

GLOBAL ENVIRONMENTAL OPPORTUNITIES OPTION

The Global Environmental Opportunities (GEO) option gives you the opportunity to direct your investment towards assets or securities selected on the basis of certain environmental considerations that aim to address environmental challenges and/or contribute to a more environmentally sustainable economy.

To be eligible for inclusion on the GEO option, in addition to our fund-wide exclusions and negative screens:

- a listed equity security must have at least 20% of its reported revenue derived from environmental themes; and
- infrastructure and private equity assets must have business activities that seek to address current and emerging environmental issues and opportunities, noting that these may include development assets.

In addition, the GEO option will aim to ensure that, in aggregate, at least 50% of the weighted average reported revenue from the listed equities component of its investments is derived from environmental themes.

Examples of these environmental themes include but are not limited to businesses, products, services, infrastructure and technology (including emerging technologies) related to:

- alternative energy –supporting or providing components for renewable energy, alternative fuels and electrification
- energy efficiency – supporting the maximisation of productivity with the aim to reduce energy consumption
- sustainable water – supporting or providing components for addressing water scarcity and water quality issues
- green building –contributing to sustainable buildings, design, construction, redevelopment, or retrofitting aimed at improving energy efficiency, climate change mitigation or adaptation
- pollution prevention –aiming to reduce and/or prevent pollutants, waste and emissions
- sustainable agriculture –supporting or providing components which aim to improve efficiency, address biodiversity loss, pollution, land disturbance, and water overuse
- other – seeking to deliver solutions to an environmentally sustainable economy including emerging technologies supporting a transitioning economy.

Selecting assets

In addition to our fund-wide exclusions and negative screens, to be eligible for inclusion in the GEO option, a listed equity security must have at least 20% of its reported revenue derived from environmental themes (examples of which are listed above). In addition, the GEO option will aim to ensure, in aggregate, at least 50% of the weighted average reported revenue from the listed equities component of its investments is derived from environmental themes.

The listed equities portfolio weighted average environmental reported revenue is calculated by

1. identifying the percentage of environmental revenues for each company;
2. multiplying each environmental revenue percentages by the security's exposure weight in the portfolio;

3. this results in a series of individual security weighted environmental revenue figures; then
4. the individual security weighted environmental revenue figures are added together to get a portfolio weighted average environmental revenue total, expressed as a percentage.

For example, if Company A has 30% of its reported revenue derived from environmental themes and the GEO option holds 5% of Company A, then the contribution from Company A would be $5\% \times 30\% = 1.5\%$. Contributions from all the holdings are then aggregated to determine the weighted average environmental revenue for the listed equities component.

Infrastructure and private equity assets (which may include development assets) are selected if they have business activities related to the environmental themes listed above and/or seek to address current and emerging environmental issues and opportunities. These assets may include renewable energy assets such as wind and solar assets. Companies that qualify for this option do not necessarily have low carbon emissions. The GEO option may invest in energy companies that generate revenue from a mix of energy types (for example, fossil fuel or renewable energy) provided renewable energy accounts for over 70% of reported revenue.

We aim to screen the listed equities held in the option every six months based on the revenue they report and rely on data provided by specialist ESG research providers. There may be cases where a company's revenue mix changes (e.g. due to merger or demerger activities) and then falls below the revenue thresholds. Where this occurs, we seek to identify this in the next review. This means that from time to time, there may be securities held in the option that fall outside our inclusion requirements due to the timing of our operational controls.

Risk and other factors

When considering investing in the Global Environmental Opportunities option you should keep a number of factors in mind. The GEO option is less diversified than traditional products because of its limited exposure to:

- Asset classes: GEO's exposure includes equities, infrastructure and private equity assets. Refer to [Page 4](#) for details on diversification compared to traditional products and other options with limited asset class and sector exposures.
- Sectors and securities: GEO's exposure to sectors and securities is constrained by its alignment with environmental themes and the application of negative screens. For instance, this option is less diversified across industry sectors than traditional international shares options. For example, it is unlikely to include companies in industries such as consumer durables and apparel, media, retailing, healthcare, or finance due to eligibility criteria.