and has been a theme for us to explore. Because a large part of the commodities market comprises fossil fuels, we were hesitant to invest in funds that would potentially benefit from and facilitate increasing use of the dirtier fossil fuels such as coal.

Searching across the wider commodity sector and meeting specialists in the investment teams of managers we already invest in, we identified an opportunity to invest in a way that aligns with the energy transition and fight against climate change. The core thesis of the strategy is that demand for aluminium, copper as well as several specialty metals like lithium will materially accelerate in the coming five to ten years as a result of the energy transition. Although this is widely recognised in the industry, mining companies have made very limited investments in new production capacity. Because it takes several years to develop a new mine, a significant scarcity of those metals is likely.

In summary, investing in those commodities, the mining companies owning reserves and the currencies of countries that stand to benefit from increasing exports, is a profitable way to align with the energy transition and benefit from the general rise of commodity prices.



Describe the opportunities for responsible investment for your portfolio?

We strive to select managers that indirectly align with macro sustainability trends such as decarbonisation, resource efficiency and certain segments of the commodity sector where specialist materials are needed for the clean energy transition.

One example is a London-based quantitative equity market neutral strategy that uses ESG insights as an investment edge. Through their investment into companies that are more resource efficient (and shorting those that are most resource intensive), the firm supports companies that are more beneficial for the environment, which are expected to outperform over time.

Assess how the ESG and IMP assessments have changed from 2021 to 2022?

Of the total portfolio, 69% of assets are allocated to funds and managers that score as 'Leader' and 'Professional.' Within the absolute return space, a 'Novice' ranking often refers to managers that are careful not to overpromise in terms of ESG.

In 2022, a key lesson learned was that, in the absolute return space, managers are very mindful of the ESG challenges but also of the changing regulatory landscape. They want to be clear to their clients that their primary promise is to deliver optimal risk-adjusted returns. We know from our monitoring that the managers we select don't invest in harmful activities. It is difficult to code this into an unambiguous investment restriction.

Based on our review of 2021 versus 2022, it appears that our overall ESG score increased marginally. Of the managers that were held in the portfolio for both years, the scores of all except for two either stayed constant or increased. The two whose scores fell was due to the restructuring of the calculation between the two years (i.e. different categories and/or different weights to each category).

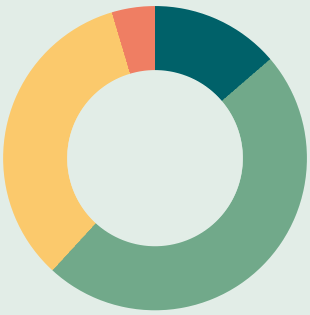
Overall from 2021 to 2022, some trends we observe:

- The rate of progress is largely correlated to the size of the manager. Large investment managers are able to allocate significant resources to expand and enhance RI integration, ESG, and reporting in many ways. Medium size managers seem to make consistent progress. Most smaller managers have the aspiration to progress, but simply don't have the resources to make much headway. These firms have employee counts of less than 20 and many of them do not invest in strategies that lend themselves easily to ESG integration.

For the firms where scores increased, we saw the biggest improvements in:

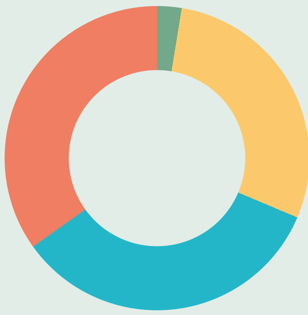
- Creating or enhancing ESG, RI, diversity, equity and inclusion (DEI), and/or corporate responsibility policies and/or leadership
- Building or creating dedicated ESG teams/resources
- Expanding or starting relationships with external vendors such as MSCI, Sustainalytics, TruCost, etc.)
- Beginning or enhancing ESG reporting

ESG and IMP assessments



ESG assessment

Leader	**13.67%**
Professional	**48.16%**
Novice	**33.55%**
Laggard	**0.00%**
Not scored	**4.61%**



IMP assessment

Contribute to solutions	**0.00%**
Benifit stakeholders	**2.57%**
Act to avoid harm	**28.79%**
May/Does cause harm	**33.79%**
Not scored	**34.85%**

Private equity

**Private equity is where entrepreneurial vision converges with financial acumen, innovation, growth, and value creation. Combining this with strong responsible investment principles unlocks the door to more sustainable innovation in growing businesses,
leading to positive lasting change.**

Find out more about our private equity strategies

Steven van de Wall
Managing Director Private Equity

Yorick Groen
Managing Director Private Equity

How does the strategy align with Anthos' values?

Since the start, the team has always invested in managers that have long-term, sustainable growth trajectories in mind for the companies. We avoid financial engineering and over-leveraging of companies and invest in managers where teams have a hands-on approach and are involved in the day-to-day management of their portfolio companies. Company turnarounds are therefore well thought through with the long-term growth of the companies in mind This might take more time than the 'quick-flip' turnarounds reported in the media. However, we strongly believe the benefits show during challenging market environments when resilient companies, with well-thought strategies and dedicated teams, are better able to steer those companies through the challenges successfully. The strategy's performance throughout the covid crisis and the 2022 inflation and energy crises shows this long-term strategy is a good fit for savvy investors.

We put emphasis on our relationships with our managers. We re-invest with successful managers, and they also put their trust in us to commit to long-term partnerships when they deliver strong results. In other words, we invest in private equity funds and managers where decency, values, and trust lead to companies that perform well time and time again. As the managers we invest in are often the sole or majority owner, they are directly responsible for the strategic decisions made by the companies. Being the owner that transitions companies from founder-led or fragmented, to large corporations that implement proper policies and processes is an important part of the value-creating characteristics we seek to add to the portfolio. Indirectly, we believe this especially ties to our values of good corporate citizenship and human dignity.

When it comes to sustainability, the available data to show measurable impact in our investment universe is still in its infancy. However, the data is improving enough to be able to decipher promising funds from the less promising ones, so we look forward to continuing our search in 2023.

What were your greatest responsible investment challenges in 2022?

We invest globally, and so many funds in the portfolio are not in the EU and so are not subject to SFDR regulations. In 2022, this meant that many firms struggled to collect the required data as they enter the portfolio companies at a very early stage: often founder-led and just a couple of years and employees in. This seems to create a division in the market between large-scale private equity firms with large teams focusing on investor relations and responsible investment reporting versus smaller firms that are not able to catch up with the constant changing standards due to the nature of their strategy and size. We fear the result may lead to those with the means being able to fulfil the requirements and those without may be overlooked, even if they are truly sustainable.

A major part of our strategy is to invest in managers that back relatively young companies. Often still founder operated, or locally successful and looking for international expansion. Our investments come in at the moment of maturity. The transformation very often includes developing processes, changing leadership and bringing the company up to the latest standards that are demanded by not only customers but also future buyers of the companies. Investing in managers and funds consisting of young and less mature companies also means there is often a gap in RI data availability. It could also mean a company is not performing well in terms of RI at the moment we enter, but will be transformed during our ownership. We like the ability to achieve an improvement rather than only acquiring companies that are already best in class at acquisition.

Describe the opportunities for responsible investment for your portfolio?

In 2022, we made steps to future proof the strategy by focusing on five new long-term sustainable themes moving forward: energy transition, education, health, technology and mobility. In practice, this means we commit to funds and managers that share our belief that these macro trends will drive future growth. In 2022, we committed to funds like Ambienta which classifies as Article 9 under SFDR, Synova and Mentha.

Ambienta is an investor targeting companies that provide services or products that utilise resources more efficiently.

Synova has a strong tilt towards healthcare and education, with previous investments including Charnwood Molecular, which specialises in drug discovery. Another example is AllClear Insurance, which specialises in travel insurance for people with pre-existing medical conditions – an underserved community.

Mentha is a Dutch private equity firm that acquires companies that focus on human rights and sustainability issues. Examples of their investments include Paradigma, a group of companies that focuses on sustainable employability by providing health and safety works in addition to psychological interventions, vitality scans and reintegration services. Another example is HB, which provides packaging services for the food industry where they focus on smart solutions to reduce costs, kilometres, energy and errors.

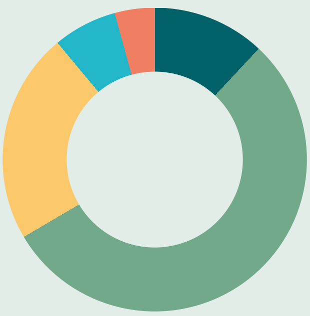
Assess how the ESG and IMP assessments have changed since last year?

Given our strategy focuses on the lower to mid-market, we expected the data challenges mentioned earlier to reflect the ESG and IMP scores. That said, we sought to assess all funds in our portfolio in 2022 and were pleasantly surprised by the results. On many aspects, the managers perform decently. Where managers are lagging behind, it is typically due to the aforementioned challenges, or the lack of data and staffing to be able to score on certain aspects.

When we assess the ESG scores from 2021 to 2022, we observe that leaders increased from 3.8% to 11.9%, that professionals increased from 26.9% to 54.6%, that laggards slightly increased from 5.6% to 6.8%, and that those funds we weren't able to score last year drastically decreased from 39.5% to 4.3%.

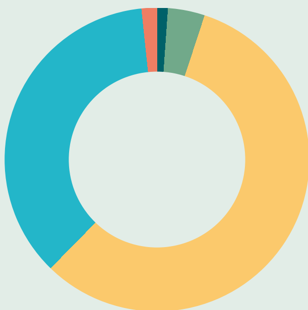
For the IMP scores from 2021 to 2022, we see that those funds that may or do cause harm decreased from 48.1% to 36%, those funds that act to avoid harm increased from 37.9% to 57.3%, those funds that benefit stakeholders increased from none to 3.9%, and those that contribute to solutions stayed roughly the same from 0.9% to 1.1%.

ESG and IMP assessments



ESG assessment

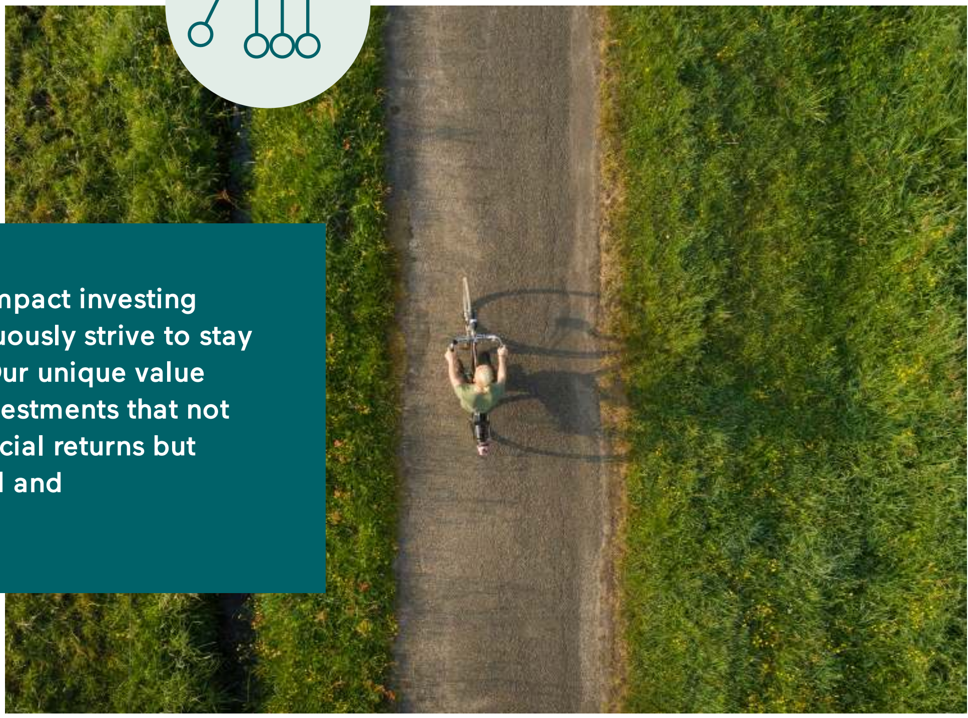
Leader	**11.94%**
Professional	**54.59%**
Novice	**22.42%**
Laggard	**6.78%**
Not rated	**4.27%**



IMP assessment

Contribute to solutions	**1.12%**
Benifit stakeholders	**3.91%**
Act to avoid harm	**57.31%**
May/Does cause harm	**36.11%**
Not scored	**1.55%**

Multi-asset impact



With a pioneering legacy in impact investing spanning decades, we continuously strive to stay at the forefront of progress. Our unique value proposition lies in seeking investments that not only generate favorable financial returns but also make a profound societal and environmental impact.

Find out more about our multi-asset impact strategies

Dimple Sahni
Managing Director Multi-Asset Impact

Diana Wesselius
Managing Director Multi-Asset Impact

Johanna Brenninkmeijer
Managing Director Multi-Asset Impact

How does this strategy align with Anthos' values?

As the strategy's core impact themes stem from these values, all the funds we select must be aligned in tangible ways. What's more, all managers we invest into operate ethically, transparently and aim to benefit their communities and societies, embodying good corporate citizenship to very high degrees.

An example is an investment into healthcare, which aims to benefit people across the globe by finding cures for multiple non-communicable diseases. Another example is from the listed equities sleeve, where the belief in systems change drives investment into environmentally-friendly technologies as these could result in more sustainable living conditions for disadvantaged and lower income populations, with a focus toward emerging markets.

What were your greatest responsible investment challenges in 2022?

On one side, new regulatory reporting requirements such as the SFDR was a challenge for many of the smaller external managers we invest in, especially non-EU ones. Throughout the year, they were pressed for resources to gather data in order to comply with the EU regulation. We think this is an interesting paradox in the impact world where deep, grass-roots impact and top-down regulations collide. We continue to use our influence as an limited partner on several advisory boards of our managers to help guide them.

Describe the opportunities for responsible investment for your portfolio?

All of our managers contribute to one or more SDGs, from more environmentally oriented, like SDG 7, Affordable and Clean Energy and SDG 13, Climate Action, through SDG 4, Quality Education and the more overarching SDGs, 1 of No Poverty, 5 of Gender Equality, and more. Some of them also have science-based targets and for one of the portfolios we actively monitor SBTi performance and projections.

Looking forward, we intend to continuously develop and refine our impact strategies and think how to position the portfolios optimally for the future.

Assess how the ESG and IMP assessments have changed from last year?

All of the funds in the impact strategies are either leaders or professionals with their ESG scores, and either benefit stakeholders or contribute to solutions for their IMP scores.

Adding new investments necessarily changes the ESG and IMP scores of the funds: more so on the liquid side, where market volatility does affect the scores. The challenge of building a true multi-asset portfolio diversified across multiple classes also resulted in challenging impact conversations: by financial design, the portfolio needed a sovereign bond manager, while by impact design, the investable universe of such impact managers was small: we added the manager which fit our impact and financial criteria, but it did bring down the portfolio impact score, as it had a low IMP score.

It however is a clear ESG leader, investing in emerging markets countries which 1) defend human rights; 2) do not finance controversial activities; and 3) promotes best practices in sustainability. The manager, however, does not provide a use of proceeds for the investments, making it difficult to understand how it reaches underserved communities. We are engaging with them on the latter, hoping to eventually receive more clarity on how the investments are utilised.

ESG and IMP assessments

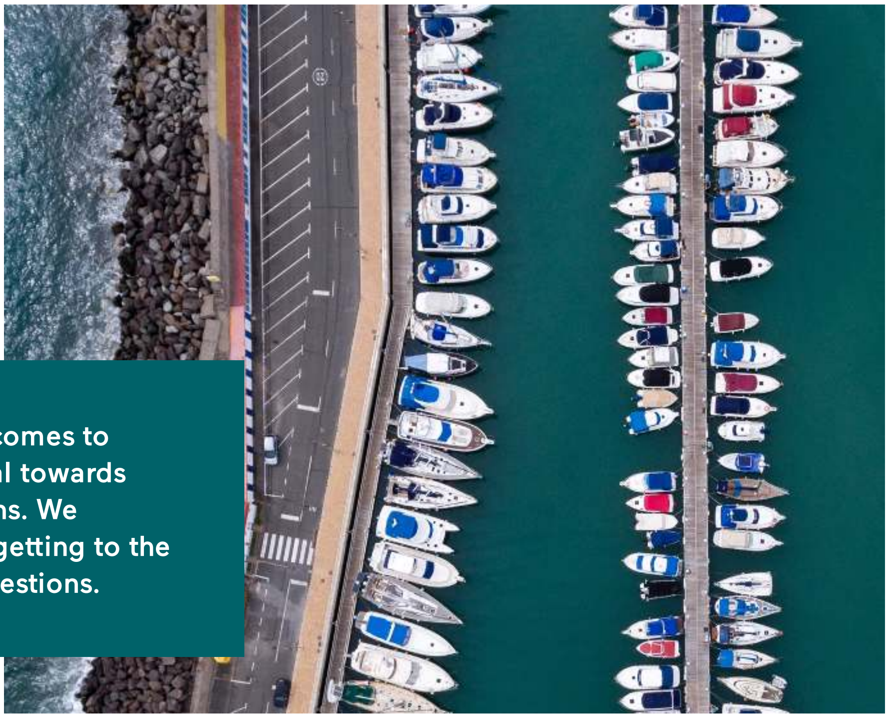
ESG assessment

Leader	**73.12%**
Professional	**26.88%**
Novice	**0.00%**
Laggard	**0.00%**

IMP assessment

Contribute to solutions	**66.46%**
Benifit stakeholders	**33.54%**
Act to avoid harm	**0.00%**
May/Does cause harm	**0.00%**

Outsourced chief investment officer (OCIO) services



There is much still to learn when it comes to helping our clients steer their capital towards better impact and sustainable returns. We recognise that, and are focused on getting to the right answers by asking the right questions.

Find out more about our OCIO solutions Relevant links:

Wouter ten Brinke
Managing Director Client Portfolio Management

Ferry Vos
Managing Director Client Portfolio Management

As part of our commitment to responsible investing, Anthos has taken significant steps to integrate environmental, social, and governance (ESG) risks and opportunities into our investment process and frameworks. The OCIO team understands the importance of addressing climate change and sustainability topics in our investment strategies and have implemented various measures to consider these factors.

At Anthos, we approach ESG risks from a bottom-up perspective, focusing on the specific investments within our portfolios. While our OCIO team currently allocates to benchmarks and asset classes without explicit consideration of ESG factors, we do have certain ESG considerations in place. For instance, some of our clients have decided against investing in commodities due to the perceived poor sustainability credentials. However, we understand the need to critically evaluate such decisions, especially considering the role of commodities in achieving energy transition and sustainable development goals.

This is a matter of values for each client, which is why we developed a comprehensive seven-step investment process as part of our OCIO services. This process aims to determine what are our clients' values, needs, and preferences are within the macro-economic context. We then help our clients realise these ambitions.

In 2020, we established a working group dedicated to understanding the implications of climate change for our firm. In our efforts to evaluate climate risks, we conducted a value-at-risk analysis on multi-asset client portfolios. The results indicated that, while climate risk is undoubtedly important, it poses a relatively low financial risk in several temperature-changed scenarios. If you think that markets are incredibly efficient at pricing risks, this makes sense within the context of gradual temperature increases.

As part of prudent risk management, we concluded that it is currently more effective to focus on addressing climate change through bottom-up investment strategies, rather than incorporating top-down strategic asset allocation. We maintain a constant monitoring of climate as a macro risk factor, documenting our approach in our policies, annual investment outlook, and regular client conversations.

Furthermore, we have observed an increase in demand and concern among our stakeholders regarding climate-related matters. This growing awareness has allowed us to engage in serious discussions at the highest level of governance for our institutional clients. We firmly believe that climate considerations should not be confined to a particular team but should be integrated into the broader decision-making process.

However, challenges persist for fiduciary managers and OCIO investors seeking to further embed climate considerations in decision-making. The need for more evidence of financial risks in the models and the availability and quality of ESG data pose significant challenges. Additionally, implementing ESG benchmarks may expose clients to financial risks, as demonstrated by underperformance in 2022. Carbon emissions data is particularly complex and imperfect, especially when investing across the multi-asset empire of public and private asset classes

> "We firmly believe that climate considerations should not be confined to a particular team but should be integrated into the broader decision-making process."

Nevertheless, our core expertise lies in taking a long-term view on market returns and capital allocation. We conduct extensive analysis of climate risks, including physical, transitional, and opportunities, associated with integrating climate considerations into our investment process. Currently, we rely on the expertise of our managers, who align with our rigorous responsible investment policies at the bottom-up level, where the picture is clearer.

Looking ahead, in 2023, we are conducting a comprehensive gap analysis to identify the necessary top-down actions to achieve our net-zero ambition by 2040. We are excited to review the results and openly discuss them with our clients. These findings will serve as a baseline for engaging in meaningful conversations with other investors and experts facing similar challenges. We eagerly anticipate sharing our conclusions in next year's annual report.

Invest forward, inspire change.

We are a values-based asset manager striving to reduce the negative impact and increase the positive impact of all investments under management.

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